



2023 ANNUAL REPORT

Responsible Mining. Critical Resources. Clean Future.

RECENT HIGHLIGHTS

- ✓ Appointed mining veteran Jon Cherry as new President and CEO and to the Board of Directors.
- ✓ Appointed Jessica Largent, Chief Financial Officer, to the Board of Directors.
- ✓ Received \$8.5 million in cash from Franco-Nevada Idaho Corporation (“Franco-Nevada”) through a new royalty agreement for net smelter return royalty on future payable silver production from the Stibnite Gold Project (the “Project”) properties to Franco-Nevada.
- ✓ Awarded additional conditional funding of up to \$34.6 million under the Defense Production Act (“DPA”).

2023 HIGHLIGHTS

- ✓ Zero lost time incidents or reportable environmental spills.
- ✓ The 75-day comment period led by the United States Forest Service (“USFS” or “Forest Service”) on the Supplemental Draft Environmental Impact Statement (“SDEIS”) for the Stibnite Gold Project concluded with more than 15,000 letters submitted in support of the Project.
- ✓ Added to the Russell 2000® Index and the broad-market Russell 3000® Index.
- ✓ Held 2023 Annual General Meeting and shareholders voted in favor of all management proposals.
- ✓ Published Perpetua Resources Corp. (“Perpetua Resources”, “Perpetua” or the “Company”) 2022 Sustainability Report, the Company’s tenth annual sustainability report.
- ✓ Signed definitized Technology Investment Agreement (“TIA”) for critical minerals award of \$24.8 million under Title III of the DPA.
- ✓ Clean Water Act Settlement Agreement with the Nez Perce Tribe filed in the U.S. District Court for the District of Idaho.
- ✓ Continued voluntary legacy waste cleanup and water quality improvement actions in historical Stibnite Mining District.
- ✓ Appointed Vice President of Projects to lead the Stibnite Gold Project.
- ✓ Awarded up to \$15.5 million in Department of Defense (“DOD”) funding to demonstrate a fully domestic antimony trisulfide supply chain.



COMPANY OVERVIEW

About Perpetua Resources and the Stibnite Gold Project

Perpetua Resources, through its wholly owned subsidiaries, is focused on the exploration, site restoration and redevelopment of gold-antimony-silver deposits in the Stibnite-Yellow Pine district of central Idaho that are encompassed by the Stibnite Gold Project. The Project is one of the highest-grade, open pit gold deposits in the United States and is designed to apply a modern, responsible mining approach to restore an abandoned mine site and produce both gold and the only mined source of antimony in the United States. Further advancing Perpetua Resources' Environmental, Social and Governance ("ESG") and sustainable mining goals, the Project will be powered by one of the lowest carbon emissions grids in the nation and a portion of the antimony produced from the Project will be supplied to Ambri, a U.S.-based company commercializing a low-cost liquid metal battery believed to be essential for the low-carbon energy transition.¹ Perpetua Resources has been awarded a Technology Investment Agreement of up to \$59.4 million in Defense Production Act Title III funding to advance construction readiness and permitting of the Project (\$34.5 million of this amount is conditional upon approval of the modification of the TIA). Antimony trisulfide from Stibnite is the only known domestic source of antimony that can meet U.S. defense needs for many small arms, munitions, and missile types.

LETTER FROM OUR CEO

Jon Cherry, President & CEO



DEAR FELLOW SHAREHOLDERS,

I joined Perpetua Resources in March 2024 as President and Chief Executive Officer to support the final stages of permitting and bring the Stibnite Gold Project into construction and development. This project represents a generational opportunity to develop a world class gold mine, provide the United States with a critical mineral important for national and economic security, and restore an abandoned brownfield. My career began in Idaho at the Thompson Creek mine and I've had the privilege of leading successful teams at some of this country's largest critical operating mines and development projects. Now, I'm excited to be back in Idaho as we prepare Perpetua for its next phase and build on the strong foundation set by Laurel Sayer and the rest of Perpetua's leadership team.

Today, with increasing concern over supply chain security and bi-partisan support in Congress for responsible critical mineral project development, the Stibnite Gold Project is uniquely positioned to once again provide the raw materials for American industry. The 1942 discovery at Stibnite of minerals critical to the war effort has been credited with shortening World War II by at least one year and saving the lives of one million American soldiers.² "Powerful enemies," President Franklin D. Roosevelt said to the country in January 1942, "must be outfought and outproduced." The US government invested millions to build new access roads and open the Stibnite mine for antimony and tungsten production for the war effort. Today we again have a generational opportunity to develop a national strategic asset, with government support, and concurrently restore the abandoned site in need of repair.

Perpetua Resources achieved many accomplishments in 2023 in support of its vision. Perpetua's vision, one which I am proud to share, is to use a modern mining approach to develop a world class gold-antimony project and leave the site better than it was found. I am proud to lead Perpetua at this exciting stage and pleased to share some of its accomplishments in 2023.

2023 HIGHLIGHTS

We achieved a significant milestone in 2023 with the successful conclusion of the SDEIS public comment period. The USFS identified Perpetua's proposed action as the Preferred Alternative in the SDEIS.³ The Forest Service concluded the Preferred Alternative would reasonably accomplish the purpose and need for consideration of approval of the Stibnite Gold Project, while giving consideration to environmental, economic, and technical factors.

Perpetua published its 10th annual sustainability report in 2023 and continued to demonstrate leadership in its approach to ESG issues. In 2023, Perpetua took early action to improve environmental conditions at Stibnite, moving over 300,000 tons of historical tailings and mine waste away from environmentally sensitive areas. The



LETTER FROM OUR CEO

Jon Cherry, President & CEO



Company also settled the Clean Water Act lawsuit with the Nez Perce Tribe. Most importantly, we believe that Perpetua completed its objectives safely – achieving 97 months of no lost time injuries and 142 months of no reportable environmental spills. The Company was honored to be inducted into the Safety & Health Achievement Recognition Program managed by the Occupational Safety and Health Administration in 2023.

In July 2023, Perpetua definitized a critical minerals award of \$24.8 million through a TIA under Title III of the DPA. The award provides funding to support permitting for the Project, which is positioned to be the only domestic mined source of antimony trisulfide. Antimony trisulfide is essential to national defense as a key component for munitions, but there is no U.S. mined supply today. Perpetua’s plan is to re-establish a domestic supply of the critical mineral antimony as a by-product of one of the highest-grade open pit gold resources in the United States. The DPA funding agreement allows us to advance construction readiness of the Stibnite Gold Project while we finish the permitting process.

In August 2023, Perpetua’s wholly owned subsidiary was awarded a separate award of up to \$15.5 million in DOD funding to demonstrate a fully domestic antimony trisulfide supply chain. The Ordnance Technology Initiative Agreement was awarded through the Department of Ordnance Technology Consortium. Managed by the U.S. Army Joint Center of Excellence for Guns and Ammunition at the Picatinny Arsenal in New Jersey, the objective of this work program is to demonstrate a fully domestic antimony trisulfide supply chain using ore from the Stibnite Gold Project site for use in munitions. Perpetua obtained additional core samples from the Project site and will conduct a pilot plant study to produce mil-spec antimony trisulfide from the samples, design a full-scale process circuit, and deliver a modular pilot plant for the Department of Defense to use in further investigations.

RECENT ACCOMPLISHMENTS AND OUTLOOK

We are excited to ramp up our operational capabilities as we approach construction. Complementing the additions of Rich Haddock to the Board of Directors and Michael Wright, Vice President of Projects in 2023, the Company welcomed Andrew Cole to its Board of Directors in January 2024 before I joined in March 2024 as President and Chief Executive Officer and as a Director. Our Board of Directors also appointed Jessica Largent, our current Chief Financial Officer, as a new Director.

Looking ahead, the future is bright for Perpetua. We are funded to continue through the permitting process and advance engineering designs for the project. In addition to the DPA funding and other DOD awards, we also received a cash payment of \$8.5 million in March 2024 upon closing of a royalty transaction with Franco-Nevada. We anticipate a Final Environmental Impact Statement and Draft Record of Decision for the Project in Q2 2024, with a Final Record of Decision expected in Q4 2024.



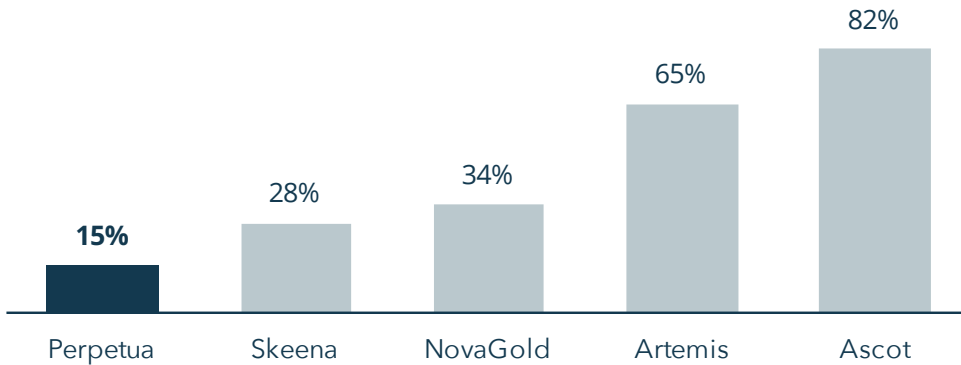
LETTER FROM OUR CEO

Jon Cherry, President & CEO



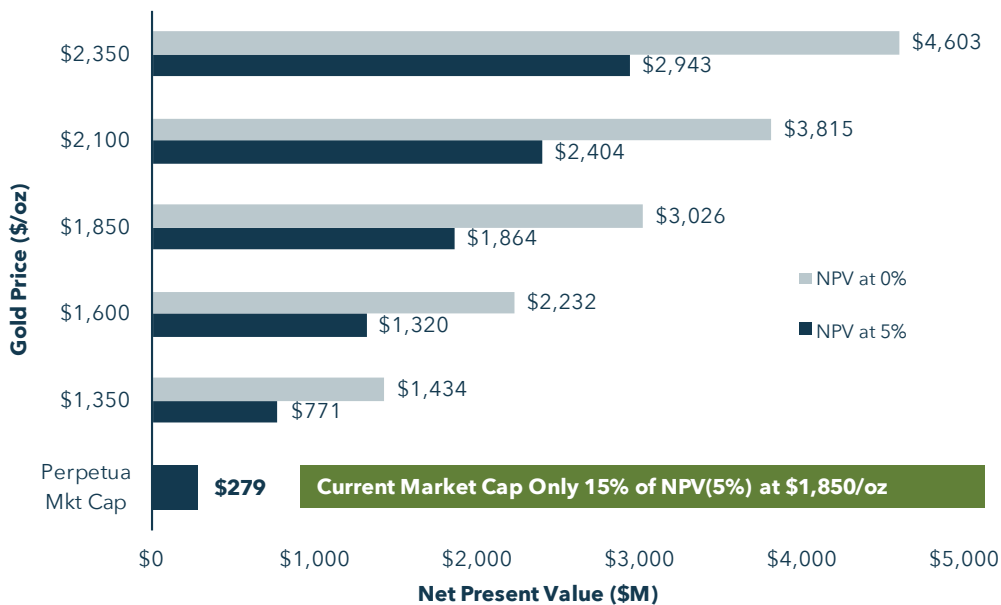
Market Capitalization^{4,5} as % of Net Asset Value⁶

PERPETUA'S NET PRESENT VALUE (NPV) IS BASED ON THE 2020 FEASIBILITY STUDY



Permitted projects in North America typically trade at multiples up to 3-4x where Perpetua is currently trading, which offers a compelling opportunity for new investors.^{4,5,6} The Stibnite Gold Project is poised to be one of the largest producing gold mines outside of the Nevada Gold Mines Joint Venture and has good leverage to higher gold prices. Our Project is also resilient to lower gold price environments given the high-grade nature of the deposit and low strip ratio.⁷ The attractive economics from the gold production makes the antimony production and site restoration possible.

Stibnite Gold Project Net Present Value Sensitivity^{4,7}



PERPETUA'S NET PRESENT VALUE (NPV) IS BASED ON THE 2020 FEASIBILITY STUDY



LETTER FROM OUR CEO

Jon Cherry, President & CEO

I believe we are well positioned to unlock value for shareholders as we continue to meet major milestones. Progressing this exceptional asset toward development is key to unlocking value for all of Perpetua's stakeholders and I look forward to strengthening the trust Perpetua has developed with our communities as we turn the Stibnite Gold Project into reality.

Thank you for your continued support of Perpetua Resources and I look forward to our shared path forward.

Sincerely,
Jon Cherry
President & CEO



ESG OVERVIEW

Transparency and accountability drive us.



We believe Perpetua Resources and the Stibnite Gold Project are uniquely positioned to demonstrate an industry-leading sustainability approach. The Project is designed to restore an abandoned mine area through reprocessing and safely storing millions of tons of legacy mine tailings, restoring river habitat and fish migration access, and improving wetlands. The Project can also help to support the clean energy transition as the only domestically mined source of the critical mineral antimony, which is an essential component in Ambri's long-duration storage batteries.

From the start, Perpetua Resources has made ESG a priority. We believe the success for our people, project, shareholders, and stakeholders relies on doing business the right way and in accordance with our guiding principles.

OUR GUIDING PRINCIPLES



PURPOSE

Our purpose is to leave the Project site better than we found it and to leave a lasting legacy of economic benefits in our community.



RESPONSIBILITY

Responsible corporate behavior, with respect to environmental, social and governance factors, can generally have a positive influence on long-term financial performance.



TRANSPARENCY

Disclosure is the key that allows stakeholders and other interested parties to better understand, evaluate and assess potential risk and return, including the potential impact of ESG factors on Perpetua Resources' performance.



DATA DRIVEN

Investment analysis should incorporate certain environment, social and governance factors to the extent that they affect risk and return.



GOVERNANCE

Division of authority and responsibilities among shareholders, directors and managers are key to good corporate governance.

MILESTONES ACHIEVED

Our major sustainability milestones to date.

2016 | Plan of Restoration + Operations

We designed and submitted a plan to regulators to produce gold and the critical mineral antimony while also restoring the environmental legacies of the abandoned mine site.

2018 | Community Agreement

We entered into a community agreement with eight local communities to provide ongoing transparency and accountability and to create a mechanism for direct economic benefits through profit sharing.

2019 | ESG Policy

We adopted principles and policies to formalize our commitments to ESG goals.

2021 | Early Clean Up Agreement

We entered into an agreement with the Environmental Protection Agency and other regulators to voluntarily conduct clean up actions addressing historical waste to help improve water quality at the mine site. In 2022, we completed initial stream diversion activities at site designed to keep clean water clean.

2021 | Clean Energy Supply Agreement

We entered into an agreement to provide antimony from the Stibnite Gold Project to help produce liquid metal batteries important for gridlevel clean energy storage.

2021 | Enhanced ESG Policy

We updated and enhanced our ESG policies. As the Project advances, we anticipate that our ESG policies will become more specific to each phase of the Project but will remain true to the ESG principles we have adopted.

2022 | Proposed Action Identified As Preferred Alternative

The USFS published the SDEIS which highlighted the net positive environmental outcomes that the Stibnite Gold Project can provide to the abandoned mine site based on six years of analysis. Perpetua's proposed action was identified as the Preferred Alternative in the draft document, marking a major milestone in the permitting process.*

2023 | Clean Water Act Settlement Agreement

In August 2023, Perpetua Resources and the Nez Perce Tribe filed a final Settlement Agreement to resolve a Clean Water Act lawsuit between the two parties. The Agreement provides for total payments of \$5 million by Perpetua over a four-year period, which includes \$4 million of contributions by Perpetua to a South Fork Salmon Water Quality Enhancement Fund to be used by the Tribe to support water quality improvement projects in the South Fork Salmon River watershed and \$1 million of reimbursements to the Tribe for legal expenses. The water quality improvement projects will be coordinated with the U.S. Environmental Protection Agency and the U.S. Forest Service and will require additional data collection to choose and define the projects.

AN EMERGING NATIONAL STRATEGIC ASSET



Plan to redevelop one of largest, highest grade and lowest cost gold projects in the U.S.



Strong project economics with ~15 year reserve life and <3 year payback period



Establishing a national strategic asset with a critical mineral essential for national defense and the clean energy transition



Located in stable mining jurisdiction with Idaho community and political support



Sustainable approach to restoring environment, improving a legacy, creating value for stakeholders



Attractive valuation with near-term catalysts

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2023

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-39918

PERPETUA RESOURCES CORP.

(Exact name of Registrant as specified in its Charter)

British Columbia, Canada
(State or other jurisdiction
of incorporation or organization)

N/A
(IRS Employer
Identification No.)

405 S. 8th Street, Ste 201
Boise, Idaho
(Address of principal executive offices)

83702
(Zip code)

Registrant's telephone number, including area code: (208) 901-3060

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Shares, without par value	PPTA	Nasdaq

Securities registered pursuant to Section 12(g) of the Act: Common Shares, no par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Small reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant, based on the closing price of the shares of common shares on The Nasdaq Stock Market on the last business day of the registrant's most recently completed second fiscal quarter 2023, was \$140,905,338.

The registrant had 64,123,456 common shares outstanding as of March 8, 2024.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Definitive Proxy Statement relating to the 2024 Annual Meeting of Shareholders, to be filed within 120 days of the Registrant's fiscal year ended December 31, 2023, are incorporated by reference into Part III of this Annual Report on Form 10-K.

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EXPLANATORY NOTE

Unless the context otherwise indicates, references to the “Company,” “Perpetua Resources,” “Perpetua,” “we,” “us,” or “our” in this Annual Report refer to Perpetua Resources Corp. and its subsidiaries and the “Corporation” refers only to Perpetua Resources Corp.

See the “Glossary of Technical Terms” for more information regarding some of the terms used in this Annual Report.

CURRENCY AND EXCHANGE RATE INFORMATION

Unless otherwise indicated, references herein to “US\$,” “\$” or “dollars” are expressed in U.S. dollars. References in this Annual Report to Canadian dollars are noted as “C\$.” Our consolidated financial statements that are included in this Annual Report are presented in U.S. dollars, unless otherwise stated.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Annual Report are “forward-looking statements” within the meaning of “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities Exchange Act of 1934 (the “Exchange Act”) and “forward-looking information” within the meaning of applicable Canadian securities laws. All statements, other than statements of historical fact included in this Annual Report, regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this Annual Report, the words “anticipate,” “believe,” “expect,” “estimate,” “intend,” “plan,” “project,” “outlook,” “may,” “will,” “should,” “would,” “could,” “can,” the negatives thereof, variations thereon and other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. Forward-looking statements are based on certain estimates, beliefs, expectations and assumptions made in light of management’s experience and perception of historical trends, current conditions and expected future developments, as well as other factors that may be appropriate.

Forward-looking statements necessarily involve unknown risks and uncertainties, which could cause actual results or outcomes to differ materially from those expressed or implied in such statements. Due to the risks, uncertainties and assumptions inherent in forward-looking information, you should not place undue reliance on forward-looking statements. Factors that could have a material adverse effect on our business, financial condition, results of operations and growth prospects can be found in *Item 1A, Risk Factors, Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations* and elsewhere in this Annual Report. These factors include, but are not limited to, the following:

- planned expenditures and budgets and the execution thereof, including the ability of the Company to discharge its liabilities as they become due and to continue as a going concern;
- access to capital and suitable financing sources to fund the exploration, permitting, development and construction of the Project;
- permitting timelines and requirements, including with respect to the timing and outcome of the Final Environmental Impact Statement (“FEIS”), the draft Record of Decision, the Final Record of Decision and other permitting processes;
- the intended environmental and other outcomes of the Fund (as defined below) related to the Nez Perce Tribe’s Clean Water Act (“CWA”) lawsuit, good faith discussions between the Company and the Nez Perce Tribe with respect to future permitting and activities at the Project and the anticipated source of funding of the Company’s payments required under the Settlement Agreement (as defined below);
- regulatory and legal changes, requirements for additional capital, requirements for additional water rights and the potential effect of proposed notices of environmental conditions relating to mineral claims;
- analyses and other information based on expectations of future performance and planned work programs;
- possible events, conditions or financial performance that are based on assumptions about future economic conditions and courses of action;
- assumptions and analysis underlying our mineral reserve estimates and plans for mineral resource exploration and development;
- timing, costs and potential success of future activities on the Company’s properties, including but not limited to development and operating costs in the event that a production decision is made;
- potential results of exploration, development and environmental protection and remediation activities;
- future outlook and goals;
- current or future litigation or environmental liability;

- global economic, political and social conditions and financial markets, including inflationary pressures and elevated interest rates;
- changes in gold and antimony commodity prices;
- our ability to implement our strategic plan and to maintain and manage growth effectively;
- loss of key executives or inability to hire or retain key executives or employees to support the construction, permitting and operations;
- labor shortages and disruptions;
- cyber-attacks and other security breaches of our information and technology systems; and
- other factors and risks described under the heading “Risk Factors” in *Item 1A* of this Annual Report.

Statements concerning mineral resource and mineral reserve estimates may also be deemed to constitute forward-looking information to the extent that such statements involve estimates of the mineralization that may be encountered if a property is developed.

With respect to forward-looking information contained herein, the Company has applied several material factors or assumptions including, but not limited to, certain assumptions as to production rates, operating cost, recovery and metal costs; that any additional financing needed will be available when needed on reasonable terms; that the current exploration, development, environmental and other objectives concerning the Company’s Stibnite Gold Project (the “Project” or “Stibnite Gold Project”) can be achieved and that the Company’s other corporate activities will proceed as expected; that the formal review process under the National Environmental Policy Act (“NEPA”) (including a joint review process involving the United States Forest Service (“USFS” or “Forest Service”), the State of Idaho and other agencies and regulatory bodies) as well as the environmental impact statements will proceed in a timely manner and as expected; payment and other settlement conditions under the final Settlement Agreement filed on August 8, 2023 and approved by the United States District Court for the District of Idaho on October 2, 2023 to resolve the CWA litigation (the “Settlement Agreement”) will proceed on the anticipated timeline and terms, the parties will engage in good faith discussions regarding the Project and the Fund (as defined below), that the Project will receive necessary permits and approvals, that Perpetua will be able to successfully obtain financing for the Project, and that all requisite information will be available in a timely manner; that the current price and demand for gold and other metals will be sustained or will improve; that general business and economic conditions will not change in a materially adverse manner and that all necessary governmental approvals for the planned exploration, development and environmental protection activities on the Project will be obtained in a timely manner and on acceptable terms; and that the continuity of economic and political conditions and operations of the Company will be sustained.

These risks are not exhaustive. Because of these risks and other uncertainties, our actual results, performance or achievement, or industry results, may be materially different from the anticipated or estimated results discussed in the forward-looking statements in this Annual Report. New risk factors emerge from time to time, and it is not possible for our management to predict all risk factors nor can we assess the effects of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in, or implied by, any forward-looking statements. Our past results of operations are not necessarily indicative of our future results. You should not rely on any forward-looking statements, which represent our beliefs, assumptions and estimates only as of the dates on which they were made, as predictions of future events. We undertake no obligation to update these forward-looking statements, even though circumstances may change in the future, except as required under applicable securities laws. We qualify all of our forward-looking statements by these cautionary statements.

GLOSSARY OF TECHNICAL TERMS

Conversion Factors

To Convert From	To	Multiply By
Feet	Metres (m)	0.305
Metres	Feet (ft)	3.281
Miles	Kilometres (km)	1.609
Kilometres	Miles	0.6214
Hectares	Acres (ac)	2.471
Grams	Ounces (Troy) (oz)	0.03215
Grams/Tonnes	Ounces (Troy)/Short Ton (oz/ton)	0.02917
Tonnes (metric)	Pounds (lbs)	2,205
Tonnes (metric)	Short Tons (st)	1.1023
Grams	Ounces (Troy) (oz)	0.03215

The following is a glossary of certain terms used in this Annual Report:

Assay means, in economic geology, to analyze the proportions of metal in a rock or overburden sample; to test an ore or mineral for composition, purity, weight or other properties of commercial interest.

CERCLA means Comprehensive Environmental Response, Compensation, and Liability Act, referenced informally as “Superfund.”

CIM means the Canadian Institute of Mining, Metallurgy and Petroleum.

Deposit means a mineralized body which has been physically delineated by sufficient drilling, trenching, and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures; such a deposit does not qualify as a commercially mineable ore body or as containing ore reserves, until final legal, technical, and economic factors have been resolved.

g/t Au means grams of gold per metric tonne of material.

Grade means the amount of valuable metal in each tonne of ore, expressed as grams per tonne (g/t) for precious metals and as percent (%) for antimony.

km means kilometre(s).

m means metre(s) (equivalent to 3.281 feet).

M means million.

Mineralization means the concentration of metals and their chemical compounds within a body of rock.

Mineral Reserve or *mineral reserve* means an estimate of tonnage and grade or quality of indicated and measured mineral resources that, in the opinion of the qualified person, can be the basis of an economically viable project. More specifically, it is the economically mineable part of a measured or indicated mineral resource, which includes diluting materials and allowances for losses that may occur when the material is mined or extracted.

Mineral Resource or *mineral resource* means a concentration or occurrence of material of economic interest in or on the Earth's crust in such form, grade or quality, and quantity that there are reasonable prospects for economic extraction. A mineral resource is a reasonable estimate of mineralization, taking into account relevant factors such as cut-off grade, likely mining dimensions, location or continuity, that, with the assumed and justifiable technical and economic conditions, is likely to, in whole or in part, become economically extractable. It is not merely an inventory of all mineralization drilled or sampled.

Ore means a mineral reserve of sufficient value as to quality and quantity to enable it to be mined at a profit.

Ounce or oz means a troy ounce or twenty penny weights or 480 grains and is equivalent to 31.1035 grams.

Oz/t or oz/st means a troy ounce per short ton.

Plan of Restoration and Operations or *PRO* for a mining project on National Forest Lands is a summary of activities intended or proposed to occur on federal lands. The PRO provides the Forest Service with a list of the proponents' contact and legal information, name of mining district or mineralized area, surface disturbance map, description of the type and magnitude of proposed operations, estimated timing of activities, and plans for reclamation of disturbed areas during and following mining related activities.

POx means pressure oxidation.

2016 PRO means the PRO that was filed by the Company with the U.S. Forest Service in September 2016.

Sampling means a technique for collecting representative sub-volumes from a larger volume of geological material. The particular sampling method employed depends on the nature of the material being sampled and the kind of information required.

NOTICE REGARDING MINING PROPERTY DISCLOSURE RULES

The material scientific and technical information in respect of the Stibnite Gold Project in this Annual Report, unless otherwise indicated, is based upon information contained in the Technical Report Summary (the “TRS”), dated as of December 31, 2021, and amended as of June 6, 2022, developed for the Stibnite Gold Project in accordance with the mining property disclosure rules specified in Regulation S-K 1300 (“S-K 1300”) promulgated by the U.S. Securities and Exchange Commission (the “SEC”). The TRS summarizes, in accordance with the mining property disclosure rules specified in S-K 1300, the technical report titled “Stibnite Gold Project, Feasibility Study Technical Report, Valley County, Idaho” dated effective December 22, 2020 and issued January 27, 2021 (the “2020 Feasibility Study”), which was prepared in accordance with National Instrument

43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”). NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. These standards differ from the mining property disclosure rules specified in S-K 1300. Accordingly, information concerning mineral deposits from the TRS set forth herein may not be comparable with information made public by companies that report in accordance with NI 43-101.

All disclosure contained in this Annual Report regarding the mineral reserves and mineral resource estimates and economic analysis on the property is fully qualified by the full disclosure contained in the 2020 Feasibility Study and the TRS.

Information of a scientific or technical nature in this Annual Report has been approved by Christopher Dail, AIPG CPG #10596, Exploration Manager for Perpetua Resources Idaho, Inc. and a qualified person (as defined in NI 43-101 and as defined in S-K 1300).

See also “*Cautionary Note Regarding Forward-Looking Statements.*”

PART I

Item 1. Business

Overview

The Corporation was incorporated under the *Business Corporations Act* (British Columbia) on February 22, 2011 under the name “Midas Gold Corp.” The Corporation changed its name to “Perpetua Resources Corp.” on February 15, 2021.

The Corporation’s head office is located at Suite 201 – 405 South 8th Street, Boise, Idaho, U.S.A. 83702 and its registered and records office is located at Suite 1008 – 550 Burrard Street, Vancouver, British Columbia V6C 2B5.

The Corporation is a development-stage company engaged in acquiring mining properties with the intention of exploring, evaluating and placing them into production, if warranted. Currently, its principal business is the exploration and, if warranted and subject to receipt of required permitting, redevelopment, restoration and operation of the Stibnite Gold Project in Idaho, USA. The Corporation is currently undertaking an extensive permitting process for redevelopment and restoration of the Project.

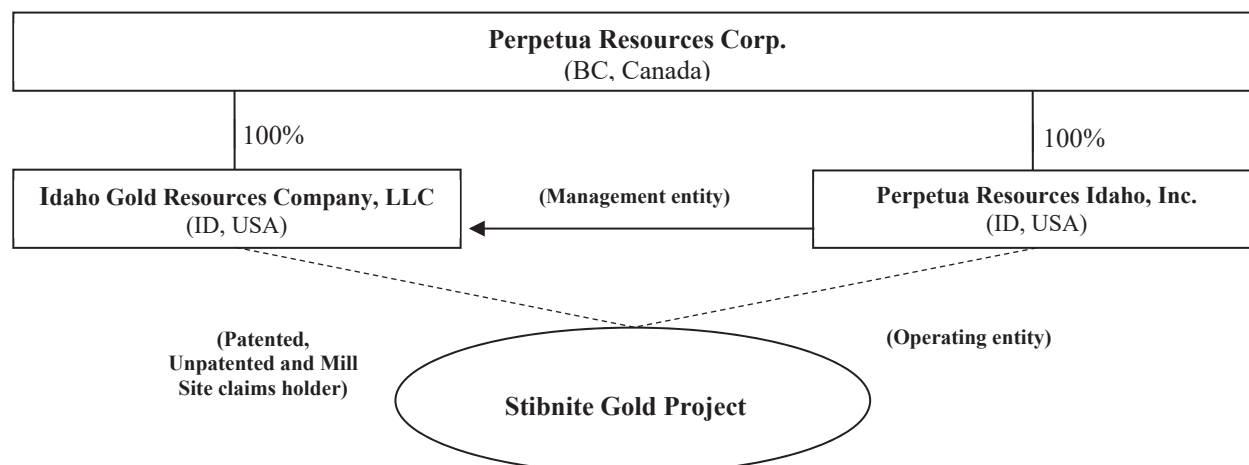
Mineral exploration and development are expected to constitute the principal business of the Corporation for the coming years. In the course of realizing its objectives, it is expected the Corporation may enter into various agreements specific to the mining industry, such as purchase or option agreements to purchase mining claims and/or joint venture agreements.

The Corporation’s principal mineral project is the Stibnite Gold Project, which contains several gold, silver and antimony mineral deposits. The Corporation’s current focus is to explore, evaluate and potentially redevelop three of the deposits known as the Hangar Flats Deposit, West End Deposit and Yellow Pine Deposit, all of which are located within the Stibnite Gold Project as well as reprocess certain historical tailings located on the Project. These development activities would be undertaken in conjunction with a major restoration program designed to address legacy impacts related to historical mining activities in the Project area.

The Corporation’s subsidiaries’ property holdings at the Stibnite Gold Project are comprised of a contiguous package of unpatented federal lode claims, unpatented federal mill sites, patented lode mining claims and patented mill sites. As of December 31, 2023, this land position encompassed approximately 11,548 hectares held in 1,672 unpatented lode claims and mill sites and patented land holdings. A subsidiary of the Corporation acquired these rights through a combination of purchases and transactions and staking under the 1872 Mining Law and holds a portion under an option agreement. Bureau of Land Management claim rental payments and filings are current as of the date of this filing and the claims are all held in good standing. During the years ended December 31, 2022 and December 31, 2023, 53 of the Corporation’s unpatented lode mining claims were relinquished and re-staked with 205 unpatented mill sites over areas non-mineral in character and suitable for mill sites should a development decision be made. Normal maintenance and upkeep of the Project infrastructure continued during the year.

Corporate Structure

The following chart shows the intra-corporate relationships between the Corporation and its subsidiaries. Perpetua Resources Idaho, Inc. (“PRII”) has no ownership interest in the Stibnite Gold Project; rather, it is the designated operating entity and manages the activities on the Project site. The property holding entity, Idaho Gold Resources Company, LLC (“IGRCLLC”), is the surviving entity in a merger with Stibnite Gold Company (“SGC”) effective June 3, 2021 and is managed pursuant to an operating agreement with PRII. PRII and IGRCLLC are wholly owned by the Corporation.



IGRCLLC holds title to the Yellow Pine, Hangar Flats, and West End deposits, all of the patented mill sites and all of the unpatented federal lode mining claims and unpatented mill sites.

Permitting and Environmental Matters

Perpetua Resources focuses on the exploration and mining of the Stibnite Gold Project, the reclamation of prior deposits and historical tailings, and the restoration of the area to address historical activities and legacy contamination. Our project is, therefore, subject to numerous environmental regulations, including federal, state, and local laws. Significantly, we are subject to formal review under NEPA and extensive permitting requirements. In 2016, the Forest Service began its formal review of the Stibnite Gold Project under NEPA. The Forest Service completed scoping in 2017 and subsequently pursuant to the NEPA process, the United States Forest Service and cooperating agencies undertook extensive review of our project and proposed actions through a Draft Environmental Impact Statement (“DEIS”), released by the USFS in August 2020. In response to public and agency feedback on the DEIS, Perpetua Resources proposed modifications to the mine plan analyzed in DEIS Alternative 2 to include reduction of the project footprint, improvements in water quality, and lower water temperatures. Perpetua Resources submitted a refined proposed action to the USFS in December 2020 (the “Modified Mine Plan”).

The USFS then prepared a Supplemental Draft Environmental Impact Statement (“SDEIS”) to further evaluate the project refinements and compare the Company’s proposed site access via Burntlog Route to an alternative option using current roads. After nearly two years of review, the SDEIS was published on October 28, 2022 for a 75-day public comment period. The USFS identified Perpetua Resources’ proposed action, the “Modified Mine Plan,” as the Preferred Alternative and concluded that it would reasonably accomplish the purpose and need for consideration of approval of the Stibnite Gold Project, while giving consideration to environmental, economic, and technical factors. Under NEPA, a “Preferred Alternative” is identified by a Federal agency in a DEIS to let the public know which action the agency is leaning toward selecting as final. However, identification of a “Preferred Alternative” does not represent a final decision and the USFS may still choose various actions based on the Modified Mine Plan or each of the alternatives analyzed in the SDEIS when developing the Final Environmental Impact Statement (“FEIS”).

The SDEIS public review period closed on January 10, 2023. On January 1, 2024, the USFS released an updated schedule for the Project. Based on the updated schedule, the Company anticipates that the USFS will publish a FEIS and a Draft Record of Decision in the second quarter of 2024 and a Final Record of Decision (“ROD”) in the fourth quarter of 2024. The publication of the permitting schedule does not indicate any commitments on the part of the USFS regarding the content or timing of a final decision. In developing the FEIS, the USFS may select an action based on components of each of the alternatives analyzed in the SDEIS. Furthermore, the USFS is not bound by the permitting schedule and anticipated milestones may be delayed materially or not be satisfied. We continue to work on obtaining the required ancillary permits in parallel with the agency’s timeline.

Our project is subject to ongoing litigation and could face further litigious challenges in the future. To address historical legacy impacts at the site of the Stibnite Gold Project, Perpetua Resources has voluntarily entered into an Administrative Settlement Agreement and Order on Consent (“ASAOC”) with the United States Environmental Protection Agency (the “U.S. EPA”) and the United States Department of Agriculture, pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act. Finalized on January 15, 2021, the ASAOC provides for a number of time critical removal actions (early cleanup actions) designed to improve water quality in several areas of the site. Upon signing of the ASAOC, the aggregate cost of the obligation was estimated to be approximately \$7,473,805. In 2021, 2022 and 2023, the total cost estimate to voluntarily address environmental conditions increased to \$17,661,435 due to scope changes, inflation and higher fuel prices. As of December 31, 2023, the corresponding environmental liability was estimated to be \$764,607. See also Note 9 to the Consolidated Financial Statements.

Government and Environmental Regulations

Mining operations and exploration activities are subject to extensive national, state, and local laws and regulations in the United States, which govern prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste disposal, protection of the environment, mine safety, hazardous substances, disclosure requirements and other matters. The Corporation plans to obtain the licenses, permits or other authorizations currently required to conduct its exploration or development programs, and it believes it is currently in material compliance with governing mining, health, safety and environmental statutes and regulations in the United States and Idaho. Except as otherwise noted above, we are not subject to any orders or directions with respect to the foregoing laws and regulations. For a more detailed discussion of the various government laws and regulations applicable to our operations and potential negative effects of these laws and regulations, see section *Item 1A, Risk Factors*, below.

Our operations are also subject to numerous environmental, health, and safety laws and regulations in the jurisdictions in which we operate. These laws and regulations may require us to take precautions with respect to threatened, endangered, or

otherwise protected species and their habitat as well as other natural, historical, and cultural resources, perform environmental assessments or impact statements, implement siting and operational programs or best practices to minimize environmental impacts from our operations, perform investigatory remedial obligations, and obtain federal, state, and local permits, licenses, or other approvals. Failure to comply with these laws and regulations may result in the imposition of significant fines or penalties. Additionally, we could experience significant opposition from third parties to our application for such permits or during the administrative agency review and appeal process after the issuance of such permits. Delays or denial of permits, or the imposition of costly and difficult to comply with conditions, may impair the development of our Project or curtail our planned operations. The following provides a summary of the more significant environmental, health, and safety laws and regulations which our operations are subject to and for which compliance with may have a material adverse impact on our business.

National Environmental Policy Act (“NEPA”)

Our Project is subject to environmental review under NEPA. This law requires federal agencies to evaluate the environmental impact of their actions that may significantly affect the quality of the human environment and is a prerequisite for the granting of a permit or similar authorization for the development of certain projects. As part of the review, the federal agencies are required to consider numerous environmental impacts, such as impacts on air quality, water quality, cultural resources, wildlife, geology, aesthetics, as well as alternatives to the project. The review process can lead to significant delays in approval of such projects and the issuance of the requisite permits which, in turn, can impact both the cost and development of operations. As a result of NEPA review, agencies may decide to deny permits or other support for a project, or condition approvals on certain modifications or mitigation actions. Additionally, authorizations under NEPA are subject to litigation, protest, or appeal, which has the potential to lead to further delays.

Pursuant to NEPA, the Forest Service and cooperating agencies undertook additional extensive review of our Project and proposed actions. As a result of this review, a SDEIS was published on October 28, 2022 for a 75-day public comment period which closed on January 10, 2023.

Comprehensive Environmental Response, Compensation, and Liability Act

The site upon which our Project is located has significant legacy contamination. The Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”) can impose joint and several liability, without regard to fault or legality of conduct, on classes of persons who are statutorily responsible for the release of hazardous substances into the environment. These persons include current owners or operators of a site where a release has occurred. Under CERCLA, such current owners or operators may be subject to strict, joint and several liability for the entire cost of cleaning up hazardous substances and for other expenditures, such as response costs and damage to natural resources. Idaho also has environmental cleanup laws analogous to CERCLA.

Voluntary early cleanup actions can be undertaken pursuant to settlement agreements under CERCLA. We entered into an ASAOC with the U.S. EPA and the United States Department of Agriculture to conduct a number of time critical removal actions focused on improving water quality in several areas of the site.

Protection of Species and Habitat

Our operations are subject to several environmental regulations and guidelines regarding various protected species and their habitats and include the federal Endangered Species Act, the Migratory Bird Treaty Act, and the Bald and Golden Eagle Protection Act, alongside similar state laws. These laws impose significant civil and criminal penalties for violations, including injunctions limiting or otherwise prohibiting operations in certain areas where protected species or their habitat is located. The imposition of such restrictions, such as seasonal limitations, may result in additional costs and delays and could impact the feasibility of our Project.

Clean Water Act

The Clean Water Act (“CWA”) and other similar federal and state laws and regulations may require us to obtain permits for water discharges or take mitigation actions with respect to loss of wetlands. Additionally, such regulations require us to implement a variety of best management practices to ensure that water quality is protected and the impacts of our operations on water quality are minimized. The CWA and analogous laws and regulations provide for administrative, civil and criminal penalties for unauthorized discharges of pollutants in reportable quantities and may impose substantial potential liability for the costs of addressing such discharges.

Mine and Safety Health Administration

Mining operations are regulated by the U.S. Department of Labor’s Mine and Safety Health Administration (“MSHA”) which carries out the provisions of the Federal Mine Safety and Health Act of 1977, as amended by the Mine Improvement

and New Emergency Response Act of 2006. MSHA enforces the health and safety rules for all U.S. mines and includes mine inspections regarding compliance with applicable laws and regulations. MSHA has the ability to issue citations and orders and assess penalties for health and safety violations.

District Exploration

No exploration drilling was completed during the reporting period. Activities during the reporting period focused on studies to support permitting and design, engineering and environmental studies to support the ongoing activities related to the ASAOC.

Employees

At December 31, 2023, the Corporation had 33 full time employees and 2 part time employee. 32 employees were directly related to the mineral development activities of the Stibnite Gold Project and the remaining 3 employees were focused on executive management, investor relations and administrative support of the Corporation. A total of 29 employees were employed in Idaho with many of the Perpetua Resources team working remotely. The Corporation also contracts out certain activities with specific skills to assist with various aspects of the Project.

Competition

The gold exploration and mining business is a competitive business. The Corporation competes with numerous other companies possessing greater financial and technical research resources. Competition is particularly intense with respect to the acquisition of desirable undeveloped gold properties. In addition, we also encounter competition for the hiring of key personnel. This competition could adversely impact our ability to advance the Project, acquire suitable prospects for exploration in the future on terms we consider acceptable, attract necessary capital funding or acquire an interest in additional properties.

Environmental, Social and Governance (“ESG”)

Our commitment to ESG practices is a core part of our business and has been since our inception, as formalized by our ESG Policy. We seek to guide our operations with responsible and sustainable mining practices and incorporate strong corporate governance values and stakeholder engagement into our business. We engage regularly with key stakeholders and other interested parties, which allows us to better understand their interests, perspectives, and needs. We also believe in both transparency and accountability as key attributes of our governance strategy and seek to deliver information in an open and consistent manner, as denoted by our 2022 Sustainability Report. Our commitment to ESG is also incorporated into our conservation principles which govern the development of our Project and, ultimately, our operations.

Our ESG Policy, Sustainability Roadmap and our 2022 Sustainability Report can be found on the Company’s website. Information on our website is neither part of, nor incorporated into, this Annual Report on Form 10-K.

Availability of Raw Materials

The raw materials we require to carry on our business are readily available through normal supply or business contracting channels in the United States and Canada. Historically, we have been able to secure the appropriate equipment and supplies required to conduct our contemplated programs. As a result, we do not believe that we will experience any shortages of required equipment or supplies in the foreseeable future.

Gold Price History

The price of gold is volatile and is affected by numerous factors, all of which are beyond our control, such as the sale or purchase of gold by various central banks and financial institutions, inflation, recession, fluctuation in the relative values of the U.S. dollar and foreign currencies, changes in global and regional gold demand, in addition to international and national political and economic conditions. The following table presents the annual high, low and average daily afternoon London Bullion Market Association (“LBMA”) gold price over the past five calendar years on the London Bullion Market (\$/ounce):

Year	High	Low	Average
2019	\$1,546	\$1,270	\$1,392
2020	\$2,067	\$1,474	\$1,770
2021	\$1,943	\$1,684	\$1,799
2022	\$2,039	\$1,629	\$1,801
2023	\$2,078	\$1,811	\$1,943
2024 (through March 1)	\$2,078	\$1,985	\$2,030

Data Source: www.kitco.com

Implications of Being an Emerging Growth Company

We are an “emerging growth company” as defined in the Jumpstart Our Business Startups Act (the “JOBS Act”) enacted in April 2012. Certain specified reduced reporting and other regulatory requirements are available to public companies that are emerging growth companies. These provisions include:

- an exemption from the auditor attestation requirement in the assessment of the effectiveness of our internal controls over financial reporting required by Section 404 of the Sarbanes-Oxley Act of 2002;
- an exemption from the adoption of new or revised financial accounting standards until they would apply to private companies;
- an exemption from compliance with any new requirements adopted by the Public Company Accounting Oversight Board requiring mandatory audit firm rotation or a supplement to the auditor’s report in which the auditor would be required to provide additional information about our audit and our financial statements; and
- reduced disclosure about our executive compensation arrangements.

We will continue to be an emerging growth company until the earliest of:

- the last day of our fiscal year in which we have total annual gross revenues of \$1.235 billion (as such amount is indexed for inflation every five years by the SEC to reflect the change in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics, setting the threshold to the nearest \$1.0 million) or more;
- the last day of our fiscal year following the fifth anniversary of the date of our first sale of common equity securities pursuant to an effective registration statement under the Securities Act of 1933 (“Securities Act”);
- the date on which we have, during the prior three-year period, issued more than \$1.0 billion in non-convertible debt; or
- the date on which we are deemed to be a “large accelerated filer” under the rules of the SEC, which means the market value of our common shares that is held by non-affiliates (or public float) exceeds \$700.0 million as of the last day of our second fiscal quarter in our prior fiscal year.

We have elected to take advantage of certain of the reduced disclosure obligations in this Annual Report and may elect to take advantage of other reduced reporting requirements in future filings. As a result, the information that we provide to our shareholders may be different than what you might receive from other public reporting companies in which you hold equity interests.

Available Information

We file or furnish annual, quarterly and current reports, proxy statements and other documents with the SEC under the Exchange Act. The SEC maintains a website (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers, including Perpetua, that file electronically with the SEC. We are also subject to requirements of the applicable securities laws of Canada, and documents that we file with the Canadian Securities Administrators may be found at www.sedarplus.ca.

We make available free of charge through our website (www.perpetuaresources.com) our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and, if applicable, amendments to those reports filed or furnished pursuant to Section 13(a) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC or the securities commissions or similar regulatory authorities in Canada. In addition to the reports filed or furnished with the SEC and the securities commissions or similar regulatory authorities in Canada, we publicly disclose information from time to time in our press releases, investor presentations posted on our website and at publicly accessible conferences. Such information, including information posted on or connected to our website, is not a part of, or incorporated by reference in, this Annual Report or any other document we file with or furnish to the SEC or the securities commissions or similar regulatory authorities in Canada.

We have adopted a Code of Conduct and Ethics Policy (the “Code of Conduct”) that applies to our management and to our other employees. We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K relating to amendments to or waivers from any provision of our Code of Conduct applicable to our principal executive officer, principal financial officer, principal accounting officer and other persons performing similar functions by posting such information on our website (www.perpetuaresources.com). Our other policies and the charters of our Audit, Compensation and Corporate Governance and Nominating Committees are available on our website. Information on our website is neither part of, nor incorporated into, this Annual Report on Form 10-K.

Item 1A. Risk Factors.

Investing in our common shares involves a high degree of risk. An investment in our securities is speculative and involves a high degree of risk due to the nature of our business and the present stage of exploration and development of our mineral properties. You should carefully consider the risks described below, as well as the other information in this Annual Report, including our consolidated financial statements and the related notes and Part II, Item 7. entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and in any documents incorporated in this Annual Report by reference, before deciding whether to invest in our common shares. The occurrence of any of the events or developments described below could harm our business, financial condition, results of operations, and growth prospects and could cause them to differ materially from the estimates described in forward-looking statements in this Annual Report. In such an event, the market price of our common shares could decline, and you may lose all or part of your investment. Although we have discussed all known material risks, the risks described below are not the only ones that we may face. Additional risks and uncertainties not currently known to us or that we currently deem immaterial may also impair our business operations. Certain statements below are forward-looking statements. See also “Cautionary Note Regarding Forward-Looking Statements” in this Annual Report.

Risks Related to Our Business

Our ability to continue the exploration, permitting, development, and construction of the Project, and to continue as a going concern, will depend in part on our ability to obtain suitable financing.

We have limited financial resources. We will need external financing to develop and construct the Project and to complete the permitting process. Although the Company’s current capital resources and liquidity include up to \$24.8 million in funding awarded in December 2022 under the TIA pursuant to Title III of the DPA and an additional \$34.6 million conditionally awarded in February 2024, such funding is available only for the specified costs related to permitting, early restoration activities and advancing construction readiness and is not available to fund the Company’s costs pursuant to its ASAOC obligations and certain corporate expenses. The Company’s latest liquidity forecast indicates that available cash resources are expected to be exhausted in the fourth quarter of 2024. We expect to incur other costs in the foreseeable future that are not eligible for DPA funding reimbursement and may incur unanticipated increases to costs under our ASAOC obligations as a result of inflation, fuel or labor costs or other factors. The Company continues to explore various funding opportunities, which may include the issuance of additional equity, new debt, or project specific debt; government funding; and/or other financing opportunities. Although the Company entered into the Sales Agreement with respect to an ATM Offering, sales under the program are subject to certain conditions, including market conditions, and there is no assurance that the Company will be able to raise funds under the program, at acceptable share prices or at all. If additional financing is not secured before the fourth quarter of 2024, the Company would no longer be able to meet its ongoing obligations or progress critical permitting efforts.

Our funding under the TIA is subject to certain conditions, limitations and ongoing obligations. If we fail to satisfy these conditions, we may be unable to obtain all of the funding allocated to Perpetua Resources or may be required to disgorge such funds.

In December 2022, Perpetua Resources was awarded an undefinitized TIA of up to \$24.8 million under Title III of the DPA. On July 25, 2023, the TIA was definitized with the DOD, establishing the full not-to-exceed amount of \$24.8 million. The TIA contains customary terms and conditions for technology investment agreements, including ongoing reporting obligations. If we fail to satisfy these conditions, we will be unable to obtain remaining funds available under the TIA and, under certain circumstances, could be required to disgorge funds already paid. On February 12, 2024, the Corporation announced a conditional award of up to \$34.6 million in additional funding under the TIA. Full funding of the additional award is conditioned on modifying the existing TIA to expand the in-scope work for advancing permits and construction readiness and to extend the outside date to June 30, 2025. The amendment will not change any other material terms of the definitized TIA. The modification is anticipated to be completed in the first quarter of 2024, however, there is no assurance that the Corporation will be able to finalize the amendment on the expected timeline or at all.

Under the funding agreement, Perpetua Resources may request reimbursement for certain costs incurred related to environmental baseline data monitoring, environmental and technical studies and other activities related to advancing Perpetua’s construction readiness and permitting process for the Stibnite Gold Project until December 31, 2024. The funds may be used only for the purposes specified in the TIA and are not available to the Corporation for general corporate purposes other than those specified. Furthermore, the TIA contains limitations on the Corporation’s ability to share or sell certain assets, interests or technology to foreign counterparties, which may limit the Corporation’s ability to raise funding from foreign sources or capitalize on business opportunities with foreign companies.

We do not currently have sufficient funds or committed financing necessary to commence construction of the Project, and we may be unable to raise the necessary funds.

Based on the updated schedule published by the USFS in January 2024, the Company anticipates that the USFS will publish a FEIS and a DROD in the second quarter of 2024 and a Final ROD in the fourth quarter of 2024. We have commenced pre-construction engineering and other preparations and, if the DROD and ROD are received on the anticipated schedule, we would seek to commence construction in 2025. According to the TRS, as of December 31, 2020, the total initial capital cost estimate for the Project was approximately \$1,263 million. Although we have not updated our capital cost estimates as of December 31, 2023, based on significant inflation and increased financing costs since 2020, we expect the actual cost estimates to be higher than the 2020 estimate. These cost estimates may change materially due to inflation, competition or other unforeseen challenges at the Project site.

We do not currently have sufficient funds or committed financing to commence construction of the Project. Our ability to obtain sufficient funds or committed financing may be impacted by various factors, including, but not limited to, our ability to raise additional funds at acceptable rates or at all; unfavorable interest rates; the incurrence of additional debt, which may be subject to certain restrictive covenants; restrictions on our use of government funding (see *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Department of Defense Funding*); dilution resulting from additional equity financing (see *Item 1A. Risk Factors – Global financial markets can have a profound impact on the global economy in general and on the mining industry in particular*); our ability to control certain property as a result of our entry into joint ventures or other similar arrangements; and the loss of certain economic benefits of our property as a result of our entry into royalty agreements.

Our failure to obtain sufficient financing could result in the delay or indefinite postponement of exploration, permitting, development, construction, or production at the Project. The cost and terms of such financing may significantly reduce the expected benefits from development of the Project and/or render such development uneconomic. There can be no assurance that additional capital or other types of financing will be available when needed or that, if available, the terms of such financing will be favorable. Our failure to obtain financing could have a material adverse effect on our growth strategy and results of operations and financial condition.

Perpetua Resources does not have a full staff of technical people and relies upon outside consultants to provide critical services.

Perpetua Resources has a relatively small staff and depends upon its ability to hire consultants with the appropriate background and expertise. Perpetua Resources' inability to hire the appropriate consultants at the appropriate time could adversely impact Perpetua Resources' ability to advance its exploration and permitting activities. For example, Perpetua Resources will need to hire additional staff and consultants in order to commence construction of the Project. See section *Item 1A, Risk Factors - Perpetua Resources faces substantial competition within the mining industry from other mineral companies with much greater financial and technical resources and Perpetua Resources may not be able to effectively compete.*

We have no history of commercially producing precious metals from our mineral properties and there can be no assurance that we will successfully establish mining operations or profitably produce precious metals.

The Project is not in production or currently under construction, and we have no ongoing mining operations or revenue from mining operations. Mineral exploration and development has a high degree of risk and few properties that are explored are ultimately developed into producing mines. The future development of the Project will require obtaining federal and state permits and financing and the construction and operation of mines, processing plants and related infrastructure. As a result, we are subject to all of the risks associated with establishing new mining operations and business enterprises, including, among others:

- The need to obtain necessary environmental and other governmental approvals and permits, and the timing and conditions of those approvals and permits;
- The potential that future exploration and development of mineral claims on or near the Project site may be impacted by litigation and/or consent decrees entered into by previous owners of mineral rights;
- The availability and cost of funds to finance construction and development activities;
- The timing and cost, which can be considerable, of the construction of mining and processing facilities as well as other related infrastructure;
- Potential opposition from Native American tribes, non-governmental organizations, environmental groups or local groups which may delay or prevent development activities;
- Potential increases in construction and operating costs due to changes in the cost of labor, fuel, power, materials and supplies, services, and foreign exchange rates;
- The availability and cost of skilled labor and mining equipment; and

- The availability and cost of appropriate smelting and/or refining arrangements.

The costs, timing and complexities of mine construction and development are increased by the remote location of the Project, with additional challenges related thereto, including access, water and power supply, and other support infrastructure. Cost estimates may increase significantly as more detailed engineering work and studies are completed. New mining operations commonly experience unexpected costs, problems and delays during development, construction, and mine start-up. In addition, delays in the commencement of mineral production often occur. Accordingly, there are no assurances that our activities will result in profitable mining operations, that we will successfully establish mining operations, or that we will profitably produce precious metals at the Project.

In addition, there is no assurance that our mineral exploration activities will result in any discoveries of new ore bodies. If further mineralization is discovered there is also no assurance that the mineralized material would be economical for commercial production. Discovery of mineral deposits is dependent upon a number of factors and significantly influenced by the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit is also dependent upon a number of factors which are beyond our control, including the attributes of the deposit, commodity prices, government policies and regulation, and environmental protection requirements.

Perpetua Resources' future exploration and development efforts may be unsuccessful.

Mineral resource exploration and, if warranted, development, is a speculative business, characterized by a number of significant risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits, which, though present, are insufficient in volume and/or grade to return a profit from production. There is no certainty that the expenditures that have been made and may be made in the future by the Corporation related to the exploration of its properties will result in discoveries of mineralized material in commercially viable quantities.

Most exploration projects do not result in the discovery of commercially viable mineral deposits and no assurance can be given that any particular level of recovery or Mineral Reserves will in fact be realized or that any identified mineral deposit will ever qualify as a commercially viable deposit which can be legally and economically exploited.

Perpetua Resources' mineral resource and mineral reserve estimates may not be indicative of the actual gold that can be mined.

Assay results from core drilling or reverse circulation drilling can be subject to errors at the laboratory analyzing the drill samples. In addition, reverse circulation or core drilling may lead to samples which may not be representative of the gold or other metals in the entire deposit. Mineral resource and mineral reserve estimates are based on interpretation of available facts and extrapolation or interpolation of data and may not be representative of the actual deposit. In the context of mineral exploration and future development, there is inherent variability between duplicate samples taken adjacent to each other and between sampling points that cannot be reasonably eliminated. There may also be unknown geologic details that have not been identified or correctly appreciated at the current level of delineation in these types of investigations. This results in uncertainties that cannot be reasonably eliminated from the estimation process. Some of the resulting variances can have a positive effect and others can have a negative effect on mining and processing operations. The calculations of amounts of mineralized material within Mineral Resources and Mineral Reserves are estimates only. Actual recoveries of gold and other potential by-products from Mineral Resources and Mineral Reserves may be lower than those indicated by test work. Any material change in the quantity of mineralization, grade, tonnage or stripping ratio, or the price of gold and other potential by-products, may affect the economic viability of a mineral property. In addition, there can be no assurance that the recoveries of gold and other potential by-products in small-scale laboratory tests will be duplicated in larger scale pilot plant tests under on-site conditions or during production. Notwithstanding the results of any metallurgical testing or pilot plant tests for metallurgy and other factors, there remains the possibility that the ore may not react in commercial production in the same manner as it did in testing.

Mining and metallurgy are an inexact science and, accordingly, there always remains an element of risk that a mine may not prove to be commercially viable. Until a deposit is actually mined and processed, the quantity of Mineral Reserves, Mineral Resources and grades must be considered as estimates only. In addition, the determination and valuation of Mineral Reserves and Mineral Resources is based on, among other things, assumed metal prices. Market fluctuations and metal prices may render Mineral Resources and Mineral Reserves uneconomic. Any material change in quantity of Mineral Reserves, Mineral Resources, grade, tonnage, percent extraction of those mineral reserves recoverable by underground mining techniques or stripping ratio for those Mineral Reserves recoverable by open pit mining techniques may affect the economic viability of a mining project, including the Project and any future operations in which the Corporation has a direct or indirect interest. Any or all of these factors may lead to mineral resource and/or mineral reserve estimates being overstated, the mineable gold that can be received from the Project being less than the mineral resource and mineral reserve estimates, and the Project not being a viable project.

If the Corporation's mineral resource and mineral reserve estimates for the Project are not indicative of actual grades of gold and other potential by-products, Perpetua Resources will have to continue to explore for a viable deposit or cease operations.

Perpetua Resources faces numerous uncertainties in estimating economically recoverable mineral reserves and mineral resources, and inaccuracies in estimates could result in lower than expected revenues, higher than expected costs and decreased profitability.

Information concerning our mining properties in *Item 2, Properties* has been prepared in accordance with the requirements of S-K 1300. A mineral is economically recoverable when the price at which it can be sold exceeds the costs and expenses of mining, processing and selling the mineral. Mineral reserve and mineral resource estimates of the gold, silver and antimony in our mining properties are based on many factors, including engineering, economic and geological data assembled and analyzed by internal staff and third parties, which includes various engineers and geologists, the area and volume covered by mining rights, assumptions regarding extraction rates and duration of mining operations, and the quality of in-place mineral reserves and mineral resources. The mineral reserve and mineral resource estimates as to both quantity and quality are updated from time to time to reflect, among other matters, new data received. According to the TRS, as of December 31, 2020, the total initial capital cost estimate for the Project was approximately \$1,263 million. The Corporation has not updated its capital cost estimates as of December 31, 2023, however, based on significant inflation and increased financing costs since 2020, the Corporation expects the actual cost estimates to be higher than the 2020 estimate. These cost estimates may change materially due to inflation, competition or other unforeseen challenges at the Project site.

There are numerous uncertainties inherent in estimating quantities and qualities of minerals and costs to mine recoverable mineral reserves and mineral resources, including many factors beyond the Corporation's control. Estimates of mineral reserves and mineral resources necessarily depend upon a number of variable factors and assumptions, any one of which may, if incorrect, result in an estimate that varies considerably from actual results. These factors and assumptions include, among others:

- Geologic and mining conditions, including the Corporation's ability to access certain mineral deposits as a result of the nature of the geologic formations of the deposits or other factors, which may not be fully identified by available exploration data;
- Demand for the Corporation's minerals;
- Contractual arrangements, operating costs and capital expenditures;
- Development and reclamation costs;
- Mining technology and processing improvements;
- The effects of regulation by governmental agencies and adverse judicial decisions;
- The ability to obtain, maintain and renew all required permits;
- Employee health and safety; and
- The Corporation's ability to convert all or any part of mineral resources to economically extractable mineral reserves.

As a result, actual tonnage recovered from identified mining properties and estimated revenues, expenditures and cash flows with respect to mineral reserves and mineral resources may vary materially from estimates. Thus, these estimates may not accurately reflect the Corporation's actual mineral reserves and mineral resources. Any material inaccuracy in estimates related to the Corporation's mineral reserves or mineral resources could result in lower than expected revenues, higher than expected costs or decreased profitability and changes in future cash flow, which could materially and adversely affect the Corporation's business, results of operations, financial position and cash flows. Additionally, reserve and resource estimates may be adversely affected in the future by interpretations of, or changes to, the SEC's property disclosure requirements for mining companies.

Perpetua Resources has a history of net losses and expects losses to continue for the foreseeable future.

We have a history of net losses and we expect to incur net losses for the foreseeable future. The Project has not advanced to the commercial production stage and we have no history of earnings or cash flow from operations. We expect to continue to incur net losses unless and until such time the Project commences commercial production and generates sufficient revenues to fund continuing operations. The development of our mineral properties to achieve production will require the commitment of substantial financial resources. The amount and timing of expenditures will depend on a number of factors, including the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the process of obtaining required government permits and approvals, responding to opposition to the Project, including potential litigation, the availability and cost of financing, the participation of our partners, and the execution of any sale or joint venture agreements with strategic partners. These factors, and others, are beyond our control. There is no assurance that we will be profitable in the future.

We have a limited property portfolio.

At present, our only material mineral property is the interest that we hold through our subsidiary in the Project. Unless we acquire or develop additional mineral properties, we will be solely dependent upon this property. If no additional mineral properties are acquired by us, any adverse development affecting our operations and further development at the Project may have a material adverse effect on our financial condition and results of operations.

We are subject to NEPA review and may be unable to obtain or retain necessary permits which could adversely affect our operations.

Our mining and exploration development activities are subject to extensive permitting requirements which can be costly to comply with and involve extended timelines. Specifically, we are subject to NEPA review, a federal process which is presently ongoing. Formal review under NEPA is extensive and involves several actions, including public scoping, coordination with cooperating agencies, the release of environmental impact statements followed by public comment, potential administrative objections, and the issuance of a final record of decision. Delays in the NEPA process, such as we are unable to timely obtain a record of decision from the United States Forest Service or fail to obtain requisite ancillary permits, may adversely impact our operations. Additionally, to the extent that we are granted necessary permits, we may be subject to a number of Project requirements or conditions including the installation or undertaking of programs to safeguard protected species and their habitat, sites, or otherwise limit the impacts of our operations. Previously obtained permits may be suspended or revoked for a variety of reasons. While we strive to comply with and conclude the NEPA review process, and obtain and comply with all necessary permits and approvals, any failure to do so may have negative impacts upon our business or financial condition, such as increased delays, curtailment of our operations, increased costs, implementation of mitigation or remediation requirements, the potential for litigation or regulatory action, and damage to our reputation.

We are subject to extensive environmental laws and regulations, where compliance failure may impact our operations.

Our mining, exploration, and development operations are subject to extensive environmental, health, and safety laws and regulations in the jurisdictions in which we operate and include those relating to the discharge and remediation of materials in the environment, waste management, and natural resource protection and preservation. Numerous governmental authorities, such as the U.S. EPA, and analogous state agencies, have the authority to enforce compliance with these laws and regulations and the permits issued thereunder, oftentimes requiring difficult and costly response actions. Certain environmental laws, such as CERCLA, impose strict, joint and several liability for costs required to remediate and restore sites where hazardous substances have been stored or released, including sites subject to legacy contamination. We may be required to remediate contaminated properties currently owned and operated by us regardless of whether such contamination resulted from our actions or from the conduct of others. Additionally, claims for damages to persons or property, including damages to natural resources, may result from the environmental, health, and safety impacts of our operations.

We may incur substantial costs to maintain compliance with environmental, health, and safety laws and regulations and such costs could increase if existing laws and regulations are revised or reinterpreted or if new laws or regulations become applicable to our operations. Failure to comply with these environmental, health, and safety laws and regulations may result in the imposition of restrictions on our operations, administrative civil or criminal liabilities, injunctions, third-party property damage or personal injury claims, investigatory cleanup or other remedial obligations, or other adverse effects on our business, financial condition, or operations. Current and future legislative, regulatory, and judicial action could result in changes to operating permits, material changes in operations, and increased capital and operating expenditures, among others.

Our operations are also subject to extensive laws and regulations governing worker health and safety and require us to ensure our employees receive adequate training and guidance to follow applicable environmental, health, and safety policies, procedures, and programs. Failure to comply with applicable legal requirements may cause us to incur significant legal liability, penalties, or fines, result in reputational damage, and negatively impact our employee retention. Our mines will be inspected on a regular basis by government regulators who may issue orders and citations if they believe a violation of applicable mining health and safety laws has occurred. In such cases, we may be subject to fines, penalties, or sanctions, and our operations temporarily shut down. Additionally, future changes in applicable laws and regulations, including more rigorous enforcement, could have an adverse impact on operations and result in increased material expenditures to achieve compliance.

Our operations, including permitting, may be subject to legal challenges which could result in adverse impacts to our business and financial condition.

Our mining, exploration, and development operations, and the permits required for such activities, may be subject to legal challenges at the international, federal, state, and local level by various parties. Such legal challenges may allege non-compliance with laws and regulations. For example, in August 2019, the Nez Perce Tribe filed a complaint in the United States District Court for the District of Idaho seeking to hold the Corporation responsible for alleged violations of the CWA through declaratory and injunctive relief. Following the execution of the voluntary ASAOC with the U.S. EPA and the United States

Department of Agriculture, the Corporation and the Nez Perce Tribe agreed to stay the litigation and explore alternative dispute resolution through court-ordered mediation. The mediation effort was successful, and the Corporation and the Nez Perce Tribe filed the Settlement Agreement and Stipulation for Dismissal with the United States District Court on August 8, 2023 and the case was dismissed without prejudice on October 2, 2023. Under the Settlement Agreement, a dismissal with full prejudice will follow after completion of our required payments. Once we have satisfied our payment obligations under the Settlement Agreement, the parties will submit a Stipulation of Dismissal with Prejudice to the court.

Legal challenges such as described may result in adverse impacts to our planned operations such as increased defense costs, the performance of additional mitigation and remedial activities, or significant delays to our Project. We may also be subject to more localized opposition, including efforts by environmental groups, which could attract negative publicity or have an adverse impact on our reputation.

Additionally, our Project is located in a district with significant impacts from legacy mining operations prior to our acquisition of and tenure at the sites. Pursuant to CERCLA, we may be subject to liability and remediation responsibilities as current owners of certain areas of the sites under applicable law, consent decrees or similar agreements.

Our operations are subject to climate change risks.

Climate change may result in various and presently unknown physical risks, such as the increased frequency or intensity of extreme weather events or changes in meteorological and hydrological patterns that could adversely impact our business. Such physical risks may result in damage to our facilities causing our operations to temporarily slow down or come to a stop. Moreover, the physical risks associated with climate change could have financial implications for our business, such as increased capital or operating costs, and additional expenditures to maintain or increase the resiliency of our facilities and implement contingency measures.

Increasing attention to ESG matters and conservation measures may adversely impact our business.

Increasing attention to, and societal expectations on companies to address, climate change and other environmental and social impacts, investor, regulatory and societal expectations regarding voluntary and mandatory ESG-related disclosures may result in increased costs, reduced profits, increased investigations and litigation, negative impacts on our stock price and reduced access to capital.

Moreover, while we may create and publish voluntary disclosures regarding ESG matters from time to time, certain statements in those voluntary disclosures may be based on hypothetical expectations and assumptions that may or may not be representative of current or actual risks or events or forecasts of expected risks or events, including the costs associated therewith. Mandatory ESG-related disclosure is also emerging as an area where we may be, or may become, subject to required disclosures in certain jurisdictions, and any such mandatory disclosures may similarly necessitate the use of hypothetical, projected or estimated data, some of which is not controlled by us and is inherently subject to imprecision. Disclosures reliant upon such expectations and assumptions are necessarily uncertain and may be prone to error or subject to misinterpretation given the long timelines involved and the lack of an established single approach to identifying, measuring and reporting on many ESG matters. Additionally, while we may announce various voluntary ESG targets in the future, due to our status as a development stage company, such targets are aspirational. Also, we may not be able to meet such targets in the manner or on such a timeline as initially contemplated and we cannot guarantee that such targets will improve our ESG profile, including, but not limited to, as a result of unforeseen costs or technical difficulties associated with achieving such results. Further, despite any voluntary actions, we may receive pressure from certain investors, lenders, employees or other groups to adopt more aggressive ESG-related targets or policies, but we cannot guarantee that we will be able to implement such targets because of potential costs or technical or operational obstacles. Furthermore, we could be criticized by various anti-ESG stakeholders for the scope of our ESG-related goals or policies, our strategic choices regarding ESG matters as they may impact our operations now or in the future, or for any revisions to the same, as well as initiatives we may pursue or any public statements we may make. We could be subjected to negative responses by governmental actors (such as anti-ESG legislation or retaliatory legislative or administrative treatment) or consumers (such as boycotts or negative publicity campaigns), which could adversely affect our reputation, business, financial performance, market access and growth.

Some capital markets participants are increasingly using certain components of ESG as a factor in their assessments, which could impact our cost of capital or access to financing. There has also been an acceleration in investor demand for ESG investing opportunities, and many institutional investors have committed to increasing the percentage of their portfolios that are allocated towards ESG-focused investments. As a result, there has been a proliferation of ESG-focused investment funds and market participants seeking ESG-oriented investment products. There has also been an increase in third-party providers of company ESG ratings and rankings, and an increase in ESG-focused voting policies among proxy advisory firms, portfolio managers, and institutional investors. For example, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters. Currently,

there are no universal standards for such ratings, rankings and voting policies, they often differ based on the provider and the data they prioritize and they are continually changing. However, such ratings, rankings and voting policies may be used by some investors to inform their investment and voting decisions. Additionally, certain investors may use these ratings or rankings to benchmark companies against their peers, and if a company is perceived as lagging, these investors may engage with companies to require improved ESG disclosure or performance. Moreover, certain members of the broader investment community may consider a company's sustainability score rating or ranking as a reputational or other factor in making an investment decision. Consequently, unfavorable ESG ratings could lead to increased negative investor sentiment toward us and could impact our stock price and access to and costs of capital. Additionally, to the extent ESG matters negatively impact our reputation, we may not be able to compete as effectively to recruit or retain employees, which may adversely impact our business. Furthermore, there has recently been backlash from certain governments and investors against ESG funds and investment practices has resulted in increased scrutiny and withdrawals from such funds. Such backlash has also resulted in "anti-ESG" focused activism and investment funds, which may result in additional strains on our resources. If we are unable to meet the often conflicting ESG standards or investment, lending, ratings, or voting criteria and policies set by these parties, we may lose investors, investors may allocate a portion of their capital away from us, we may face increased ESG- or anti-ESG-focused activism, our cost of capital may increase, and our reputation may also be negatively affected.

Our reputation, as well as our stakeholder relationships, could be adversely impacted as a result of, among other things, any failure to meet our ESG plans or targets or stakeholder perceptions of statements made by us, our employees and executives, agents, or other third parties or public pressure from investors or policy groups to change our policies. Furthermore, public statements with respect to ESG matters—for example, emission reduction goals, other environmental targets, or other commitments addressing certain social issues—are becoming increasingly subject to heightened scrutiny from public and governmental authorities related to the risk of potential "greenwashing," *i.e.*, misleading information or false claims overstating potential ESG benefits. We may face increased litigation risk from private parties and governmental authorities related to our ESG efforts. Additionally, any such alleged claims of greenwashing against us or others in our industry could lead to negative sentiment and the diversion of investment. To the extent that we are unable to respond timely and appropriately to any negative publicity, our reputation could be harmed. Damage to our overall reputation could have a negative impact on our financial results and require additional resources to rebuild our reputation.

Perpetua Resources' title to its mineral properties and its validity may be disputed in the future by others claiming title to all or part of such properties.

The validity of mining rights may, in certain cases, be uncertain and subject to being contested. The Corporation's mining rights, claims and other land titles, particularly title to undeveloped properties, may be defective and open to being challenged by governmental authorities and local communities.

Perpetua Resources' properties consist of various mining concessions in the United States. Under U.S. law, the concessions may be subject to prior unregistered agreements or transfers, which may affect the validity of the Corporation's ownership of such concessions. A claim by a third party asserting prior unregistered agreements or transfer on any of Perpetua Resources' mineral properties, especially where commercially viable Mineral Reserves have been located, could adversely result in Perpetua Resources losing commercially viable Mineral Reserves. Even if a claim is unsuccessful, it may potentially affect Perpetua Resources' current activities due to the high costs of defending against such claims and its impact on senior management's time. If the Corporation loses a commercially viable Mineral Reserve, such a loss could lower Perpetua Resources' revenues or cause it to cease operations if this Mineral Reserve represented all or a significant portion of Perpetua Resources' operations at the time of the loss.

Certain of Perpetua Resources' properties may be subject to the rights or the asserted rights of various community stakeholders, including federally-recognized tribes. The presence of community stakeholders may also impact on the Corporation's ability to explore, develop or, in potentially the future, operate its mining properties. In certain circumstances, consultation with such stakeholders may be required and the outcome may affect the Corporation's ability to explore, develop or operate its mining properties.

Certain of the Corporation's mineral rights consist of unpatented mining claims. Unpatented mining claims present unique title risks due to the rules for validity and the opportunities for third-party challenge. These claims are also subject to legal uncertainty.

Perpetua Resources faces substantial competition within the mining industry from other mineral companies with much greater financial and technical resources and Perpetua Resources may not be able to effectively compete.

The mineral resource industry is intensively competitive in all of its phases, and Perpetua Resources competes with many companies possessing much greater financial and technical research resources. Competition is particularly intense with respect to the acquisition of desirable undeveloped gold properties. The principal competitive factors in the acquisition of such

undeveloped properties include the staff and data necessary to identify, investigate and purchase such properties, and the financial resources necessary to acquire and develop such properties. Competition could adversely affect the Corporation's ability to advance the Project or to acquire suitable prospects for exploration in the future on terms it considers acceptable. Increased competition could adversely affect the Corporation's ability to attract necessary capital funding or acquire an interest in additional properties.

Perpetua Resources depends on key personnel for critical management decisions and industry contacts but does not maintain key person insurance.

Perpetua Resources is dependent on a relatively small number of key personnel, the loss of any of whom could have an adverse effect on the operations of Perpetua Resources. The Corporation's success is dependent to a great degree on its ability to attract and retain highly qualified management personnel. The loss of any such key personnel, through incapacity or otherwise, would require Perpetua Resources to seek and retain other qualified personnel and could compromise the pace and success of its exploration and permitting activities. Perpetua Resources does not maintain key person insurance in the event of a loss of any such key personnel.

Certain Perpetua Resources directors and officers also serve as officers and/or directors of other mining companies, which may give rise to conflicts.

Certain Perpetua Resources directors and officers are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. Directors and officers of the Corporation with conflicts of interest are subject to and are required to follow the procedures set out in applicable corporate and securities legislation, regulations, rules and the Corporation's policies.

Perpetua Resources' business involves risks for which Perpetua Resources may not be adequately insured, if it is insured at all.

In the course of exploration and development of, and production from, mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including landslides, ground failures, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks. Perpetua Resources does not currently have insurance against all such risks and may decide not to take out insurance against all such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of Perpetua Resources.

Additionally, the Corporation is not insured against most environmental risks. Insurance against all environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products by third parties occurring as part of historic exploration and production) has not been generally available to companies within the industry. The Corporation periodically evaluates the cost and coverage of the insurance that is available against certain environmental risks to determine if it would be appropriate to obtain such insurance. Without such insurance, or with limited amounts of such insurance, and should the Corporation become subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds the Corporation has to pay such liabilities and could result in bankruptcy. Should the Corporation be unable to fully fund the remedial cost of an environmental problem, it might be required to enter into costly interim compliance measures pending completion of the required remedy.

A shortage of supplies and equipment, or the inability to obtain such supplies and equipment when needed and at expected prices, could adversely affect Perpetua Resources' ability to operate its business.

Perpetua Resources is dependent on various supplies and equipment to carry out its activities. The shortage of such supplies, equipment and parts, or the inability to obtain such supplies and equipment when needed, whether as a result of inflated costs, supply chain disruptions or other reasons, could have a material adverse effect on Perpetua Resources' ability to carry out its activities and therefore have a material adverse effect on the cost of doing business.

Risks Related to Our Industry

Resource exploration and development is a high risk, speculative business.

Resource exploration and development is a speculative business, characterized by a high number of failures. Substantial expenditures are required to discover new deposits and to develop the infrastructure, mining and processing facilities at any site chosen for mining. Resource exploration and development also involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate. Few properties that are explored are ultimately developed into producing mines, and there is no assurance that commercial quantities of ore will be discovered on any of the Corporation's exploration properties. There is also no assurance that, even if commercial quantities of ore are

discovered, a mineral property will be brought into commercial production, or if brought into production, that it will be profitable. The discovery of mineral deposits is dependent upon a number of factors, including the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit is also dependent upon, among a number of other factors, its size, grade, proximity to infrastructure, current metal prices, and government regulations, including regulations relating to required permits, royalties, allowable production, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but any one of these factors, or the combination of any of these factors, may prevent Perpetua Resources from receiving an adequate return on invested capital. In addition, depending on the type of mining operation involved, several years can elapse from the initial phase of drilling until commercial operations are commenced. Some ore reserves may become unprofitable to develop if there are unfavourable long-term market price fluctuations in gold or other metals, or if there are significant increases in operating or capital costs. Most of the above factors are beyond the Corporation's control, and it is difficult to ensure that the exploration or development programs proposed by Perpetua Resources will result in a profitable commercial mining operation. Please also see, among other things, the risk factor found under the subheading "Perpetua Resources' future exploration and development efforts may be unsuccessful" below.

Mineral exploration and development is subject to numerous industry operating hazards and risks, many of which are beyond Perpetua Resources' control and any one of which may have an adverse effect on its financial condition and operations.

The Project, and any future operations in which Perpetua Resources has a direct or indirect interest, will be subject to all the hazards and risks normally incidental to resource companies and mining in general. Environmental hazards, unusual or unexpected geological operating conditions, such as rock bursts, structural cave-ins and landslides, fires, earthquakes and flooding, power outages, labor disruptions, industrial accidents such as explosions, unexpected mining dilution, metallurgical and other processing issues, metal losses and periodic interruptions due to inclement or hazardous weather conditions, and the inability to obtain suitable or adequate machinery, equipment or labor, are some of the industry operating risks involved in the conduct of exploration programs and the operation of mines. If any of these events were to occur, they could cause injury or loss of life, environmental damage, operational delays, monetary losses and/or severe damage to or destruction of mineral properties, production facilities or other properties. As a result, Perpetua Resources could be the subject of a regulatory investigation, potentially leading to penalties and suspension of operations. In addition, Perpetua Resources may have to make expensive repairs and could be subject to legal liability as an outcome of regulatory enforcement. The occurrence of any of these operating risks and hazards may have an adverse effect on Perpetua Resources' financial condition and operations, and correspondingly on the value and price of Perpetua Resources' common shares.

Perpetua Resources may not be able to obtain insurance to cover these risks at affordable premiums or at all. Insurance against certain environmental risks, including potential liability for pollution or other hazards as a result of operations or other mining activities, is not generally available to Perpetua Resources or to other companies within the mining industry. Perpetua Resources may suffer a materially adverse effect on its business if it incurs losses related to any significant events that are not covered by its insurance policies. Please also see, among other things, the risk factor found under the subheading "Perpetua Resources' business involves risks for which Perpetua Resources may not be adequately insured, if it is insured at all" above.

Metal prices have fluctuated widely in the past and are expected to continue to do so in the future, which may adversely affect the amount of revenues derived from the future commercial production.

The commercial feasibility of the Project and Perpetua Resources' ability to arrange funding to conduct its planned exploration projects is dependent on, among other things, the price of gold, silver, antimony and other potential by-products. Depending on the price to be received for any minerals produced, Perpetua Resources may determine that it is impractical to commence or continue commercial production. A reduction in the price of gold, silver, antimony or other potential by-products may prevent the Project from being economically mined or result in the write-off of assets whose value is impaired as a result of low precious metals prices.

Future revenues, if any, are expected to be in large part derived from the future mining and sale of gold and other potential by-products or interests related thereto. The prices of these commodities fluctuate and are affected by numerous factors beyond Perpetua Resources' control, including, among others:

- International economic and political conditions;
- Central bank purchases and sales;
- Expectations of inflation or deflation;
- International currency exchange rates;
- Interest rates;
- Global or regional consumptive patterns;
- Speculative activities;
- Levels of supply and demand;

- Increased production due to new mine developments;
- Decreased production due to mine closures;
- Improved mining and production methods;
- Availability and costs of metal substitutes;
- Metal stock levels maintained by producers and others; and
- Inventory carrying costs.

The effect of these factors on the price of gold, silver, antimony and other potential by-products cannot be accurately predicted. If the price of gold and other potential by-products decreases, the value of Perpetua Resources' assets would be adversely affected, thereby adversely impacting the value and price of Perpetua Resources' common shares.

While the price of gold has recently been strong, there can be no assurance that gold prices will remain at such levels or be such that the Project, and any future operations in which Perpetua Resources has a direct or indirect interest, will be mined at a profit. Some credible industry experts are predicting that gold will continue to increase in price during 2024 and the next several years. However, other credible industry experts expect that the price of gold has generally peaked during the recent pandemic and resulting economic crisis, and that as economies slowly recover over the next few years, the price of gold will decrease and be worth much less per ounce than it is today.

Rising metal prices encourage mining exploration, development, and construction activity, which in the past has increased demand for and cost of contract mining services and equipment.

Increases in metal prices tend to encourage increases in mining exploration, development, and construction activities. During past expansions, demand for and the cost of contract exploration, development and construction services and equipment have increased as well. Increased demand for and cost of services and equipment could cause project costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, and increased potential for scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project exploration, development, or construction costs, result in project delays, or both. There can be no assurance that increased costs may not adversely affect the exploration and/or development of our mineral properties in the future.

Global financial markets can have a profound impact on the global economy in general and on the mining industry in particular.

Many industries, including the precious metal mining industry, are impacted by global market conditions. Some of the key impacts of financial market turmoil can include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global and specifically mining equity markets, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A slowdown in the financial markets or other economic conditions, including but not limited to, reduced consumer spending, increased unemployment rates, deteriorating business conditions, inflation, deflation, volatile fuel and energy costs, increased consumer debt levels, lack of available credit, lack of future financing, a prolonged recession, changes in interest rates and tax rates may adversely affect the Corporation's growth and profitability potential. Specifically:

- A global credit/liquidity crisis, or a significant increase in interest rates, could impact the cost and availability of financing and Perpetua Resources' overall liquidity;
- The volatility of gold and other potential by-product prices may impact Perpetua Resources' future revenues, profits and cash flow;
- Volatile energy prices, commodity and consumables prices and currency exchange rates impact potential production costs; and
- The devaluation and volatility of global stock markets impacts the valuation of the Corporation's equity securities, which may impact its ability to raise funds through the issuance of equity.

Longstanding legal certainty about aspects of the 1872 Mining Law is being challenged in Federal Court.

A changing legal environment and court rulings related to the use of unpatented lode mining claims now being reviewed in federal courts may cause the Corporation to make modifications to its current claims management program and strategy.

On July 31, 2019, the U.S. District Court for the District of Arizona issued a decision vacating the Forest Service's approval of the plan of operations for the proposed Rosemont Mine. *See Center for Biological Diversity et al. v. United States Fish and Wildlife Service et al.* (the "Rosemont" case). The District Court found that the Forest Service erred when it applied its surface management regulations to approve the proposed mine's tailings storage facility and waste rock dumps on National Forest lands. According to the District Court, the agency should have considered those facilities under its special use permit regulations. The Forest Service made that error, according to the court, because it did not confirm under the Mining Law that

the unpatented mining claims under the ancillary facilities were “valid,” as defined by the court. The outcome of the District Court’s reasoning is that only activities on “valid” claims are regulated under the Forest Service mining regulations, and ancillary facilities require a special use permit.

The decision was appealed and on May 12, 2022, a split Ninth Circuit panel remanded the case back to the Forest Service for such further proceedings as it deems appropriate, including application of 36 CFR 228 subpart A to Rosemont’s plan of operation, guided by the Court’s ruling that Section 612 of the Surface Resources and Multiple Use Act of 1955 grants no rights beyond those granted by the 1872 Mining Law. The majority opinion expressly refrained from further interpretation regarding application of the 36 CFR 228A, 36 CFR 251 or other Forest Service regulations in advance of the Forest Service further considering and developing the project record regarding the specifics of the Rosemont plan of operations. In December 2022, the Rosemont defendant announced it would not appeal the Ninth Circuit’s decision.

The Corporation closely followed the *Rosemont* proceedings and is following other Mining Law litigation currently pending in the United States Court of Appeals for the District of Columbia. During the pendency of the *Rosemont* proceedings, the Corporation directed a thorough analysis of its claims management program to support the Project Plan of Restoration and Operations. Notwithstanding that neither the validity of the 36 CFR 228 subpart A regulations was challenged in the *Rosemont* case nor their application to approval of the Rosemont plan of operations were reviewed by the federal courts, the Corporation’s claims management program and strategy was adjusted during the years ended December 31, 2022 and December 31, 2023 relinquishing 53 of the Corporation’s unpatented lode mining claims and re-staking with 205 unpatented mill sites over areas non-mineral in character and suitable for mill sites should a development decision be made.

Risks Related to Our Common Shares

The requirements of being a public company in the United States and Canada and maintaining a dual listing on both Nasdaq and the TSX, including compliance with the reporting requirements of the Exchange Act, the requirements of the Sarbanes-Oxley Act of 2002 (“Sarbanes-Oxley”) and applicable securities laws of Canada, may strain our resources, increase our costs, and require significant management time and resources.

As a public company in the United States, we need to comply with federal and state laws, regulations and requirements, certain corporate governance provisions of Sarbanes-Oxley, related regulations of the SEC and the requirements of Nasdaq, with which we are not otherwise required to comply as a public company in Canada listed on the Toronto Stock Exchange (the “TSX”). These additional requirements may strain our resources, increase our costs and require significant management time and resources. Specifically, we may incur significant additional accounting, legal, reporting and other expenses in order to maintain a dual listing on both Nasdaq and the TSX, including the costs of listing on two exchanges. Complying with these statutes, regulations and requirements, as well as any applicable securities laws of Canada, occupies a significant amount of time of our Board of Directors (the “Board”) and management and increases our costs and expenses, including an increased reliance on outside counsel and accountants. We also prepare and distribute periodic public reports in compliance with our obligations under the U.S. federal securities laws, in addition to applicable securities laws of Canada.

Shareholder activism, the current political environment and the current high level of government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, which could then result in additional compliance costs and affect the manner in which we operate our business. Moreover, any new regulations or disclosure obligations may increase our legal and financial compliance costs and may make some activities more time-consuming and costly.

Furthermore, while we generally must comply with Section 404 of Sarbanes-Oxley for our fiscal year ended December 31, 2023, we are not required to have our independent registered public accounting firm attest to the effectiveness of our internal controls over financial reporting until our first annual report subsequent to our ceasing to be an “emerging growth company” within the meaning of the Exchange Act. Once it is required to do so, our independent registered public accounting firm may issue a report that is adverse in the event the independent registered public accounting firm concludes that there is one or more material weaknesses in the effectiveness of our internal control over financial reporting. Compliance with these requirements may strain our resources, increase our costs and use significant management time and resources, and we may be unable to comply with these requirements in a timely or cost-effective manner.

For as long as we are an “emerging growth company,” or a “smaller reporting company” we will not be required to comply with certain reporting requirements that apply to some other public companies, and such reduced disclosures requirement may make our Common Shares less attractive.

As an “emerging growth company” as defined in the JOBS Act, we may take advantage of exemptions from certain disclosure requirements applicable to other public companies that are not emerging growth companies. We are an emerging growth company until the earliest of (i) the last day of the fiscal year during which we have total annual gross revenues of \$1.24 billion or more; (ii) the last day of the fiscal year following the fifth anniversary of the first sale of common equity

securities pursuant to an effective registration statement under the Securities Act; (iii) the date on which we have, during the previous three-year period, issued more than \$1.0 billion in non-convertible debt; or (iv) the date on which we are deemed to be a “large accelerated filer” under the rules of the SEC.

For so long as we remain an “emerging growth company,” we will not be required to, among others:

- Have an auditor report on our internal control over financial reporting pursuant to Sarbanes-Oxley;
- Comply with any new requirements adopted by the Public Company Accounting Oversight Board requiring mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about our audit and our financial statements;
- Include detailed compensation discussion and analysis in our filings under the Exchange Act and instead may provide a reduced level of disclosure concerning executive compensation; and
- Hold a non-binding stockholder advisory vote on executive compensation and stockholder approval of any “golden parachute” payments not previously approved.

Notwithstanding the above, we are also currently a “smaller reporting company,” meaning that we are not an investment company, an asset-backed issuer, or a majority-owned subsidiary of a parent company that is not a smaller reporting company and have either: (i) a public float of less than \$250.0 million, or (ii) annual revenues of less than \$100.0 million during the most recently completed fiscal year and: (A) no public float, or (B) a public float of less than \$700.0 million. In the event that we are still considered a “smaller reporting company,” at such time we cease being an “emerging growth company,” the disclosure we will be required to provide in our SEC filings will increase but will still be less than it would be if we were not considered either an “emerging growth company” or a “smaller reporting company”. Specifically, similar to “emerging growth companies,” “smaller reporting companies” are able to provide simplified executive compensation disclosures in their filings; are exempt from the provisions of Section 404(b) of the Sarbanes-Oxley Act requiring that independent registered public accounting firms provide an attestation report on the effectiveness of internal control over financial reporting; and have certain other decreased disclosure obligations in their SEC filings, including, among other things, only being required to provide two years of audited financial statements in annual reports. Decreased disclosures in our SEC filings due to our status as an “emerging growth company” or “smaller reporting company” may make it harder for investors to analyze the Company’s results of operations and financial prospects.

Because of these disclosure exemptions, some investors may find our common shares less attractive, which may result in a less active trading market for our common shares, and our share price may be more volatile.

Provisions in the Company’s corporate charter documents and Canadian law could make an acquisition of the Company, which may be beneficial to its shareholders, more difficult and may prevent attempts by the shareholders to replace or remove the Company’s current management and/or limit the market price of the Common Shares.

We are governed by the *Business Corporations Act* (British Columbia) (“BCBCA”) and other relevant laws. Provisions in Perpetua Resources’ articles, as well as certain provisions under the BCBCA and *Competition Act* (Canada) may discourage, delay or prevent a merger, acquisition or other change in control of Perpetua Resources that shareholders may consider favorable, including transactions in which they might otherwise receive a premium for their Common Shares. These provisions could also limit the price that investors might be willing to pay in the future for Perpetua Resources’ Common Shares, thereby depressing the market price of Perpetua Resources’ Common Shares.

The *Competition Act* (Canada) permits the Commissioner of Competition of Canada, (the “Commissioner”), to review any acquisition of a significant interest in Perpetua Resources. This legislation grants the Commissioner jurisdiction to challenge such an acquisition before the Canadian Competition Tribunal if the Commissioner believes that it would, or would be likely to, result in a substantial lessening or prevention of competition in any market in Canada. The *Investment Canada Act* subjects an acquisition of control of a company by a non-Canadian to government review if the value of the Corporation’s assets, as calculated pursuant to the legislation, exceeds a threshold amount. A reviewable acquisition may not proceed unless the relevant minister is satisfied that the investment is likely to result in a net benefit to Canada. Any of the foregoing could prevent or delay a change of control and may deprive or limit strategic opportunities for our shareholders to sell their shares.

In addition, because the Board is responsible for appointing the members of the Corporation's management team, these provisions may frustrate or prevent any attempts by Perpetua Resources’ shareholders to replace or remove current management by making it more difficult for shareholders to replace members of the Board. Among other things, these provisions include the following:

- Shareholders cannot amend Perpetua Resources’ articles unless such amendment is approved by shareholders holding at least two-thirds of the votes cast on the proposal;
- The Board may, without shareholder approval, issue first preferred shares and/or second preferred shares having any terms, conditions, rights, preferences and privileges as the Board may determine; and

- Shareholders must give advance notice to nominate directors in accordance with the Company's advance notice policy.

Because we are a corporation incorporated in British Columbia and some of our directors and officers may reside, now or in the future, in Canada, it may be difficult for investors in the United States to enforce civil liabilities against us based solely upon the federal securities laws of the United States. Similarly, it may be difficult for Canadian investors to enforce civil liabilities against our directors and officers that reside outside of Canada.

The Corporation is a corporation existing under the BCBCA. Some of the directors and officers named in this Annual Report may reside, now or in the future, in Canada or otherwise reside outside the United States, and all or a substantial portion of their assets may be located outside the United States. As a result, it may be difficult for United States investors to effect service of process within the United States upon the Corporation or experts who are not residents of the United States or to enforce judgments of courts of the United States predicated upon the Corporation's civil liability and the civil liability of its experts under the United States federal securities laws.

Similarly, some of our experts, directors and officers reside outside of Canada or, in the case of companies, are incorporated, continued or otherwise organized under the laws of a foreign jurisdiction. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction, or resides outside of Canada, even if the party has appointed an agent for service of process.

Perpetua Resources has no history of paying dividends, does not expect to pay dividends in the immediate future and may never pay dividends.

Since incorporation, neither Perpetua Resources nor any of its subsidiaries have paid any cash or other dividends on its common shares, and the Corporation does not expect to pay such dividends in the foreseeable future, as all available funds will be invested primarily to finance its mineral exploration programs.

Perpetua Resources will need to raise additional capital through the sale of its securities or other interests, resulting in potential for significant dilution to the existing shareholders and, if such funding is not available, Perpetua Resources' operations would be adversely affected.

Perpetua Resources has limited financial resources and has financed its activities primarily through the sale of Perpetua Resources' securities, such as common shares and convertible notes. Perpetua Resources expects that it will need to continue its reliance on the sale of its securities for future financing, including that required to complete the permitting process or begin construction, resulting in dilution to existing shareholders.

Future sales of Perpetua Resources' common shares into the public market by holders of Perpetua Resources options and warrants may lower the market price, which may result in losses to Perpetua Resources' shareholders.

Sales of substantial amounts of Perpetua Resources' common shares into the public market by shareholders, Perpetua Resources' officers or directors or pursuant to the exercise of options or warrants, or even the perception by the market that such sales may occur, may lower the market price of the Corporation's common shares.

Our largest shareholder has significant influence on us and may also affect the market price and liquidity of our securities.

Paulson & Co. Inc. ("Paulson") holds in the aggregate 38.6% of the outstanding shares in Perpetua as of March 1, 2024. Accordingly, Paulson will have significant influence in determining the outcome of any corporate transaction or other matter submitted to the shareholders for approval, including mergers, consolidations, and the sale of all or substantially all of our assets and other significant corporate actions. Unless full participation of all shareholders takes place in such shareholder meetings, Paulson may be able to approve such matters itself. The concentration of ownership of the common shares by Paulson may: (i) delay or deter a change of control of the Corporation; (ii) deprive shareholders of an opportunity to receive a premium for their common shares as part of a sale of the Corporation; and (iii) affect the market price and liquidity of the common shares. Pursuant to the terms of the investor rights agreement dated March 17, 2016, as amended and restated on March 17, 2020, Paulson has the right to designate two Board members so long as Paulson holds not less than 20% of our common shares and the right to designate one Board member so long as Paulson holds not less than 10% of our common shares. Andrew Cole and Marcelo Kim are Paulson's nominees to the Board and Marcelo Kim was appointed Chairman of our Board in March of 2020.

As long as Paulson maintains its shareholdings in the Corporation, Paulson will have significant influence in determining the members of the Board. Without the consent of Paulson, we could be prevented from entering into transactions that are otherwise beneficial to us. The interests of Paulson may differ from or be adverse to the interests of our other shareholders. The effect of these rights and Paulson's influence may impact the price that investors are willing to pay for our shares. If Paulson or its affiliates sell a substantial number of our common shares in the public market, the market price of the common shares

could fall. The perception among the public that these sales will occur could also contribute to a decline in the market price of our common shares.

We are subject to taxation both in Canada and the United States, and shareholders may be subject to Canadian and U.S. withholding and certain other taxes.

We are treated as a Canadian resident company (as defined in the Income Tax Act (Canada)) subject to Canadian income tax. We are also treated as a U.S. corporation subject to U.S. federal income tax on our worldwide income pursuant to Section 7874 of the Internal Revenue Code of 1986, as amended (the “Code”). As a result, we are subject to taxation both in Canada and the United States, which could have a material adverse effect on our financial condition and results of operations.

It is unlikely that we will pay any dividends on our common shares in the foreseeable future. However, if we decide to pay any dividends, dividends received by shareholders who are not “United States persons” (within the meaning of the Code) will be subject to U.S. withholding tax. Shareholders who are residents of Canada (for purposes of the Income Tax Act (Canada)) may not qualify for a reduced rate of withholding tax under the United States-Canada income tax treaty. In addition, a foreign tax credit or a deduction in respect of any U.S. federal withholding tax may not be available under Canadian law.

Dividends received by shareholders who are not residents of Canada will be subject to Canadian withholding tax. Shareholders who are United States persons may not qualify for a reduced rate of withholding tax under the United States-Canada income tax treaty. Dividends paid by us will be characterized as U.S.-source income for purposes of the foreign tax credit rules under the Code. Accordingly, United States persons generally will not be able to claim a credit for any Canadian tax withheld on dividends unless, depending on the circumstances, they have an excess foreign tax credit limitation due to other foreign-source income of the same category that is subject to a low or zero rate of foreign tax.

Dividends received by shareholders who are neither United States persons nor residents of Canada will be subject to U.S. and Canadian withholding taxes. These dividends may not qualify for a reduced rate of withholding tax under any income tax treaty.

We believe we currently are, and anticipate remaining, a “United States real property holding corporation” (within the meaning of the Code) on account of owning substantial U.S. real property interests. As a result, a shareholder who is not a United States person generally will be subject to U.S. tax on any gain recognized on a sale or other disposition of our common shares if that shareholder owned (or is treated as having owned) more than 5% of our common shares within five years of the date of the sale or other disposition, or our common shares are not treated as “regularly traded on an established securities market” (within the meaning of U.S. Treasury regulations). In addition, if our common shares are not treated as regularly traded on an established securities market, a 15% U.S. withholding tax generally would apply to the gross proceeds from a sale or other disposition of our common shares by any shareholder who is not a United States person, which withholding can be credited against the applicable tax liability (described in the preceding sentence) on any gain recognized.

Because our common shares are treated as shares of a U.S. corporation, the U.S. gift, estate and generation-skipping transfer tax rules may be relevant to shareholders who are not United States persons.

Each shareholder should seek tax advice, based on the shareholder’s particular circumstances, from an independent tax advisor.

General Risk Factors

We are required to develop and maintain proper and effective internal controls over financial reporting. We may not complete our analysis of our internal controls over financial reporting in a timely manner, or these internal controls may not be determined to be effective, which may adversely affect investor confidence in us and, as a result, the value of our common stock.

We are required, pursuant to Section 404 of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal controls over financial reporting for the fiscal year ending December 31, 2023. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal controls over financial reporting. Additionally, we are required to disclose changes made in our internal controls and procedures on a quarterly basis.

However, for as long as we are an emerging growth company, or a smaller reporting company that is a non-accelerated filer, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404(b). At such time this attestation will be required, our independent registered public accounting firm may issue a report that is adverse in the event the independent registered public accounting firm concludes that there is one or more material weaknesses in the effectiveness of our internal control over financial reporting.

Our remediation efforts may not enable us to avoid a material weakness in the future. We may need to undertake various actions, such as implementing new internal controls and procedures and hiring additional accounting or internal audit staff.

If we are unable to assert that our internal controls over financial reporting are effective, or if our independent registered public accounting firm is unable to express an opinion on the effectiveness of our internal controls to the extent required, we could lose investor confidence in the accuracy and completeness of our financial reports, which could cause the price of our common stock to decline, and we may be subject to investigation or sanctions by the SEC.

If securities or industry analysts do not continue to publish research or reports about our business, or if they issue an adverse or misleading opinion regarding our stock, our stock price and trading volume could decline.

The trading market for our common stock is influenced by the research and reports that securities or industry analysts publish about us or our business. If analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our business model or our stock performance, or if our results of operations fail to meet the expectations of analysts, the price of our common stock would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn might cause the price of our common stock and trading volume to decline.

System security vulnerabilities, data breaches, and cyber-attacks could compromise proprietary or otherwise sensitive information or disrupt operations, which could adversely affect Perpetua Resources' business, reputation, operations, and stock price.

Information systems and other technologies, including those related to the Corporation's financial and operational management, and its technical and environmental data, are an integral part of the Corporation's business activities. Network and information systems related events, such as phishing attacks, computer hacking, cyber-attacks, computer viruses, worms or other destructive or disruptive software, process breakdowns, denial of service attacks, lost or misplaced data, programming errors, scams, burglary, human error, misdirected wire transfers, other malicious activities or any combination of the foregoing. We may also be adversely affected by power outages, natural disasters, terrorist attacks, or other similar events which could result in damages to the Corporation's property, equipment and data. These events also could result in significant expenditures to repair or replace damaged property or information systems and/or to protect them from similar events in the future.

We have experienced cybersecurity incidents but have not suffered any material adverse impacts to our business and operations as a result of such incidents. No security measure is infallible. Our facilities and systems, and those of our third-party service providers, have been subject to certain cybersecurity incidents and are vulnerable to future adverse events. We may also identify previously undiscovered instances of security breaches or bad actors with present access to our systems.

In addition, as a general matter, the frequency and magnitude of cyber-attacks is increasing and attackers have become more sophisticated. Cyber-attacks are similarly evolving and include without limitation use of malicious software, surveillance, credential stuffing, spear phishing, social engineering, use of deepfakes (*i.e.*, highly realistic synthetic media generated by artificial intelligence), attempts to gain unauthorized access to data, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information and corruption of data. The Corporation may be unable to anticipate, detect or prevent future attacks, particularly as the methodologies used by attackers change frequently or are not recognizable until deployed. We may also be unable to investigate or remediate incidents as attackers are increasingly using techniques and tools designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence.

Furthermore, any security breaches such as misappropriation, misuse, leakage, falsification, accidental release or loss of information contained in the Corporation's information technology systems including personnel and other data that could damage its reputation, trigger reporting or other requirements under material contracts and require the Corporation to expend significant capital and other resources to remedy any such security breach. Insurance held by the Corporation may mitigate losses, however, in any such events or security breaches, such insurance coverage may not be sufficient to cover any consequent losses or otherwise adequately compensate the Corporation for any disruptions to its business that may result, including loss or disruption of a material contract resulting from such breach. Insurance coverage may also be entirely unavailable. The occurrence of any such events or security breaches could have a material adverse effect on the business of the Corporation. In particular, a cybersecurity incident resulting in a security breach or failure to identify a security threat could disrupt our business and could result in the loss of sensitive, confidential information or other assets, as well as an inability to complete transactions, litigation including individual claims or class actions, regulatory enforcement, violation of privacy or securities laws and regulations, and remediation costs, all of which could materially impact our reputation, operations, or financial performance.

There can be no assurance that these events and/or security breaches will not occur in the future or not have an adverse effect of the business, reputation, results of operations, and financial condition of the Corporation.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

Information systems and other technologies, including those related to the Corporation's information and operational technology systems, and its technical and environmental data, are an important part of the Corporation's business activities. We must comply with certain elevated contractual requirements, including those related to adequately safeguarding controlled unclassified information and reporting cybersecurity incidents to the United States Department of Defense ("DOD"). We continue to implement cybersecurity processes designed to align with DOD requirements, instructions and guidance and work with the DOD as needed to assess cybersecurity risk and on policies and practices aimed at mitigating these risks. Accordingly, the Company maintains processes for assessing, identifying, and managing material risks from cybersecurity threats.

Such processes include the use of traffic monitoring tools, as well as training users to detect, report, and prevent unusual behavior. We also employ monitoring mechanisms to help us detect and respond to cybersecurity threats. We conduct regular assessments and testing of the effectiveness of these controls, including security audits, incident response planning, and regulatory compliance assessments. We seek to foster cybersecurity awareness and responsibility throughout the organization by regularly providing our employees with training on cybersecurity practices.

We use user access controls to limit unauthorized access to sensitive information and critical systems. In addition, we use multi-factor authentication for remote access, use of privileged accounts and access to critical systems. Encryption methods are used to protect sensitive data. This includes the encryption of customer data, financial information, and other confidential data. The implementation and management of these cybersecurity processes are integrated with the Company's overall operational risk management processes, which seeks to limit our exposure to unnecessary risks across our operations.

We maintain an incident response plan that outlines the steps to be taken in the event of a cybersecurity incident. Pursuant to the incident response plan, the identifying party is required to notify the Company's CFO and Board of Directors of certain cybersecurity incidents deemed to have a moderate or higher business impact, even if immaterial to us. The incident response plan also includes procedures for:

- Gathering information about the cybersecurity incident.
- Consulting with cybersecurity consultants and other parties to assess the cybersecurity incident.
- Evaluating the materiality of the cybersecurity incident, determining whether there are disclosure obligations under applicable securities laws, and external reporting, as required.

We engage third party service providers including consultants and auditors in connection with the above processes. We recognize that third-party service providers introduce cybersecurity risks.

Impacts from Cybersecurity Threats

As of the date of this Report, though the Company and our service providers have been subject to certain cybersecurity incidents, we are not aware of any previous cybersecurity threats that have materially affected or are reasonably likely to materially affect the Company. However, we acknowledge that cybersecurity threats are continually evolving, and the possibility of future cybersecurity incidents remains. Despite the implementation of our cybersecurity processes, our security measures cannot guarantee that a significant cyberattack will not occur. A successful attack on our information technology systems could have significant consequences to the business. For additional information about the risks to our business associated with a breach or compromise to our information technology systems, see section *Item 1A, Risk Factors – System security vulnerabilities, data breaches, and cyber-attacks could compromise proprietary or otherwise sensitive information or disrupt operations, which could adversely affect Perpetua Resources' business, reputation, operations, and stock price.*

Governance

Our IT Systems Administrator is responsible for assessing and managing our risks from cybersecurity threats and oversees our cybersecurity program. The IT Systems Administrator reports directly to our Chief Financial Officer (CFO). Our IT Systems Administrator holds an associate degree in computer application and support and has served in various roles in information systems administration for over eight years, including roles involving managing information technology and systems and implementing cybersecurity programs.

Our full Board and our Audit Committee oversee risks from cybersecurity threats and our cybersecurity practices and policies. Accordingly, our CFO periodically updates the Board and Audit Committee on cybersecurity matters, including cybersecurity risks. Additionally, our Board and Audit Committee, as well as senior management, receive reports on an as-needed basis regarding our cybersecurity posture, cybersecurity incidents, and remediation efforts.

Item 2. Properties.

Summary Disclosure

The Corporation has only one material mining property, the Stibnite Gold Project, a formerly abandoned, brownfield mine site in rural Idaho, USA. We hold the Stibnite Gold Project through our wholly-owned subsidiary Idaho Gold Resources Company, LLC.

The Project consists of mining the Yellow Pine, Hangar Flats and West End deposits using conventional open pit methods, conventional processing methods to extract gold, silver and antimony, and on-site production of gold (“Au”) and silver (“Ag”) doré and an antimony (“Sb”) concentrate. The Project also entails an extensive reclamation and restoration program for historical legacy impacts to the site including the recovery and reprocessing of historical tailings, restoration of fish passage during and after operations, relocation of historical mining wastes to engineered storage facilities, stream restoration, and reforestation of impacted areas. Some environmental work is currently in process under the ASAOC. This work is designed to improve water quality on the Project site and is expected to be completed prior to the Project’s planned reclamation and restoration activities. The Corporation’s plans for decommissioning the site include progressive and concurrent remediation, reclamation, and restoration activities, beginning at the start of construction and continuing beyond the operations phase, through Project reclamation and closure. We are currently undertaking an extensive permitting process for redevelopment and restoration of the Project.

Technical Report Summary

The disclosures in this *Item 2, Properties* regarding Perpetua Resources’ 100% interest in the Stibnite Gold Project have been prepared in accordance with the mining property disclosure rules specified in S-K 1300. Except for subsequent events or as otherwise noted, the disclosure in this Annual Report on Form 10-K of a scientific or technical nature for the Stibnite Gold Project is derived from, and in some instances is an extract from, the Technical Report Summary, dated as of December 31, 2021, and amended as of June 6, 2022, which is included as Exhibit 96.1 of this Annual Report on Form 10-K. There are no material changes to the information presented in the TRS.

The TRS summarizes, as of December 31, 2021, in accordance with the mining property disclosure rules specified in S-K 1300, the information presented in the technical report titled “Stibnite Gold Project, Feasibility Study Technical Report, Valley County, Idaho” dated effective December 22, 2020 and issued January 27, 2021, which was prepared in accordance with mining property disclosure standards set forth in NI 43-101.

The TRS was filed by the Company on Form 8-K on EDGAR on June 8, 2022. The 2020 Feasibility Study was filed on SEDAR on January 28, 2021. You should read the TRS as part of your review of the information in this Item 2. Properties.

Certain capitalized terms in this section not otherwise defined have the meanings ascribed to them in the TRS.

Information of a scientific or technical nature in this Annual Report has been approved by Christopher Dail, AIPG CPG #10596, Exploration Manager for Perpetua Resources Idaho, Inc. and a qualified person (as defined in NI 43-101 and as defined in S-K 1300).

Assumptions

Portions of the information presented in this Annual Report on Form 10-K and the information contained in the TRS rely on a number of estimates and assumptions, including estimates and assumptions which are inherently subject to significant scientific, business, economic and competitive uncertainties and contingencies that could be material should those assumptions be incorrect. These assumptions include, but are not limited to, certain assumptions as to capital costs, production rates, operating costs, recovery and timing of construction and production; assumptions that the current price and demand for gold and other metals will be sustained or will improve; assumptions that the equipment and personnel required for permitting, construction and operations will be available on a continual basis; there are no significant errors in calculations and information used in mineral resource and reserve estimates, there will be no unforeseen delays, unexpected geological or other effects, equipment failures, or significant permitting delays. For a description of the key assumptions, parameters and methods used to estimate mineral reserves and mineral resources included in this Annual Report on Form 10-K, as well as data verification procedures and a general discussion of the extent to which the estimates may be affected by any known environmental, permitting, legal, title, taxation, sociopolitical, marketing or other relevant factors, please review the TRS, which is included as an exhibit to this Annual Report on Form 10-K. The estimates and assumptions contained in the TRS are dated as of December 31, 2020 and the Corporation has not updated the estimates and assumptions as of December 31, 2023. See “*Risk Factors*” and “*Cautionary Note Regarding Forward-Looking Statements*” for a discussion of additional industry and business risks and assumptions.

TRS Highlights

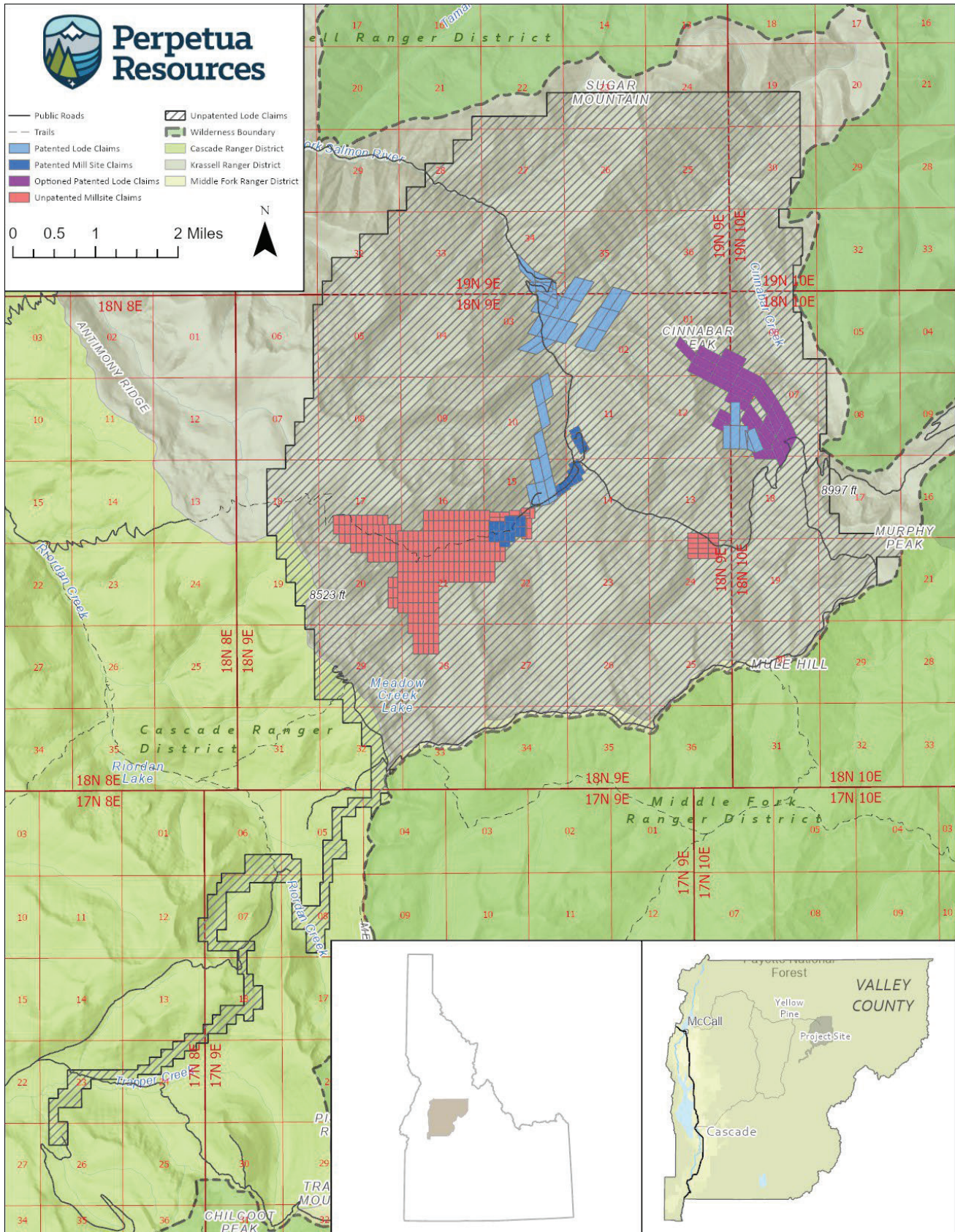
The Stibnite Gold Project economics, as contemplated in the TRS, are summarized in the table below.

Component	Early Production Years 1-4	Life-of-Mine Years 1-15
Recovered Gold ⁽²⁾ Total	1,853 koz	4,238 koz
Recovered Antimony Total	74 million lbs	115 million lbs
Recovered Gold ⁽²⁾ Annual Average	463 koz/yr	297 koz/yr
Cash Costs ^(2,3) (Net of by-product credits)	\$328/oz Au	\$538/oz Au
All-in Sustaining Costs ^(2,3) (Net of by-product credits)	\$438/oz Au	\$636/oz Au
Initial Capital – including contingency	\$1,263 million	
Notes:		
(1) Base case prices US\$1,600/oz gold, \$20/oz silver and \$3.50/lb antimony, Case C price based on metal selling prices of US\$1,850/oz gold, \$24/oz silver and \$3.50/lb antimony, Post-Tax NPV at 5% discount rate.		
(2) In this release, “M” = million, “k” = thousand, all amounts in US\$, gold and silver reported in troy ounces (“oz”).		
(3) Cash costs and All-in Sustaining Costs are non-GAAP measures; see section <i>Item 2, Non-GAAP Measures</i> .		
All numbers have been rounded in above table and may not sum correctly.		
The TRS assumes 100% equity financing of the Project and cost estimates as of the third quarter of 2020.		

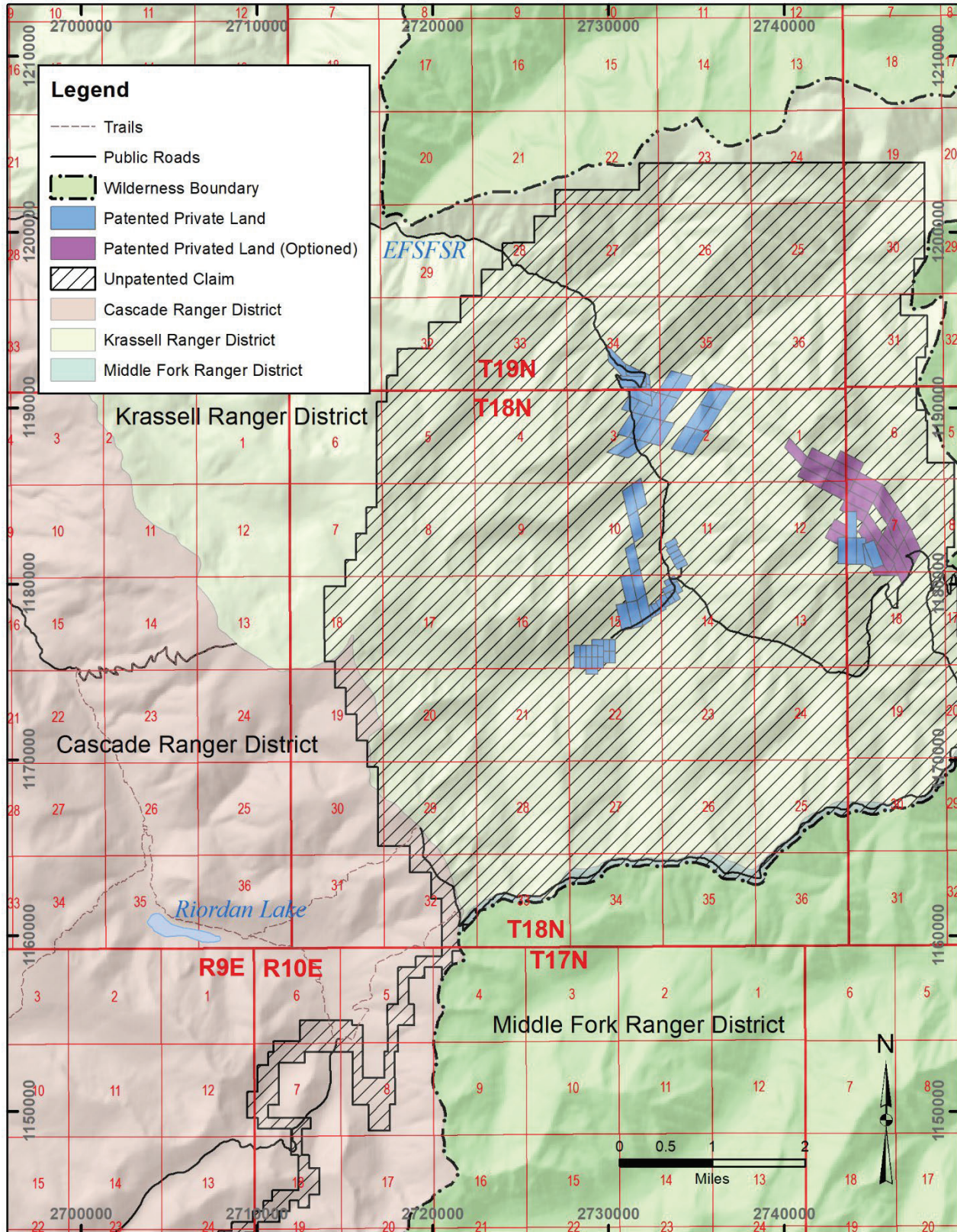
Property Description and Location

The Project location is in central Idaho, USA approximately one hundred (100) miles (“mi”) northeast of Boise, Idaho, thirty-eight (38) mi east of McCall, Idaho, and approximately ten (10) mi east of Yellow Pine, Idaho. Mineral rights controlled by Perpetua Resources include patented lode claims, patented mill sites, unpatented federal lode mining claims, and unpatented federal mill sites and encompass approximately 28,480 acres (forty-five (45) square miles). The claims are 100% owned, except for twenty-seven (27) patented lode claims that are held under an option to purchase. The Project is subject to a 1.7% net smelter return royalty on gold only and a 100% net smelter return royalty on silver; there is no royalty on antimony.

Stibnite Gold Project Location



Land Status Map



Patented Lands

On June 11, 2009, a predecessor to SGC acquired and exercised an option to purchase (“OTP”) the Meadow Creek group of nine patented lode claims totaling approximately 184 acres from Bradley Mining Co. (“Bradley”).

A predecessor to IGRCLLC secured an OTP agreement from the J.J. Oberbillig Estate on June 2, 2009, to acquire 30 patented mill site claims totaling approximately 149 acres and six patented lode claims totaling approximately 124 acres. The Oberbillig OTP agreement was exercised and title to property rights were acquired on June 2, 2015. An associated transaction included the purchase and extinguishment of a 5% Net Smelter Return (“NSR”) royalty to the Oberbillig estate covering certain lands within the Project area. Most of the mineralization constituting the West End Deposit is located within portions of these patented lode claims. Hecla Mining Company (Hecla) retains some surface rights on portions of six of the patented mill sites, but no mineral rights and IGRCLLC has a right to use the surface for the purposes of mining. IGRCLLC holds a right of first refusal with predefined terms for the OTP.

An OTP for patented lode mining claims covering portions of the Yellow Pine Deposit was conveyed to Perpetua Resources in 2011 by way of a company merger between a predecessor to IGRCLLC and a subsidiary of Vista Gold Corp. that was agreed to February 22, 2011. The OTP for the subject patented claims was exercised on November 28, 2012. As a result of the merger, the predecessor to IGRCLLC became a wholly owned subsidiary of Perpetua Resources. The Yellow Pine claim group includes 17 patented lode mining claims totaling approximately 301 acres and eight unpatented lode mining claims (included in the unpatented total below).

On April 28, 2011, a predecessor to SGC purchased 6 patented lode claims east of the Project area. This group of claims is referred to as the Fern claim group, totaling approximately 100 acres.

PATENTED CLAIMS					
Valley County Parcel ID	Owner ⁴	Number of Claims		Assessed Acres ³	Assessed Hectares ³
		Lode	Millsite		
RP18N09E155300	IGRCLLC	-	16	80.00	32.37
RP18N09E020026	IGRCLLC	6	-	129.82	52.54
RP18N09E115495	IGRCLLC	-	14	53.57	21.68
RP14N05E074475 ¹	IGRCLLC ¹	-	-	25.06	10.14
RP18N09E038995	IGRCLLC	4	-	81.63	33.03
RP18N09E108995	IGRCLLC	5	-	102.8	41.60
RP18N09E127345	IGRCLLC	6	-	99.87	40.42
RP18N09E030005	IGRCLLC	11	-	218.90	88.59
RP18N09E030020	IGRCLLC	6	-	81.17	32.85
RP18N09E12255	IGRCLLC ²	6	-	89.40	36.18
RP18N10E071525	IGRCLLC ²	2	-	38.95	15.76
RP18N09E18150	IGRCLLC ²	7	-	139.19	56.33
RP18N09E018435	IGRCLLC ²	4	-	80.23	32.47
RP18N09E013840	IGRCLLC ²	8	-	136.01	55.04
Totals		65	30	1,357	549.00
UNPATENTED CLAIMS					
Owner	Claim Type	Number of Claims		Acres	Hectares
		Lode	Millsite		
IGRCLLC	Unpatented lode and millsite claims	1,421	251	28,483	11,527
<i>Notes:</i>					
1. The Scott Valley parcel for the Stibnite Gold Logistics Facility is a 100% owned fee-simple parcel, that is approximately 25 acres, with no mineral rights.					
2. IGRCLLC has an option to purchase (OTP), but no ownership of these parcels. The owner pays property taxes for these parcels until the OTP is exercised.					
3. Not all values may sum due to rounding. Assessed acreage may not correspond exactly to surveyed acreage reported in text.					
4. This table summarizes the mineral rights held by Perpetua Resources' wholly owned subsidiary, IGRCLLC.					

Unpatented Federal Lode Mining Claims and Unpatented Mill Site Claims

A subsidiary of a predecessor to IGRCLLC acquired 229 federal unpatented claims by purchase from previous owners in 2009 and 2011. These included 46 federal mill site claims and 183 federal unpatented lode mining claims. In addition to the purchased claims, IGRCLLC predecessors or subsidiaries acquired by staking an additional 36 federal unpatented lode mining claims in 2009, 217 lode claims in 2010 and 901 federal unpatented lode-mining claims in 2011, and one federal unpatented

lode mining claim in 2012. An additional 126 unpatented lode claims were staked in 2015. Minor modifications, including amended claim locations and changes in some claims have occurred since original staking and/or acquisition.

In 2021, SGC merged with IGRCLLC becoming the sole surviving entity and landowner of patented and unpatented mining claims and mill sites and various optioned properties. In 2022 and 2023, 53 of the Corporation's unpatented lode mining claims were relinquished and re-staked with 205 unpatented mill sites over areas non-mineral in character and suitable for mill sites should a development decision be made. Currently, IGRCLLC owns 1,421 unpatented lode mining and 251 mill sites totaling approximately 28,483 acres (11,527 hectares).

Maintenance of unpatented federal claims requires that IGRCLLC provide a list of claims and serial numbers to the Bureau of Land Management ("BLM") along with annual maintenance fees, currently \$165 for each lode-mining claim or mill site on or before September 1st each year. This was completed for the most recent filing year. There is no underlying royalty on these federal lode-mining claims and mill sites other than the Franco-Nevada Corporation ("Franco-Nevada") royalties. None of the claims are subject to back-in rights; however, Franco-Nevada holds a Right of First Refusal ("ROFR") should mining claims, mill sites or other mineral properties be relinquished.

Stibnite Gold Logistics Facility

On September 9, 2016, IGRCLLC agreed to purchase an undeveloped 25-acre property in fee simple from private interests. The property is situated in Section 7, Township 14N, Range 5E, Boise Meridian. The sale closed on October 26, 2016. The property's metallic and non-metallic mineral rights, apart from aggregate materials needed for construction purposes on the property, were retained by the previous owners.

The property, in an area known locally as Scott Valley, has frontage on the Cascade-Warm Lake Highway and was purchased to serve as a project logistics facility. The agreement provides for maintenance of certain pre-existing rights-of-way, easements and rights, none of which would be expected to inhibit use of the property for the intended purposes. IGRCLLC applied for a Conditional Use Permit from the Valley County Planning and Zoning Commission that was granted on October 5, 2020.

Royalties, Option Agreements and Encumbrances

Option Agreements

On May 3, 2011, a predecessor to SGC entered into an OTP 27 patented lode claims totaling approximately 485 acres from the J.J. Oberbillig Estate (the Cinnabar option claims). This agreement was modified in an Amended and Restated Real Property Purchase Agreement effective December 1, 2016. The amended agreement also includes an option on a ROFR to purchase the surface rights associated with portions of certain patented mill site claims that J.J. Oberbillig Estate sold to Hecla under a Real Estate Purchase and Sale Agreement effective December 30, 2002. The ROFR for the Hecla tracts is vested with fixed terms should Hecla decide to sell the parcel. The agreement also includes granting of a renewable easement for a communications tower. Perpetua Resources is obligated to make payments to maintain the OTP to obtain title to these claims. The agreement includes an option to extend up to 10 years after the original term of the agreement expires, through 2037.

On December 10, 2019, a Perpetua Resources subsidiary entered into an option agreement to purchase 3.74 acres from private interests for an electrical switching station site. The OTP has biannual payments of US\$2,500 through 2033.

Royalty Agreement

Effective May 9, 2013, Perpetua Resources and its subsidiaries granted a perpetual 1.7% NSR royalty on future gold production from the Project properties to Franco-Nevada, subject to adjustment based on final permitted capacity. The royalty does not apply to production of antimony and silver. The royalty agreement applies to all patented and unpatented mineral claims, except for the Cinnabar option claims where Perpetua Resources holds an OTP. Under the agreement, Franco-Nevada has the right, but not the obligation, to extend the property subject to the royalty to the Cinnabar option claims upon notice that the OTP is exercised by Perpetua.

On March 21, 2024, Perpetua Resources and its subsidiaries granted a perpetual 100% NSR royalty on the future payable silver production from the Project to Franco-Nevada. The silver royalty agreement applies to the same properties as the gold royalty. The silver royalty agreement provides a mechanism whereby Franco-Nevada can receive minimum payments equal to 100% of the payable silver from the sale of dore commencing in the seventh calendar year following commercial production and ending upon the completion of the fifteenth calendar year following commercial production. The silver royalty agreement also provides Franco-Nevada an option upon the occurrence of certain conditions precedent (including achieving commercial production) to pay the Company a contingent payment and receive a royalty on any silver payable from the production of antimony concentrate from the Project. The Company's obligations under the gold and silver royalty agreements

are secured by a continuing security interest and a first priority lien on certain collateral including the land and mineral interests comprising the Project.

Geologic Setting and Mineralization

Bedrock in the region can be subdivided into the pre-Cretaceous metasedimentary “basement,” the Cretaceous Idaho Batholith, Tertiary intrusions and volcanics, and Quaternary unconsolidated sediments and glacial materials. The Stibnite Gold Project is situated along the eastern edge of the Idaho Batholith, on the western edge of the Thunder Mountain caldera complex and within the Central Idaho Mineral Belt.

Large, north-south striking, steeply dipping structures exhibiting pronounced gouge and multiple stages of brecciation occur in the district and are often associated with east-west and northeast-southwest trending splays and dilatant structures.

The Yellow Pine and Hangar Flats deposits are hosted primarily by intrusive phases of the Idaho Batholith along the Meadow Creek Fault Zone. The West End Deposit is hosted primarily by Neoproterozoic to Paleozoic metasedimentary rocks of the Stibnite roof pendant along the West End Fault Zone.

Mineralization and alteration in the district are associated with multiple hydrothermal alteration events occurring through the Paleocene and early Eocene epochs. Main-stage gold mineralization and associated potassic alteration typically occurs in structurally prepared zones. The gold is associated with very fine grained disseminated arsenical pyrite and arsenopyrite to a lesser extent. The gold almost exclusively exists in solid solution in these minerals. Antimony mineralization occurs primarily as the mineral stibnite. Additional gold mineralization affecting rocks of the Stibnite roof pendant (West End deposit) is associated with epithermal quartz-adularia-carbonate veins.

Deposits of the district are not readily categorized based on a single generic deposit model due to complexities associated with multiple overprinting mineralization events and uncertainties regarding sources of mineralizing hydrothermal fluids.

Permits

The Project is subject to formal review under NEPA, which is still ongoing. Following the release of a DEIS on August 14, 2020, followed by a public comment period, the USFS published a SDEIS on October 28, 2022 for a 75-day public comment period which closed on January 10, 2023. The Corporation expects that a final EIS and draft Record of Decision will be published in the second quarter of 2024. Work on other required ancillary permits and management plans continues.

Exploration

The district has been the subject of exploration and development activities for nearly 100 years, yet much of the area remains poorly explored due to its remote location, poor level of outcrop and extensive glacial cover. Perpetua Resources has completed extensive exploration work over the last decade that has included: geophysics; rock, soil and stream sampling and analysis; geologic mapping; mineralogical and metallurgical studies; and drilling.

This newer data has been integrated with datasets from previous operators and provides a comprehensive toolkit for future exploration. These efforts have led to the identification of over 75 prospects with varying levels of target support. These prospective areas include targets within, under, and adjacent to existing deposits; bulk mineable prospects along known or newly identified mineralized trends; high grade underground targets and early-stage greenfield prospects and conceptual targets based on geophysics or geologic inference.

Exploration targets include conceptual geophysical targets, geochemical targets from soil, rock and trench samples, and results from widely spaced drill holes; as a result, the potential size and tenor of the targets are conceptual in nature. There has been insufficient exploration to define mineral resources on these prospects and this data may not be indicative of the occurrence of a mineral deposit. Such results do not provide assurance that further work will establish sufficient grade, continuity, metallurgical characteristics, and economic potential to be classed as a category of mineral resource. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

The Project area, including the three main deposits, has been drilled by numerous operators, totaling 793,769 ft in 2,723 drill holes, of which Perpetua Resources drilled 637 holes totaling over 344,465 ft since 2009. Pre-Perpetua Resources drilling was undertaken by a wide variety of methods and operators while Perpetua Resources employed a variety of drilling methods including core, reverse circulation, auger, and sonic throughout the district, but with the primary method being core. Operators who conducted significant exploration and/or mineral extraction during this era included: United Mercury Mines. Yellow Pine Company, Bradley Mining Company, Louisiana Land and Exploration Company, Canadian Superior Mining (U.S.) Ltd., El Paso Oil and Gas, Rancher’s Exploration Company, Twin Rivers Exploration, MinVen Corporation, Pioneer Metals Corporation, Hecla Mining Company, Barrick Gold Corporation (formerly American Barrick Resources), Stibnite Mine Inc., and Dakota Mining Company.

No exploration drilling was completed during the reporting period.

Mineral Resources and Mineral Reserves Estimates

The tables below present the estimated Mineral Resources and Mineral Reserves for the Project at December 31, 2023 presented in accordance with S-K 1300. There were no changes in reported Mineral Resources and Mineral Reserves reported for the years ended December 31, 2022 and 2023. The Qualified Person has reviewed the Mineral Resources and Mineral Reserves described herein and is of the opinion that there are no material changes to the Mineral Resources and Mineral Reserves as compared to the information presented in the TRS and that the material assumptions set forth in the TRS are current as of December 31, 2023.

Mineral Resource Estimates

The following table presents the estimated Indicated and Inferred Mineral Resources for the Project at December 31, 2023 based on \$1,500/oz gold price and are presented exclusive of Mineral Reserves in accordance with S-K 1300. There were no changes to Mineral Resources since December 31, 2022.

Consolidated Mineral Resource Statement for the Stibnite Gold Project at December 31, 2023, based on \$1,500/oz gold, EXCLUSIVE OF RESERVES:

Classification	Tonnage (000s)	Gold Grade (g/t)	Contained Gold (000s oz)	Silver Grade (g/t)	Contained Silver (000s oz)	Antimony Grade (%)	Contained Antimony (000s lbs)
Indicated							
Yellow Pine	8,598	1.11	307	1.44	397	0.018	3,405
Hangar Flats	19,803	1.30	825	3.34	2,128	0.146	63,673
West End	15,133	0.76	369	0.91	445	-	-
Historical Tailings	0	-	0	-	0	-	0
Total Indicated	43,534	1.07	1,501	2.12	2,970	0.07	67,078
Inferred							
Yellow Pine	8,021	0.85	219	0.59	153	0	62
Hangar Flats	17,021	1	548	2.3	1,259	0.09	32,146
West End	26,895	0.97	837	1.06	918	0	0
Historical Tailings	191	1.13	7	2.64	16	0.16	662
Total Inferred	52,128	0.96	1,611	1.4	2,345	0.03	32,870

Notes:

- (1) Mineral Resources are reported in relation to a conceptual pit shell to demonstrate potential for economic viability; mineralization lying outside of these pit shells is not reported as a Mineral Resource. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. These Mineral Resource estimates include Inferred Mineral Resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There is also no certainty that these Inferred Mineral Resources will be converted to the Indicated category through further drilling, or into Mineral Reserves once economic considerations are applied. All figures are rounded to reflect the relative accuracy of the estimate and therefore numbers may not appear to add precisely.
- (2) Open pit sulfide Mineral Resources are reported at a cut-off grade of 0.40 g/t Au and open pit oxide Mineral Resources are reported at a cut-off grade of 0.35 g/t Au.
- (3) Mineral Resources are reported in place (point of reference).
- (4) All numbers have been rounded in above table and may not sum correctly.

Mineral Reserve Estimates

The following table presents the estimated Mineral Reserves for the Project at December 31, 2023 based on \$1,600/oz gold price and presented in accordance with S-K 1300. There were no changes to Mineral Reserves since December 31, 2022. Under S-K 1300, a Proven Mineral Reserve is the economically mineable part of an indicated and, in some cases, a measured mineral resource and a Probable Mineral Reserve is the economically mineable part of a measured mineral resource and can only result from conversion of a measured mineral resource.

Mineral Reserves Summary (Metric Units) at December 31, 2023 based on \$1,600/oz gold:

Deposit	Tonnage	Average Grade			Total Contained Metal		
		Gold	Antimony	Silver	Gold	Antimony ⁽³⁾	Silver
Metric Units	(kt)	(g/t)	(%)	(g/t)	(t)	(t)	(t)
Yellow Pine							
Low Sb Sulfide – Probable	37,615	1.69	0.009	1.56	63.7	3,565	58.5
High Sb Sulfide – Probable	10,232	2.04	0.460	4.69	20.9	47,064	48.0
Yellow Pine Probable Mineral Reserves	47,847	1.77	0.106	2.23	84.5	50,629	106.5
Hangar Flats							
Low Sb Sulfide – Probable	5,167	1.34	0.018	1.65	6.9	954	8.5
High Sb Sulfide – Probable	3,095	1.92	0.369	4.85	5.9	11,407	15.0
Hangar Flats Probable Mineral Reserves	8,262	1.56	0.150	2.85	12.9	12,361	23.5
West End⁽¹⁾							
Oxide – Probable	4,749	0.54	-	0.87	2.6	-	4.1
Low Sb Sulfide – Probable	15,242	1.33	-	1.30	20.2	-	19.7
Transitional – Probable	25,839	1.03	-	1.49	26.6	-	38.5
West End Probable Mineral Reserves	45,830	1.08	-	1.36	49.3	-	62.3
Historical Tailings⁽¹⁾							
Low Sb Sulfide – Probable	1,832	1.16	0.166	2.86	2.1	3,036	5.2
High Sb Sulfide – Probable	855	1.16	0.166	2.86	1.0	1,417	2.4
Historical Tailings Probable Mineral Reserves	2,687	1.16	0.166	2.86	3.1	4,453	7.7
Probable Mineral Reserves							
Oxide – Probable	4,749	0.54	-	0.87	2.6	-	4.1
Low Sb Sulfide – Probable	59,856	1.55	0.013	1.54	92.9	7,555	92.0
High Sb Sulfide – Probable	14,181	1.96	0.422	4.61	27.8	59,888	65.4
Transitional – Probable	25,839	1.03	-	1.49	26.6	-	38.5
Total Probable Mineral Reserves⁽²⁾	104,625	1.43	0.064	1.91	149.9	67,443	200.0
<i>Notes:</i>							
<i>(1) Historical Tailings ore type classification is proportional to the pit-sourced mill feed during Historical Tailings processing.</i>							
<i>(2) Metal prices used for Mineral Reserves: \$1,600/oz Au, \$20.00/oz Ag, \$3.50/lb Sb.</i>							
<i>(3) Antimony values are reported only for ore scheduled in the mine plan that is classified as High Sb Sulfide.</i>							
<i>Mineral Reserves are reported from the reference point of delivery to the processing plant. These reserves are subject to variable metallurgical recoveries for gold, silver, and antimony depending on the host rock, process flowsheet, and product (i.e. doré bullion or antimony concentrate). The average recoveries into bullion are 87% for gold and 13% for silver. The average recoveries into antimony concentrate are 68% for antimony, 0.1% for gold, and 2% for silver.</i>							
<i>All numbers have been rounded in above table and may not sum correctly.</i>							

Mining Methods

The mine plan developed for the Project incorporates the mining of the three in situ deposits: Yellow Pine, Hangar Flats, and West End and their related development rock; and the re-mining of Historical Tailings along with its cap of spent heap leach ore. The general sequence of open pit mining would be Yellow Pine deposit first, Hangar Flats deposit second, and West End deposit last. This sequence generally progresses from mining highest value ore to lowest value ore and accommodates the sequential backfilling the Yellow Pine and Hangar Flats open pits with material mined from West End open pit. Lower grade ore extracted during mining of the three pits is stockpiled and then processed during the operating life of the mill. The spent ore that overlies the Historical Tailings would be used as tailings storage facility (“TSF”) construction material and is treated as stripping. Most development rock would be sent to one of five destinations: the TSF embankment, the TSF buttress, the Yellow Pine pit as backfill, the Hangar Flats pit as backfill, or the Midnight area within the West End pit as backfill. The Historical Tailings would be hydraulically transferred to the process plant during the first four years of operation, concurrent with mining ore from the Yellow Pine open pit.

Mining at the Stibnite Gold Project would be accomplished using conventional open pit hard rock mining methods with a production fleet consisting of two 28-yd³ hydraulic shovels, one 28-yd³ wheel loader, and a fleet of approximately eighteen 150 ton haul trucks. Mining is planned to deliver 7.30 Mt of ore to the crusher per year (nominally 20 kt per day) and

approximately 22.1 Mt of development rock per year to DRSFs. Pre-stripping the open pits would begin two years prior to ore processing and open pit mining would continue until year 12 of operation. Once open pit mining is completed, the mining fleet will continue to provide ore to the mill from ore stockpiles until approximately the end of the first quarter in year 15. A total of 102 Mt of ore would be mined from the three open pits and an additional 2.7 Mt of historic tailings would be mined. Approximately 254 Mt of development rock would be mined from the three open pits for a total of 356 Mt mined from the open pits and an average strip ratio (waste:ore) of 2.5.

Long-term lower-grade ore stockpiles have been incorporated into the PFS mine plan located for the most part within the footprint of the TSF buttress, thereby minimizing their incremental disturbance. The primary benefits to adding ore stockpile capacity is increased potential to optimize process ore feed value throughout the mine life, improved utilization of the Mineral Resource, reduced peak water treatment needs, reduced development rock tonnage and associated mining impacted water management. The stockpiling strategy is particularly significant during the first half of the mine life when Yellow Pine high value ore is mined at a rate greater than process plant throughput capacity. If stockpile capacity is not available, either the period-based cut-off value must increase resulting in ore converted to waste, or the mining rate reduced to align with process plant throughput capacity resulting in deferred access to high-value ore deeper in the open pit. The addition of long-term ore stockpiles allows for relatively high value ore mined from Yellow Pine open pit to be stockpiled and made available to process when lower value ore is being mined in West End open pit.

Recovery Methods

The process flowsheet for most of the Yellow Pine, Hangar Flats, and West End material uses bulk sulfide flotation to maximize recovery of gold to a sulfide concentrate amenable to treatment by pressure oxidation for materials assaying less than 0.1% antimony. High antimony materials would be first subject to a selective antimony flotation process, thereby producing a shippable antimony concentrate, with a gold-bearing bulk sulfide rougher concentrate to be floated from the antimony flotation tailings. Some of the oxidized West End ores are more transitional or free milling in nature, and an ore leaching process was developed to treat these materials. Testing was also conducted on samples of the historical (Bradley) tailings. This work showed the historical tailings could be processed using the same flowsheet as, and most likely as a blend with, fresh sulfide ores.

Projected gold flotation recoveries for low-antimony materials to a concentrate assaying 6.5% sulfur are estimated at 93.8% for Yellow Pine and 92.1% for Hangar Flats. Silver recoveries are estimated as 90.1% for Yellow Pine and 89.1% for Hangar Flats. Gold and silver flotation recoveries are independent of gold or sulfur grade. For high-antimony materials from the Yellow Pine deposit, gold misplacement to the antimony concentrate and overall gold recoveries to POx are functions of pyritic sulfur grade and gold recoveries are estimated to range from 83.6% to 95.5%. Constant gold and silver recoveries are projected for Hangar Flats high-antimony material at 89.7% for gold and 43.2% for silver. West End sulfide material is highly refractory while transition material has a significant free milling gold content. Sulfide material will be processed by flotation, concentrate POx and cyanide leaching of the concentrate; transition material will be treated similarly, however the flotation tailings will also be leached; oxide materials will just be leached.

Pressure oxidation testing results demonstrated that neutralization of acid inside the autoclave, or “in-situ acid neutralization” (“ISAN”) facilitates stabilization of arsenic in the POx residue. Neutralization of acid inside the autoclave was accomplished by adding ground limestone in the POx feed to control free acid and sulfate concentrations and limit the formation of jarosite and basic iron sulfates. Higher ferric concentrations available for scorodite formation and lower sulfate concentrations were found to inhibit pitticite (an unstable arsenic compound) formation. However, subsequent environmental geochemical testing completed on commingled flotation and detoxified cyanide leach tailings from the pilot plant indicated that arsenic destabilized at some point downstream of the POx process. Further ISAN POx tests with a terminal free acid of 8 to 13 mg/L of H₂SO₄, atmospheric arsenic precipitation, and a two-step neutralization procedure at an elevated temperature (92°C) by progressively adding limestone to achieve a pH of approximately 2 with a retention time of 4 to 5 hours produced a stable scorodite precipitate.

The POx testing confirmed consistent gold recoveries in the 96.5-99.0% range.

The Project’s process plant has been designed to process sulfide, transition and oxide material from the Yellow Pine, Hangar Flats, and West End deposits. The processing facility is designed to treat an average of 20,000 t/d, or 7.3 Mt/y. Additionally, the Historical Tailings would be reprocessed early in the mine life to recover precious metals and antimony, and to provide space for the TSF embankment and buttress.

The process operations include crushing, grinding, antimony and gold flotation, pressure oxidation, POx leaching and carbon-in-pulp (“CIP”) recovery, cyanide detoxification, carbon handling and pressure stripping, precious metal electrowinning, mercury retort removal, and doré bar production. Auxiliary operations include a plant to supply oxygen to the autoclave and mining, crushing, grinding, and calcining to provide limestone and lime for neutralization and pH adjustment for

the process. A leaching, CIP recovery, and detoxification process is planned for late in the mine life to process crushed and ground oxide material and recover gold from the tailings of transitional (mixed oxide-sulfide) material. Two finished products from the Stibnite Gold Project ore processing facility will be doré bars and antimony-silver concentrate.

Infrastructure

The Project will require upgrades to existing offsite infrastructure such as roads and power supply, as well as onsite and offsite infrastructure additions such as worker accommodations, water management systems, and tailings management systems.

Site Access

The site is currently accessed by the Stibnite Road, National Forest (NF-412), from the village of Yellow Pine, with three alternative routes up to that point. Alternative access via the Burntlog Route was developed over several other possible alternatives because it provides safer year round access for mining operations, reducing the proximity of roads to major fish-bearing streams, and this route respects the advice and privacy of community members close to the Project location. The route originates from the intersection of Highway 55 and Warm Lake Road and is approximately 71 miles long. The route consists of 34 miles of existing highway (Warm Lake Road), 23 miles of upgraded road, and 14 miles of new road. The 37 miles of new and upgraded road has a design speed of 20 mph, maximum 10% grade, a 21 foot width, and intermediate-sized tractor trailer loading criteria. A maintenance facility along the route is designed for a location on the southern section.

A through-site public access route will replace the current access through the Stibnite Gold Project site during mine operations. A new 12-foot-wide gravel road is planned to provide public access from Stibnite Road to Thunder Mountain Road through the mine site.

Logistics Facility

The offsite administrative offices, transportation hub, warehousing and assay laboratory needed for the Project, referred to as Stibnite Gold Logistics Facility (“SGLF”), will be located on private land in Valley County, with easy access to State Highway 55. The SGLF will include offices for managers, safety and environmental services, human resources, purchasing and accounting personnel. Operating supplies for the mine will be staged and consolidated at the SGLF to reduce traffic to the site.

Power Supply and Transmission

Grid power planned for the Project needs to be upgraded to support the 50- to 60-megawatt load including upgrading approximately 63 miles of existing powerlines to 138 kV and approximately 9 miles of new 138 kV line. The 138-kV line would be routed to the Project’s main electrical substation where transformers would step the voltage down to the distribution voltage of 34.5 kV.

Worker Accommodations

A new worker housing facility (camp) is planned approximately 2 miles south of the ore processing plant area to provide accommodations for most of the construction workforce and for the operations workforce. Leased accommodation units are planned during peak construction activity and would be demobilized following construction since the peak construction accommodation requirements (approximately 1,000 workers) are much greater than the operations requirements of approximately 350 workers on the site.

Water Management

Perpetua Resources has planned a water management system that protects or improves water quality in Project-area streams and provides water for ore processing, fire protection, exploration activities, surface mining (dust control), and potable water needs.

The key water management consideration for the Project site is the large amount of snowmelt runoff during the months of April through June, making spring melt the critical time for water management, storage, and treatment. Surface water that has the potential to introduce mining- and process-related contaminants (contact water) is kept separate from surface water that originates from undisturbed, uncontaminated ground (non-contact water). This is accomplished by diverting clean water around mine facilities and collecting and reusing, evaporating, or treating and discharging contact water.

The water needed for ore processing is planned to come from meteoric and tailings consolidation water reclaimed from the TSF, water from pit dewatering, contact water, groundwater wells, and a surface intake near the upstream portal of the East Fork South Fork Salmon River (“EFSFSR”) diversion tunnel. Contact water from the pits, stockpiles, TSF buttress, truck shop, ore processing facilities, and legacy materials exposed during construction would be collected in lined ponds or in-

pit sumps for later use in ore processing, dust control, or treatment for discharge. Excess dewatering water not used for ore processing would be treated, if required, and discharged to a surface outfall.

Major water diversions include construction of a tunnel and fishway to divert the EFSFSR and provide fish passage around the Yellow Pine pit, and surface diversions of Meadow Creek at the TSF, TSF Buttress, and Hangar Flats pit.

Tailings Management

The Project is projected to produce approximately 120 million tons of tailings solids. The tailings would contain trace amounts of cyanide and metals (including arsenic and antimony), so a fully lined containment facility utilizing a composite liner is proposed to isolate the tailings and process water.

The TSF would consist of a rockfill embankment, a fully lined impoundment, and appurtenant water management features including a surface diversion of Meadow Creek and its tributaries around the facility. A rockfill buttress abutting the TSF embankment would substantially enhance embankment stability. Historical spent heap leach ore would be reused in TSF construction, in locations isolated from interaction with water, but the majority of the rockfill would be development rock sourced from the open pits. Design criteria were established based on the facility size and risk using applicable dam safety and water quality regulations and industry best practice for the TSF embankment on a standalone basis; the addition of the buttress substantially increases the safety factor for the design to at least double the minimum requirements. The TSF impoundment, embankment, and associated water diversions would occupy approximately 420 acres at final buildout, with an approximately 475-foot ultimate height.

Capital and Operating Costs

Capital expenditures or capital costs (“CAPEX”) and operating expenditures or operating costs (“OPEX”) estimates were developed based on third quarter 2020, un-escalated U.S. dollars. Vendor quotes were obtained for all major equipment and operating consumables. Most costs were developed from first principles, although some were estimated based on factored references and experience with similar projects elsewhere. Reclamation financial assurance costs are not included in the capital costs. Additional assumptions that were used to estimate CAPEX are presented in the TRS.

Capital Costs

The Project CAPEX estimate includes four components: (1) the initial CAPEX to design, permit, pre-strip, construct, and commission the mine, plant facilities, ancillary facilities, utilities, operations camp, and pre-production on and off site restoration and environmental mitigation; (2) the sustaining CAPEX for facilities expansions, mining equipment replacements, expected replacements of process equipment and ongoing concurrent restoration and environmental mitigation activities during the operating period; (3) working capital to cover delays in the receipts from sales and payments for accounts payable and financial resources tied up in inventory; and (4) closure CAPEX to cover post operations reclamation and restoration and water treatment costs. Initial and working capital are the two main categories that need to be available to construct the Project.

The CAPEX estimate includes direct mining equipment and pre-stripping costs, process plant costs, on-site infrastructure such as the TSF and the operations camp, and off-site infrastructure such as the power transmission line, the mine access road, the SGLF, and reclamation and closure costs. The initial CAPEX includes indirect costs for detailed design and engineering, land acquisition, some environmental mitigation, and other costs. Initial CAPEX also includes an estimate of contingency based on the accuracy and level of detail of the cost estimate. The purpose of the contingency provision is to make allowance for uncertain cost elements that may occur but are not included in the cost estimate. These cost elements include uncertainties concerning completeness, accuracy and characteristics or nature of material takeoffs, accuracy of labor and material rates, accuracy of labor productivity expectations, and accuracy of equipment pricing. The CAPEX estimates are considered to have an accuracy range of -10% to +15%.

The table below provides a summary of CAPEX estimates for the Project.

Area	Detail	Initial CAPEX (\$000s)	Sustaining CAPEX (\$000s)	Closure CAPEX (\$000s) ⁽¹⁾	Total CAPEX (\$000s)
Direct Costs	Mine Costs	84,019	118,968	-	202,987
	Processing Plant	433,464	49,041	-	482,505
	On-Site Infrastructure	190,910	83,892	-	274,802
	Off-Site Infrastructure	115,940	-	-	115,940
Indirect Costs		232,684	-	-	232,684
Owner's Costs, First Fills, & Light Vehicles		38,351	-	-	38,351
Offsite Environmental Mitigation Costs		14,397	-	-	14,397
Onsite Mitigation, Monitoring, and Closure Costs		3,474	23,484	98,052	125,010
Total CAPEX without Contingency		1,113,239	275,385	98,052	1,486,677
Contingency		149,708	20,354	1,244	171,306
Total CAPEX with Contingency		1,262,948	295,739	99,296	1,657,982
<i>Notes:</i>					
(1) Closure assumes self-performed closure costs, which will differ for those assumed for financial assurance calculations required by regulators.					
(2) All numbers have been rounded in above table and may not sum correctly.					

Operating Costs and All-In Costs

The Project OPEX estimate includes mine operating costs, process plant operating costs, and general and administrative (“G&A”) costs. Cash costs, expressed in dollars per short ton (\$/st) milled or dollars per troy ounce of gold (\$/oz Au) produced, are typically expressed before and after by-product credits (from antimony concentrate sales). Total cash costs include smelting and refining charges, transportation charges, and royalties. The All-In Sustaining Costs (“AISC”) and the All-In Costs (“AIC”) include non-sustaining CAPEX, and closure and reclamation CAPEX, respectively. A summary of these Project costs is presented below. Assumptions that were used to estimate OPEX are presented in the TRS.

Total Production Cost Item	Years 1-4		LOM	
	(\$/st milled)	(\$/oz Au)	(\$/st milled)	(\$/oz Au)
Mining	9.71	156	8.22	205
Processing	13.13	211	12.76	318
G&A	3.54	57	3.43	85
Cash Costs Before By-Product Credits⁽¹⁾	26.38	424	24.41	608
By-Product Credits	(5.99)	(96)	(2.81)	(70)
Cash Costs After By-Product Credits⁽¹⁾	20.40	328	21.60	538
Royalties	1.69	27	1.09	27
Refining and Transportation	0.46	7	0.24	6
Total Cash Costs⁽¹⁾	22.54	362	22.94	571
Sustaining CAPEX	4.64	75	2.83	70
Salvage	-	-	(0.26)	(6)
Property Taxes	0.05	1	0.04	1
All-In Sustaining Costs⁽¹⁾	27.23	438	25.54	636
Reclamation and Closure ⁽²⁾	-	-	0.95	24
Initial (non-sustaining) CAPEX ⁽³⁾	-	-	11.65	290
All-In Costs	27.23	438	38.14	950
<i>Notes:</i>				
(1) Cash costs, All-in Sustaining Costs, are non-GAAP measures; see section <i>Item 2, Non-GAAP Measures</i> , below.				
(2) Defined as non-sustaining reclamation and closure costs in the post-operations period.				
(3) Initial Capital includes capitalized preproduction.				
(4) All numbers have been rounded in above table and may not sum correctly.				

Mineral Resource and Reserve Internal Controls

Perpetua Resources’ field work on the Project from 2009 to 2015, including drilling, was carried out under the supervision of Christopher Dail, CPG and Richard Moses, CPG, who were Perpetua Resources’ senior geologists responsible

for certain aspects of the programs during the periods they were employed by Perpetua Resources. Field work, including drilling, completed in 2015-2017 was carried out under supervision of Kent Turner, independent senior geology consultant and SME-Registered Member, and Austin Zinsser, Perpetua Resources' Senior Resource Geologist and SME-Registered Member. The general mineral resource estimation methodology for all deposits involved the following procedures:

- generation of updated geological models and review of structural controls on mineralization;
- database verification and validation;
- exploration data analysis, compositing and evaluation of outliers;
- construction of estimation domains for gold, antimony and silver;
- spatial statistics and geostatistical analysis;
- block modeling and grade interpolation;
- mineral resource classification and validation;
- assessment of “reasonable prospects for eventual economic extraction;” and
- preparation of the mineral resource statement.

Quality Assurance/Quality Control program results do not indicate any problems with the analytical programs. Independent data audits have been conducted and indicate that the sample collection and database entry procedures are acceptable. All core samples have been catalogued and stored in designated areas.

Mineral resources and mineral reserves are estimates that are imprecise and depend upon geologic interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. See *Risk Factors – “Perpetua Resources’ mineral resource and mineral reserve estimates may not be indicative of the actual gold that can be mined.”*

Non-GAAP financial measures

To provide investors with additional information in connection with our economic analysis as determined in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), we disclose certain projected non-GAAP financial measures. The projected non-GAAP financial measures include Cash Costs and All-in Sustaining Costs estimates and related calculations.

Cash Cost and All-in Sustaining costs (AISC)

Cash Costs is a non-GAAP metric defined as the sum of cash operating costs (mining, processing, G&A), by-product credits, refining and transportation costs and royalties and is used to evaluate the Company’s future operating performance and provide visibility into the economics of our future mining operations.

All-in Sustaining Costs (AISC) is a non-GAAP metric defined as the sum of cash costs (from above), sustaining capital costs and non-revenue-based taxes (i.e. property tax) and is used to evaluate the Company’s future operating performance and the ability to generate cash flow from operations.

We believe the projected non-GAAP financial measures included in this Annual Report on Form 10-K provide additional meaningful comparisons between the Company’s economic analysis and its peer companies. These projected non-GAAP financial measures are not historical measures of financial performance and are not presented in accordance with U.S. GAAP. Therefore, these measures should not be considered in isolation or as an alternative or superior to GAAP measures. You should be aware that our presentation of these measures may not be comparable to similarly-titled measures used by other companies. The projected non-GAAP measures included in this presentation cannot be reconciled to comparable U.S. GAAP measures without unreasonable effort.

Item 3. Legal Proceedings.

The Corporation and its subsidiaries have been parties to an ongoing legal proceeding with the Nez Perce Tribe for alleged violations of the Clean Water Act (“CWA”) related to historical mining activities. In August 2019, the Nez Perce Tribe filed suit in the United States District Court for the District of Idaho. The Corporation promptly filed a motion to dismiss and, in the alternative, a motion to stay the litigation. Both motions were denied. Subsequently, the Corporation filed an answer denying liability and later, the court allowed the Corporation to amend and file a third-party complaint against the Forest Service. The Corporation also filed a separate CWA citizen suit against the United States Forest Service (“USFS” or “Forest Service”) alleging that several of the point source discharges, as alleged by the Nez Perce Tribe in its complaint, were occurring on lands owned and controlled by the United States.

Pursuant to the terms of the voluntary ASAOC executed in January 2021 with U.S. Environmental Protection Agency (the “U.S. EPA”) and the United States Department of Agriculture, the Corporation agreed to dismiss its pending actions against the Forest Service without prejudice. The remaining parties to the ongoing legal proceeding agreed to stay the litigation and

explore Alternative Dispute Resolution options through court-ordered mediation. On August 8, 2023, the Company and the Nez Perce Tribe filed a final Settlement Agreement (the “Settlement Agreement”) to resolve the CWA litigation. The parties jointly asked the court to approve the Settlement Agreement and dismiss the case without prejudice. The Settlement Agreement provides for total payments of \$5.0 million by Perpetua over a four-year period. This includes \$4.0 million of contributions by Perpetua to a South Fork Salmon Water Quality Enhancement Fund (the “Fund”) to be used by the Nez Perce Tribe to support water quality improvement projects in the South Fork Salmon River watershed and \$1.0 million of reimbursements to the Nez Perce Tribe for legal expenses. Following a 45-day review period by the United States Justice Department and the U.S. EPA, the U.S. District Court for the District of Idaho approved the Stipulation for Dismissal and entered a Judgment on October 2, 2023, which resulted in the CWA lawsuit being dismissed without prejudice. Under the Settlement Agreement, a dismissal with full prejudice will follow after completion of Perpetua’s required payments. Once Perpetua has satisfied its payment obligations under the Settlement Agreement, the parties will submit a Stipulation of Dismissal with Prejudice to the court.

Certain of the Corporation’s property interests in the Project are also subject to existing judicial consent decrees due to Perpetua’s acquisition of several patented lode mining claims and mill sites which covers environmental liability and remediation responsibilities. Under the consent decrees, Perpetua is required to grant access to certain site areas by regulatory agencies and allow remediation activities to proceed if necessary and preserve the integrity of previous response actions. Several of the Corporation’s patented claims in the Hangar Flats and Yellow Pine properties are also subject to a consent decree which requires Perpetua to cooperate with the U.S. EPA and the USFS to implement appropriate response activities.

Item 4. Mine Safety Disclosures.

Pursuant to Section 1503(a) of the Dodd-Frank Act, issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose specified information about mine health and safety in their periodic reports. These reporting requirements are based on the safety and health requirements applicable to mines under the Federal Mine Safety and Health Act of 1977 (the “Mine Act”) which is administered by MSHA. During the fiscal year ended December 31, 2023, the Company and its subsidiaries were not subject to regulation by MSHA under the Mine Act and thus no disclosure is required under Section 1503(a) of the Dodd-Frank Act.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Our common shares are traded on the TSX under the symbol “PPTA” and on the Nasdaq under the symbol “PPTA”.

Holders of Record

As of March 8, 2024, there were 64,123,456 common shares outstanding and 32 shareholders of record.

Dividends

The Corporation has not paid any dividends or distributions on its common shares since its incorporation. Any decision to pay dividends on common shares in the future will be made by the board of directors of the Corporation (the “Board”) on the basis of the earnings, financial requirements and other conditions existing at such time.

Recent Sales of Unregistered Securities; Issuer’s Purchases of Equity Securities

None.

Use of Proceeds from Registered Securities

On August 16, 2021, we completed an underwritten public offering pursuant to a prospectus supplement to our short form base shelf prospectus dated April 1, 2021, filed pursuant to General Instruction I.L. of Form F-10, and declared effective by the SEC on April 2, 2021 (File No. 333-254517, the “Prospectus Supplement”). The Corporation issued 10,952,382 common shares, which included 1,428,572 common shares issued pursuant to the overallotment option granted to the underwriters, at a public offering price of \$5.25 per common share for gross proceeds of approximately \$57.5 million before deducting underwriting discounts and commissions and offering expenses. The net proceeds from the issuance were \$54.3 million, after deduction of underwriting discounts and commissions and offering expenses of \$3.2 million. B. Riley Securities, Inc. and Cantor Fitzgerald Canada Corporation acted as joint-bookrunning managers for the offering.

The Prospectus Supplement included a proposed use of proceeds that would be compared to expenditures from October 1, 2021 onwards. A reconciliation of the use of proceeds is provided below. As a result of the DPA funding announced in December 2022, which is available for limited uses related to environmental baseline data monitoring, environmental and technical studies and other activities related to advancing construction readiness and permitting, we reduced our planned use of the proceeds from the offering for permitting, environmental field operations and engineering and design work and reallocated those funds to general corporate purposes and restoration work pursuant to the ASAOC, as shown in the table below. Except as described, there has been no material change in the planned use of proceeds as described in our Prospectus Supplement. As of December 31, 2023, all proceeds from the offering have been spent.

Expense Category (in Millions)	Proposed Use of Proceeds	Updated Use of Proceeds	Actual Use of Proceeds	Remaining to be Spent/Difference
Permitting	\$ 21.0	\$ 11.0	\$ 11.6	\$ (0.6)
General Corporate Purposes(i)	20.1	25.3	22.7	2.6
Early Restoration & Field Operations	7.9	17.0	17.9	(0.9)
Engineering & Design	5.3	1.0	2.1	(1.1)
	\$ 54.3	\$ 54.3	\$ 54.3	\$ 0.0

(i) Funds for general corporate purposes may be allocated for corporate expenses, business development and legal expenses.

None of the offering proceeds were paid directly or indirectly to any of our directors or officers (or their associates) or persons owning 10.0% or more of any class of our equity securities, to any other affiliates or to others.

Item 6. Reserved.

Not applicable.

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion and analysis of our financial condition and results of operations as of December 31, 2023 and 2022 and for the fiscal years then ended together with our consolidated financial statements and related notes and other financial information appearing in this Annual Report. Some of the information contained in this discussion and analysis or set forth elsewhere in this Annual Report, including information with respect to our plans and strategy for our business, operations, and product candidates, includes forward-looking statements that involve risks and uncertainties. You should review the sections of this Annual Report captioned “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” for a discussion of important factors that could cause our actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

Perpetua Resources (formerly Midas Gold Corp.) was incorporated on February 22, 2011 under the *Business Corporations Act* (British Columbia) (the “BCBCA”). The Corporation was organized to hold shares in wholly owned subsidiaries that locate, acquire, develop and restore mineral properties located principally in the Stibnite – Yellow Pine mining district in Valley County, Idaho, USA. The Corporation’s principal asset is 100% ownership in subsidiaries that control the Stibnite Gold Project. The Corporation currently operates in one segment, mineral exploration in the United States. The registered office of the Perpetua Resources is Suite 1008-550 Burrard St, Vancouver, BC, V6C 2B5, Canada and the corporate head office is located at 201-405 S 8th St, Boise, ID 83702, USA.

2023 Key Highlights

- Zero lost time incidents or reportable environmental spills.
- The 75-day comment period on the Supplemental Draft Environmental Impact Statement (“SDEIS”) for the Stibnite Gold Project concluded with more than 15,000 letters submitted in support of the Project.
- Added to the Russell 2000® Index and the broad-market Russell 3000® Index.
- Held 2023 Annual General Meeting and shareholders voted in favor of all proposals.
- Published 2022 Sustainability Report, the Company’s tenth annual sustainability report.
- Signed definitized Technology Investment Agreement (“TIA”) for critical minerals award of \$24.8 million under Title III of the Defense Production Act.
- Clean Water Act Settlement Agreement with the Nez Perce Tribe filed in the U.S. District Court for the District of Idaho.
- Continued voluntary legacy waste cleanup and water quality improvement actions in historical Stibnite Mining District.
- Appointed Vice President of Projects to lead the Stibnite Gold Project.
- Awarded up to \$15.5 million in DOD funding to demonstrate a fully domestic antimony trisulfide supply chain.

Recent Highlights

- Appointed mining veteran Jonathan Cherry as new President and CEO and to the Board
- Appointed Jessica Largent, Chief Financial Officer, to the Board
- Received \$8.5 million in cash from Franco-Nevada through a new royalty agreement for net smelter return royalty on future payable silver production from the Project properties to Franco-Nevada
- Awarded additional conditional funding of up to \$34.6 million under the TIA

2024 Outlook and Goals

Perpetua Resources’ vision is to provide the United States with a domestic source of the critical mineral antimony, develop one of the largest and highest-grade open pit gold mines in the country and restore an abandoned brownfield site. In 2024, Perpetua Resources will continue to focus on advancing the permitting for the Stibnite Gold Project through the National Environmental Policy Act (“NEPA”) process in addition to state ancillary permits and other federal authorization. The NEPA process is intended to ensure that federal agencies and the public are informed of a proposed action’s potential environmental impacts before a final decision is made by the agency regarding the action. The Company is also advancing construction readiness activities in parallel with the permitting process.

SDEIS

In response to public and agency feedback on the Draft Environmental Impact Statement (“DEIS”) released by the United States Forest Service (“USFS”) in August 2020, Perpetua Resources proposed modifications to the mine plan analyzed in Alternative 2 in the DEIS and submitted a refined proposed action to the USFS in December 2020 (the “Modified Mine Plan”). The Modified Mine Plan included refinements to reduce the project footprint, improve water quality, and lower water temperature. The USFS decided to prepare a Supplemental Draft Environmental Impact Statement to further evaluate the

project refinements and compare the Company's proposed site access via Burntlog Route to another action alternative utilizing current roads.

After nearly two years of review of the Modified Mine Plan by the USFS and other agencies, the SDEIS was published on October 28, 2022 for a 75-day public comment period. In the SDEIS, the USFS highlighted the net positive environmental outcomes that the Stibnite Gold Project can provide to the abandoned mine site based on the results of comprehensive scientific analysis conducted over the last six years. The USFS identified Perpetua Resources' proposed action, the "Modified Mine Plan," as the Preferred Alternative and also concluded the Preferred Alternative would reasonably accomplish the purpose and need for consideration of approval of the Stibnite Gold Project, all while considering environmental, economic, and technical factors. Under NEPA, a "Preferred Alternative" is identified by a Federal agency in a DEIS to advise the public which action the agency is leaning toward selecting as final. However, identification by an agency of a "Preferred Alternative" does not represent a final decision and the USFS may still select an action based on the Modified Mine Plan or a combination of each of the alternatives analyzed in the SDEIS when developing the Final Environmental Impact Statement ("FEIS"). The SDEIS public review period closed on January 10, 2023.

On January 1, 2024, the USFS released an updated schedule for the Project. Based on the updated schedule, the Company anticipates that the USFS will publish a FEIS and a Draft Record of Decision in the second quarter of 2024 and a Final Record of Decision ("ROD") in the fourth quarter of 2024. The USFS has confirmed that cooperating agency review of the FEIS is nearing completion and is focused on progressing both documents towards final consultations and reviews in Washington D.C. The publication of the permitting schedule does not indicate any commitments on the part of the USFS regarding the content or timing of a final decision. In developing the FEIS, the USFS may select an action based on components of each of the alternatives analyzed in the SDEIS. Furthermore, the USFS is not bound by the permitting schedule and anticipated milestones may be delayed materially or not be satisfied.

Ancillary Permitting Update

The Company continued to advance work on several ancillary permits in 2023 which are being progressed in parallel with the NEPA process. Recent updates include:

- The public comment period on the Company's 404 permit application and Compensatory Mitigation Plan to the U.S. Army Corps of Engineers ended in October 2023.
- The Company submitted a Tailings Storage Facility ("TSF") dam safety application to Idaho Department of Water Resources ("IDWR") in July 2023. IDWR sent a letter of conditional approval for the Company's Stage 1 TSF in October 2023.
- The Company submitted a cyanidation facility permit application in August 2023 to the Idaho Department of Environmental Quality ("IDEQ"). IDEQ issued a letter of incompleteness in September 2023. The Company expects to resubmit an updated permit application in the second quarter of 2024.
- The Final Point of Compliance determination was issued in August 2023 and the Company submitted the required groundwater sampling and well installation plans in October 2023.

Previously submitted permit applications that are continuing through the administrative process and include Clean Air Act Permit to Construct and Idaho Pollutant Discharge Elimination System industrial outfalls with IDEQ in addition to water rights with IDWR.

Department of Defense Funding

In September 2022, Perpetua Resources was awarded two funding grants of \$100,000 each from the U.S. Department of Defense ("DOD") Defense Logistics Agency ("DLA") under DLA's "Production of Energetic Materials and Associated Precursors" Small Business Innovation Research ("SBIR") grant solicitation to study the domestic production of military-grade antimony trisulfide, an essential component in ammunition and dozens of other defense materials. As described in the grant's objective, the program is focused on reducing "foreign reliance and single points of failure for the domestic manufacturing of energetic materials" through the development of a domestic source. After a competitive review process, Perpetua Resources was awarded SBIR Phase 1 funding of \$100,000 under each of the two programs. Under the DLA grants, Perpetua Resources evaluated whether antimony from the Stibnite Gold Project can meet military specifications ("mil-spec") and also evaluated alternate methods for synthesizing antimony trisulfide. During the years ended December 31, 2023 and 2022, \$124,997 and \$75,000, respectively, was recognized as grant income for these grants. The programs were complete in September 2023 and no further grant income is anticipated under these grants.

In December 2022, Perpetua Resources was awarded an undefinitized TIA of up to \$24.8 million under Title III of the DPA. On July 25, 2023, the TIA was definitized with the DOD, establishing the full not-to-exceed amount of \$24.8 million. The funding objective of the TIA, issued by the Air Force Research Laboratory, is to complete environmental and engineering studies necessary to obtain a FEIS, a ROD, and other ancillary permits to sustain the domestic production of antimony trisulfide capability for defense energetic materials. The DPA funding allows the Company to advance the construction readiness of the

Stibnite Gold Project while the Company continues through the ongoing permitting process, led by the USFS. Under the funding agreement, Perpetua Resources may request reimbursement for certain costs incurred over 24 months related to environmental baseline data monitoring, environmental and technical studies and other activities related to advancing Perpetua's construction readiness and permitting process for the Stibnite Gold Project. The DPA funding does not interrupt the ongoing NEPA review process. The TIA contains customary terms and conditions for technology investment agreements, including ongoing reporting obligations. Perpetua Resources is evaluating other U.S. government funding opportunities, including programs available through the DOD. On February 12, 2024, the Company announced a conditional award of up to \$34.6 million in additional funding under the TIA. Full funding of the additional award is conditioned on modifying the existing TIA to expand the in-scope work for advancing permits and construction readiness and to extend the outside date to June 30, 2025. The amendment will not change any other material terms of the definitized TIA. The modification is anticipated to be completed in the first quarter of 2024. During the year ended December 31, 2023, \$15,601,205 was recognized as grant income related to the TIA. Subject to approval of the TIA in-scope modification, the Company anticipates recognizing approximately \$37,000,000 of additional grant income in 2024. During the year ended December 31, 2023, the Company was reimbursed \$14,369,180 for certain costs incurred.

On August 18, 2023, the Company's wholly owned subsidiary, Perpetua Resources Idaho, Inc. was awarded an Ordnance Technology Initiative Agreement ("OTIA") of up to \$15.5 million under the Prototype Other Transaction authority of the DOD through the DOD Ordnance Technology Consortium ("DOTC"). The OTIA will build on research conducted under a previously announced Small Business Innovation Research Grant. The funding objective of the OTIA is to demonstrate a fully domestic antimony trisulfide supply chain using ore from the Stibnite Gold Project site. The OTIA designates funding to the Company to conduct activities to meet this objective, including obtaining additional core samples from the Project site, conducting a pilot plant study to produce mil-spec antimony trisulfide from the samples, designing a full-scale process circuit, and delivering a modular pilot plant for the DOD to use in further investigations. Under the OTIA, the Company will be reimbursed for these activities on a cost-plus fixed fee basis over the 24-month period of performance. The current estimated amount is \$15.5 million, which is subject to adjustment by the DOD based on scope, costs, budget, or other factors as the program advances. Perpetua will be entitled to reimbursement for all costs incurred under the agreement, with the negotiated fee being 12%. The OTIA contains customary terms and conditions for OTIAs, including ongoing reporting obligations. During the year ended December 31, 2023, \$5,351,680 was recognized as grant income related to the OTIA. The Company anticipates recognizing approximately \$6,800,000 of additional grant income in 2024. During the year ended December 31, 2023, the Company was reimbursed \$3,085,656 for certain costs incurred and received a 12% fee of \$370,278.

Construction Readiness Activities

The Company is advancing construction readiness activities in parallel with the permitting process and these activities are reimbursable under the DPA funding outlined above. Recent updates include:

- Appointed mining veteran Jonathan Cherry as new President and CEO
- Appointed Vice President of Projects to lead the Stibnite Gold Project;
- Completed project execution planning and scheduling;
- Continued construction manager general contractor contract negotiations with Ames Construction, while advancing constructability reviews, value engineering studies, and detailed engineering for the Burntlog Route, the Company's proposed access route, with Ames and the road design consultants,
- Continued power line detailed scoping and engineering with Idaho Power, who has now engaged Kiewit, and identified long-lead items required for power line construction; and,
- Issued a Request for Proposal for Basic and Value Engineering

Franco-Nevada Silver Royalty

On March 21, 2024, the Company entered into a royalty agreement with a wholly-owned subsidiary of Franco-Nevada Corporation ("Franco-Nevada") pursuant to which Perpetua, through its subsidiaries, sold Franco-Nevada a royalty on the future payable silver production from the Project in exchange for a cash payment of \$8.5 million. Silver represents less than 0.3% of projected life-of-mine revenue in the 2020 Feasibility Study. Under the agreement, Franco-Nevada will receive all of the payable silver by-product revenue over the life-of-mine, subject to the terms of the agreement. Perpetua intends to use the proceeds for general corporate purposes.

Nez Perce Tribe Litigation Settlement

On August 8, 2023, the Company and the Nez Perce Tribe ("Parties") filed a final Settlement Agreement ("Settlement Agreement") to resolve a Clean Water Act ("CWA") lawsuit brought by the Nez Perce Tribe in 2019. The Settlement Agreement provides for total payments of \$5.0 million by Perpetua over a four-year period, which includes \$4.0 million of contributions by Perpetua to a South Fork Salmon Water Quality Enhancement Fund to be used by the Nez Perce Tribe to support water quality improvement projects in the South Fork Salmon River watershed, and \$1.0 million of reimbursements to

the Nez Perce Tribe for legal expenses. Perpetua intends to fund these payments from cash on hand or funds expected to be raised in connection with construction of the Project. Following a 45-day review period by the United States Justice Department and the U.S. Environmental Protection Agency (the “U.S. EPA”), the U.S. District Court for the District of Idaho approved the Stipulation for Dismissal and entered a Judgment on October 2, 2023 which resulted in the CWA lawsuit being dismissed without prejudice. Under the Settlement Agreement, a dismissal with full prejudice will follow after completion of Perpetua’s required payments.

See Note 10 to the Consolidated Financial Statements for the year ended December 31, 2023 for more information regarding the CWA lawsuit and the terms of the settlement.

Liquidity

After giving effect to the receipt of the \$8.5 million upfront payment from Franco-Nevada under the silver royalty on March 21, 2024, the Company’s latest liquidity forecast indicates that available cash resources are expected to be exhausted in the fourth quarter of 2024. Although the Company’s current capital resources and liquidity include up to \$24.8 million in total funding awarded under the TIA pursuant to Title III of the DPA (\$59.4 million upon modification of the TIA to effect an additional conditional award of \$34.6 million), such funding is available only for the specified costs related to permitting, environmental baseline data monitoring, environmental and technical studies, and advancing construction readiness and is not available to fund the Company’s costs under its ASAOC obligations and certain corporate expenses, including under the Settlement Agreement. Although we expect the DPA funding to provide the Company with sufficient liquidity to complete permitting and environmental monitoring activities on the current timeline as well as additional liquidity to begin advancing construction readiness in 2024, due to costs of the ASAOC restoration obligations, payment obligations under the Settlement Agreement and other corporate expenses, we do not expect the Company will have sufficient assets to discharge its liabilities as they become due for at least 12 months from the date hereof. Absent additional financing, the Company would no longer be able to meet its ongoing obligations or progress critical permitting efforts. The Company continues to explore various funding opportunities, which may include the issuance of additional equity, new debt, or project specific debt; government funding; and/or other financing opportunities. See “—Liquidity and Capital Resources” for more information.

The forward-looking information contained in this section is subject to the risk factors and assumptions contained in the “Cautionary Note Regarding Forward-Looking Statements” and “Risks Factors” sections.

Results of Operations

Year Ended December 31, 2023 Compared to the Year Ended December 31, 2022

	Years ended December 31,	
	2023	2022
EXPENSES		
Corporate salaries and benefits	\$ 1,770,351	\$ 1,893,965
Depreciation	83,741	61,294
Directors’ fees	369,142	528,607
Exploration	29,907,708	19,088,897
Environmental liability expense	898,173	4,564,611
CWA settlement expense	5,000,000	-
General and administration	614,348	762,897
Gain on disposal of buildings and equipment	(25,000)	(40,215)
Professional fees	1,161,797	1,825,484
Shareholder and regulatory	493,948	646,319
OPERATING LOSS	40,274,208	29,331,859
OTHER EXPENSES (INCOME)		
Change in fair value of warrant derivative	(1,732)	(99,038)
Foreign exchange loss (income)	19,529	41,179
Grant income	(21,077,882)	(75,000)
Interest income	(442,943)	(485,469)
Total other expenses (income)	(21,503,028)	(618,328)
NET LOSS	\$ 18,771,180	\$ 28,713,531

Net Loss

Net loss for the year ended December 31, 2023, was \$18.8 million compared with a net loss of \$28.7 million for 2022. This \$9.9 million decrease for the year was primarily attributable to a \$21.0 million increase in grant income, a \$3.7 million decrease in environmental liability expense, and a \$0.7 million decrease in professional fees. These changes were offset by a \$10.8 million increase in exploration costs and a \$5.0 million charge for the CWA settlement expense. As noted above, for the year ended December 31, 2023, the Corporation's main focus was the continued evaluation and advancement of the Stibnite Gold Project.

Corporate Salaries and Benefits

This expense results from salaries and benefits of the employees that are not directly related to the exploration and evaluation of the Stibnite Gold Project, primarily corporate employees. Salaries and benefits for the year ended December 31, 2023 were \$0.1 million, or 7.0%, lower than the previous year due to a higher corporate salary allocation in the previous year.

Directors' Fees

Each of the Corporation's non-executive directors is entitled to annual base fees paid in quarterly installments, with the independent Lead Director, Chairs of Board Committees and Members of Board Committees receiving additional fees commensurate with each role. Directors' fees are inclusive of cash fees and share-based compensation (deferred share units and stock options). This expense for the year ended December 31, 2023, is \$0.2 million, or 30%, lower than the previous year primarily due to lower share-based compensation expense.

Exploration

This expense relates to all exploration and evaluation expenditures related to the Stibnite Gold Project, including labor, drilling, field office costs, engineering, permitting, environmental and legal and sustainability costs. The Company's exploration expenses of \$29.9 million during the year ended December 31, 2023 are \$10.8 million, or 57%, higher than the previous year primarily due to a \$9.0 million increase in engineering, a \$1.0 million increase in consulting and labor costs, a \$0.9 million increase in permitting, and a \$0.6 million increase in field office and drilling support partially offset by a \$0.6 million decrease in legal and sustainability. Engineering expenses for the year ended December 31, 2023 were higher than the previous year due to advancing construction readiness engineering and planning. Additional details of expenditures incurred are as follows:

	Years ended December 31	
	2023	2022
Consulting and labor cost	\$ 6,869,587	\$ 5,891,878
Engineering	9,713,607	727,377
Environmental and reclamation	206,667	151,392
Field office and drilling support	2,448,487	1,878,153
Legal and sustainability	1,534,147	2,171,757
Permitting	9,135,213	8,268,340
Total Exploration	\$ 29,907,708	\$ 19,088,897

Environmental Liability Expense

This expense relates to the ASAOC signed in January 2021 to voluntarily address environmental conditions at the abandoned mine site. Upon signing of the ASAOC, the Company recorded an immediate expense of \$7.5 million and a corresponding environmental reclamation liability. Cost estimates were developed with the use of engineering consultants, independent contractor quotes and the Company's internal development team, and the timing of cash flows is based on the current schedule for early action items. In the year ended December 31, 2023, the total cost estimate to complete Phase 1 early cleanup actions decreased \$3.7 million over the same period in 2022 driven by a lower estimated increase in the current period for the remaining work to be performed. As of December 31, 2023, the estimate for the remaining environmental liability was \$0.8 million.

CWA Settlement Expense

This expense relates to the settlement with the Nez Perce Tribe to resolve the CWA litigation. The Settlement Agreement provides for total payments of \$5.0 million by Perpetua over a four-year period. The Company recognized \$5.0 million in 2023 for this settlement. \$2.0 million of the settlement is payable in 2024.

General and Administration

This expense is predominantly insurance policies for the U.S. offices and is \$0.1 million, or 19%, lower for the year ended December 31, 2023 than the previous year primarily due to lower insurance premiums.

Professional Fees

This expense relates to the legal, accounting and consulting costs of the Corporation. The expense for the year ended December 31, 2023 is \$0.7 million, or 36%, lower than the previous year primarily due to legal and consulting work related to new filings required as a U.S. domestic issuer and the associated costs in 2022. Accounting expenses for the year ended December 31, 2022 were higher due to accounting fees related to the change in the basis of accounting for the Company's consolidated financial statements from international standards to U.S. GAAP.

Shareholder and Regulatory

This expense relates to marketing, licenses and fees, and shareholder communications. The expense for the year ended December 31, 2023 is \$0.2 million, or 24%, lower than the previous year primarily due to a larger number of public filings and fees incurred during 2022.

Change in Fair Value of Warrant Derivative

The Corporation issued 200,000 warrants in a financing transaction in May 2013, with an exercise price denominated in Canadian dollars. The Corporation determined that warrants with an exercise price denominated in a currency that is different from the entity's functional currency should be classified as a derivative and carried at their fair value. Any changes in their fair value from period to period have been recorded as a gain or loss in the Consolidated Statements of Operations. There are no circumstances under which Perpetua Resources will be required to pay cash upon exercise or expiry of the warrants or finder's options (see Note 6 in the Consolidated Financial Statements). The gain on the change in fair value of warrants decreased \$0.1 million or 98% in 2023 compared to 2022. The warrants expired unexercised in 2023.

Foreign Exchange Loss

Changes in foreign exchange are driven by the change in value of the Canadian Dollar compared to the U.S. Dollar and the impact the change has on transactions associated with the Corporation's Canadian dollar denominated balances. The impact was less during the year ended December 31, 2023 compared to the same period of 2022 primarily due to less cash being held in Canadian currency during the 2023 period.

Grant Income

This income is from funding grants awarded to the Company from the DOD to study the domestic production of military-grade antimony trisulfide and to complete environmental and engineering studies necessary to obtain a FEIS, a ROD, and other ancillary permits to sustain the domestic production of antimony trisulfide capability for defense energetic materials. During the year ended December 31, 2023, grant income increased \$21.0 million as a result of two new larger grants received during the year (see Note 11 in the Consolidated Financial Statements).

Interest Income

This income results from interest received on the Corporation's cash balances. There was no significant change in interest income recognized from 2022 to 2023.

Liquidity and Capital Resources

Capital resources of Perpetua Resources consist primarily of cash and liquid short-term investments. As of December 31, 2023, Perpetua Resources had cash and cash equivalents totaling approximately \$3.2 million, approximately \$3.2 million in receivables, principally from DOD grants, \$0.4 million in prepaid assets, and \$5.0 million in trade and other payables.

In December 2022, the Company was awarded an undefinitized TIA of up to \$24.8 million under Title III of the DPA. On July 25, 2023, the TIA was definitized with the DOD, establishing the full not-to-exceed amount of \$24.8 million. Under the funding agreement, Perpetua Resources may request reimbursement for certain costs incurred over 24 months related to environmental baseline data monitoring, environmental and technical studies and other activities related to advancing Perpetua's construction readiness and permitting process for the Stibnite Gold Project, which includes reimbursement of employee wages for activities included in the scope of the TIA. During the year ended December 31, 2023, \$15.6 million was recognized as grant income related to the TIA. During the year ended December 31, 2023, the Company was reimbursed \$14.4 million for certain costs incurred, and received reimbursement of an additional \$1.2 million in February 2024 under the TIA with respect to expenses incurred in the year ended December 31, 2023. On February 12, 2024, the Company announced a conditional award of up to \$34.6 million in additional funding under the TIA. Full funding of the additional award is conditioned

on modifying the existing TIA to expand the in-scope work for advancing permits and construction readiness and to extend the outside date to June 30, 2025. The amendment will not change any other material terms of the definitized TIA. The modification is anticipated to be completed in the first quarter of 2024. On March 21, 2024, the Company granted a 100% silver net smelter return royalty on future payable silver production from the Project properties to Franco-Nevada in return for a cash payment of \$8.5 million, which was paid at closing on March 21, 2024.

Perpetua Resources' current liquidity needs relate to its plans to:

- Continue to advance the regulatory process for the restoration and redevelopment of the Project;
- Continue engaging with Project stakeholders to provide those stakeholders with the opportunity for a better understanding of the Project concepts and to provide a forum for such stakeholders to provide further input into the Project;
- Continue to collect environmental baseline data in support of the ongoing regulatory processes related to permitting for site restoration and redevelopment of the Project;
- Continue to advance the voluntary early cleanup actions under the ASAOC; and
- Advance construction readiness for the Project.

Although the Company's current capital resources and liquidity include up to \$24.8 million in funding awarded under the TIA pursuant to Title III of the DPA (\$59.4 million upon modification of the TIA to effect an additional conditional award of \$34.6 million), such funding is available only for the specified costs described above and is not available to fund the Company's costs under its ASAOC obligations and certain corporate expenses, including payments under the Settlement Agreement. Although we expect the DPA funding to provide the Company with sufficient liquidity to complete permitting on the current timeline as well as additional liquidity to begin advancing construction readiness in 2024, due to costs of the ASAOC restoration obligations, payments under the Settlement Agreement and other corporate expenses, we do not expect the Company will have sufficient assets to discharge its liabilities as they become due for at least 12 months from the date hereof.

The Company's latest liquidity forecast after giving effect to the silver royalty payment indicates that available cash resources for expenses not eligible for reimbursement under the DPA funding are expected to be exhausted in the fourth quarter of 2024. Absent additional financing, the Company would no longer be able to meet its ongoing obligations or progress critical permitting efforts. The Company continues to explore various funding opportunities, which may include the issuance of additional equity, new debt, or project specific debt; government funding; and/or other financing opportunities. On May 12, 2023, the Company entered into a Controlled Equity OfferingSM Sales Agreement (the "Sales Agreement") providing for the sale by the Company, from time to time, of its common shares having an aggregate gross offering price of up to \$20.0 million. As of December 31, 2023, \$17.2 million remained available under the program. Future sales under the program are subject to certain conditions, including market conditions, and there is no assurance that the Company will be able to raise additional funds under the program, at acceptable share prices or at all.

We believe our plans outlined above to obtain sufficient funding will be successful although there is no certainty that these plans will result in needed liquidity for a reasonable period of time. However, our expectation of incurring ASAOC costs, contributions due under the Settlement Agreement and other costs in the foreseeable future that are not eligible for DPA funding reimbursement and the need for additional funding to further support the development of our planned operations, raise substantial doubt regarding our ability to continue as a going concern for a period of one year after the date that these annual Consolidated Financial Statements are issued. The future receipt of potential funding from equity, debt, pursuit of additional government funding opportunities and/or other means cannot be considered probable at this time because these plans are not entirely within our control as of the date hereof.

These Consolidated Financial Statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the ordinary course of business and do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of the uncertainties described above.

Our anticipated expenditures for the fiscal year 2024 are approximately \$49.9 million, of which approximately \$37.0 million are expected to be funded from the DPA reimbursements (assuming approval of the modified TIA) and the remainder from cash on hand. These expenditures include an estimated \$11.3 million to fund permitting of the Stibnite Gold Project, \$14.3 million for general corporate purposes, project financing and administrative costs, \$18.2 million for engineering and design work, \$5.2 million for field operations and approximately \$0.9 million to advance early restoration under the ASAOC. These costs are subject to change due to cost over-runs, delays or other unbudgeted events, such as effects of inflation. Our long-term liquidity requirements will require project financing to fund the capital costs to develop the Project, which was estimated to be approximately \$1,263 million as of the third quarter of 2020 according to the TRS.

Critical Accounting Estimates

We believe the following accounting policies are critical to our Consolidated Financial Statements due to the degree of uncertainty regarding the judgements or assumptions involved and/or the magnitude of the asset, liability, or expense being reported.

Mineral Property Acquisition and Exploration Costs

Mineral property acquisition costs are capitalized when incurred. Acquisition costs include cash consideration and the fair market value of shares issued on the acquisition of mineral property claims.

Costs related to the development of our mineral reserves are capitalized when it has been determined an ore body can be economically developed. The development stage begins when an ore body is determined to be economically recoverable based on Proven and Probable Mineral Reserves and ends when the production stage or exploitation of reserves begins. Major mine development expenditures are capitalized, including primary development costs such as costs of building access ways, tailings impoundment, development of water supply and infrastructure developments.

Exploration costs include those relating to activities carried out (a) in search of previously unidentified mineral deposits, or (b) at undeveloped concessions. Pre-development activities involve costs incurred in the exploration stage that may ultimately benefit production that are expensed due to the lack of evidence of economic development, which is necessary to demonstrate future recoverability of these expenses. Secondary development costs are incurred for preparation of an ore body for production in a specific ore block or work area, providing a relatively short-lived benefit only to the mine area they relate to, and not to the ore body as a whole.

Once production has commenced, capitalized costs will be depleted using the units-of-production method over the estimated life of the Proven and Probable Mineral Reserves. If mineral properties are subsequently abandoned or impaired, any capitalized costs will be charged to the Consolidated Statements of Operations in that period.

We assess the carrying cost of our mineral properties for impairment whenever information or circumstances indicate the potential for impairment. Such evaluations compare estimated future net cash flows with our carrying costs and future obligations on an undiscounted basis. If it is determined that the future undiscounted cash flows are less than the carrying value of the property, a write down to the estimated fair value is charged to the Consolidated Statements of Operations for the period. Where estimates of future net cash flows are not available and where other conditions suggest impairment, management assesses if the carrying value can be recovered.

For significant exploration and development projects, interest is capitalized as part of the historical cost of developing and constructing assets in accordance with the Financial Accounting Standards Board Accounting Standards Codification 835-20. Interest is capitalized until the asset is ready for service. Capitalized interest is determined by multiplying the Company's weighted-average borrowing cost on general debt by the average amount of qualifying costs incurred. Once an asset subject to interest capitalization is completed and placed in service, the associated capitalized interest is expensed through depletion or impairment.

Share Based Compensation

We account for all share-based payments and awards under the fair value-based method.

We account for the granting of stock options and stock awards using the fair value method whereby all awards to employees will be recorded at fair value on the date of the grant. The fair value of all stock options is expensed over their vesting period with a corresponding increase to additional paid-in capital.

The fair value of stock options is determined using a Black-Scholes valuation model. Option pricing models require the input of subjective assumptions including the length of time employees will retain their vested stock options before exercising them, expected share price volatility, and interest rate.

The fair value of share-based awards that do not contain market conditions is based on the valuation of the common stock on the date of grant. The fair value of time-based awards that are ultimately expected to vest is recognized as an expense on a straight-line basis over the requisite service period. The fair value of performance-based awards is adjusted for the probability of achieving the performance conditions and is recognized on a straight line basis over the term of the award agreement.

The fair value of share-based awards with market conditions is estimated using a Monte Carlo simulation model. Assumptions and estimates utilized in the model include expected share price volatilities and related indices, the interest rate, and the probability of awards expected to vest.

Changes in the input assumptions for options and share-based awards can materially affect the fair value estimate and the Company's net loss.

Income Taxes

Our deferred income tax assets include certain future tax benefits. We record a valuation allowance against any portion of those deferred income tax assets when we believe, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred income tax asset will not be realized. We review the likelihood that we will realize the benefit of our deferred tax assets and therefore the need for valuation allowances on a quarterly basis, or more frequently if events indicate that a review is required. In determining the requirement for a valuation allowance, the historical and projected financial results of the legal entity or consolidated group recording the net deferred tax asset is considered, along with all other available positive and negative evidence.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 8. Financial Statements and Supplementary Data.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Perpetua Resources Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Perpetua Resources Corp. and its subsidiaries (the “Company”) as of December 31, 2023 and 2022, and the related consolidated statements of operations, of changes in shareholders' equity and of cash flows for the years then ended, including the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Substantial Doubt About the Company’s Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has had continuing net losses and net negative working capital that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
Denver, Colorado
March 26, 2024

We have served as the Company’s auditor since 2021.

Perpetua Resources Corp.
CONSOLIDATED BALANCE SHEETS

	December 31, 2023	December 31, 2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,229,462	\$ 22,667,047
Receivables	3,181,152	280,150
Prepaid expenses	443,312	614,930
	<u>6,853,926</u>	<u>23,562,127</u>
NON-CURRENT ASSETS		
Buildings and equipment, net (Note 3)	385,049	294,980
Right-of-use assets (Note 4)	27,898	68,675
Environmental reclamation bond (Note 9)	3,000,000	3,000,000
Mineral properties and interest (Note 5)	72,820,365	72,519,373
TOTAL ASSETS	<u>\$ 83,087,238</u>	<u>\$ 99,445,155</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Trade and other payables	\$ 4,997,226	\$ 2,741,516
Lease liabilities (Note 4)	27,897	70,449
CWA settlement payable (Note 10)	2,000,000	-
Environmental reclamation liabilities (Note 9)	764,607	9,590,766
	<u>7,789,730</u>	<u>12,402,731</u>
NON-CURRENT LIABILITIES		
Warrant derivative (Note 6)	-	1,732
CWA settlement payable (Note 10)	3,000,000	-
Environmental reclamation liabilities (Note 9)	-	1,210,170
TOTAL LIABILITIES	<u>10,789,730</u>	<u>13,614,633</u>
COMMITMENT AND CONTINGENCIES (Note 10)		
SHAREHOLDERS' EQUITY (Note 7)		
Common shares, without par value, unlimited shares authorized, 64,123,456 and 63,011,777 shares outstanding, respectively	618,581,910	615,553,448
Additional paid-in capital	34,413,562	32,203,858
Accumulated deficit	(580,697,964)	(561,926,784)
TOTAL SHAREHOLDERS' EQUITY	<u>72,297,508</u>	<u>85,830,522</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 83,087,238</u>	<u>\$ 99,445,155</u>

See accompanying notes to the Consolidated Financial Statements.

Perpetua Resources Corp.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Years ended December 31,	
	2023	2022
EXPENSES		
Corporate salaries and benefits	\$ 1,770,351	\$ 1,893,965
Depreciation	83,741	61,294
Directors' fees	369,142	528,607
Exploration	29,907,708	19,088,897
Environmental liability expense (Note 9)	898,173	4,564,611
CWA settlement expense (Note 10)	5,000,000	-
General and administration	614,348	762,897
Gain on disposal of buildings and equipment	(25,000)	(40,215)
Professional fees	1,161,797	1,825,484
Shareholder and regulatory	493,948	646,319
OPERATING LOSS	<u>40,274,208</u>	<u>29,331,859</u>
OTHER EXPENSES (INCOME)		
Change in fair value of warrant derivative (Note 6)	(1,732)	(99,038)
Foreign exchange loss (income)	19,529	41,179
Grant income (Note 11)	(21,077,882)	(75,000)
Interest income	(442,943)	(485,469)
Total other expenses (income)	<u>(21,503,028)</u>	<u>(618,328)</u>
NET LOSS	<u>\$ 18,771,180</u>	<u>\$ 28,713,531</u>
NET LOSS PER SHARE, BASIC AND DILUTED	<u>\$ 0.30</u>	<u>\$ 0.46</u>
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING, BASIC AND DILUTED	<u>63,190,941</u>	<u>62,986,816</u>

See accompanying notes to the Consolidated Financial Statements.

Perpetua Resources Corp.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the years ended December 31, 2023 and 2022

	Common Stock		Additional Paid in Capital	Accumulated Deficit	Total
	Shares	Amount			
BALANCE, December 31, 2021	62,971,859	\$ 615,359,152	\$ 29,454,696	\$ (533,213,253)	\$ 111,600,595
Share based compensation	-	-	2,943,458	-	2,943,458
Share units distributed	39,918	194,296	(194,296)	-	-
Net loss for the year	-	-	-	(28,713,531)	(28,713,531)
BALANCE, December 31, 2022	63,011,777	615,553,448	32,203,858	(561,926,784)	85,830,522
Shares sold through offering	894,882	2,771,679	-	-	2,771,679
Shares issuance costs	-	(654,108)	-	-	(654,108)
Share based compensation	-	-	3,038,404	-	3,038,404
Share unit distributed	191,797	780,170	(780,170)	-	-
Exercise of options	25,000	130,721	(48,530)	-	82,191
Net loss for the year	-	-	-	(18,771,180)	(18,771,180)
BALANCE, December 31, 2023	64,123,456	\$ 618,581,910	\$ 34,413,562	\$ (580,697,964)	\$ 72,297,508

See accompanying notes to the Consolidated Financial Statements.

Perpetua Resources Corp.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years ended December 31,	
	2023	2022
OPERATING ACTIVITIES:		
Net loss	\$ (18,771,180)	\$ (28,713,531)
Noncash items included in net loss:		
Share based compensation (Note 7)	3,038,404	2,943,458
Depreciation (Note 3)	83,741	61,294
Gain on disposal of buildings and equipment	(25,000)	(40,215)
Change in fair value of warrant derivative (Note 6)	(1,732)	(99,038)
Environmental liability expense (Note 9)	898,173	4,564,611
Unrealized foreign exchange loss	(1,107)	5,772
Changes in:		
Receivables	(2,901,002)	(204)
Prepaid expenses	171,618	331,351
Trade and other payables	2,253,935	(115,808)
CWA settlement payable (Note 10)	5,000,000	-
Environmental reclamation liabilities (Note 9)	(10,934,502)	(3,651,875)
Net cash used in operating activities	<u>(21,188,652)</u>	<u>(24,714,185)</u>
INVESTING ACTIVITIES:		
Investment in mineral properties and interest (Note 5)	(300,992)	(315,039)
Purchase of buildings and equipment	(148,810)	(199,976)
Proceeds from sale of equipment	-	49,173
Net cash used in investing activities	<u>(449,802)</u>	<u>(465,842)</u>
FINANCING ACTIVITIES:		
Proceeds from sale of common shares	2,771,679	-
Share issuance costs	(654,108)	-
Proceeds from exercise of share purchase options (Note 7)	82,191	-
Net cash provided by financing activities	<u>2,199,762</u>	<u>-</u>
Effect of foreign exchange on cash and cash equivalents	<u>1,107</u>	<u>(5,772)</u>
Net increase (decrease) in cash and cash equivalents	(19,437,585)	(25,185,799)
Cash and cash equivalents, beginning of year	22,667,047	47,852,846
Cash and cash equivalents, end of year	<u>\$ 3,229,462</u>	<u>\$ 22,667,047</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	<u>\$ -</u>	<u>\$ 8,228</u>
NONCASH INVESTING AND FINANCING ACTIVITIES		
Recognition of operating lease liability and right-of-use asset	\$ 65,061	\$ 142,487
Trade-in value on equipment	<u>\$ 25,000</u>	<u>\$ -</u>
CASH AND CASH EQUIVALENTS		
Cash	\$ 2,093,817	\$ 4,255,355
Investment savings accounts	1,135,645	13,304,761
GIC and term deposits	-	5,106,931
Total cash and cash equivalents	<u>\$ 3,229,462</u>	<u>\$ 22,667,047</u>

See accompanying notes to the Consolidated Financial Statements.

Perpetua Resources Corp.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of Operations and Going Concern Assessment

Perpetua Resources Corp. (the “Corporation”, the “Company”, “Perpetua Resources” or “Perpetua”) was incorporated on February 22, 2011 under the Business Corporation Act of British Columbia. The Company was organized to hold shares in wholly owned subsidiaries that locate, acquire, develop and restore mineral properties located principally in the Stibnite – Yellow Pine mining district in Valley County, Idaho, USA. The Company’s principal asset is 100% ownership in subsidiaries that control the Stibnite Gold Project (“Stibnite Gold Project” or the “Project”). The Company currently operates in one segment, mineral exploration in the United States.

The Corporation has had continuing net losses and has an accumulated deficit of approximately \$580.7 million as of December 31, 2023. As of December 31, 2023, the Company had cash and cash equivalents totaling approximately \$3.2 million and net negative working capital of approximately \$0.9 million.

The Company’s latest liquidity forecast indicates that available cash resources and other sources of liquidity are expected to be exhausted in the fourth quarter of 2024, after giving effect to the silver royalty entered into in March 2024. Although the Company’s current capital resources and liquidity include up to \$24.8 million in funding awarded under the Technology Investment Agreement (“TIA”) pursuant to Title III of the Defense Production Act (“DPA”) (\$59.4 million upon modification of the TIA to effect an additional conditional award of \$34.6 million), such funding is available only for the specified costs related to permitting, environmental baseline data monitoring, environmental and technical studies, and advancing construction readiness and is not available to fund the Company’s costs pursuant to its Administrative Settlement and Order on Consent (“ASAOC”) obligations, payments and certain corporate expenses, including payments under the Settlement Agreement (as defined below). Absent additional financing, the Company would no longer be able to meet its ongoing obligations or progress critical permitting efforts. The Company continues to explore various funding opportunities, which may include the issuance of additional equity, new debt, or project specific debt; government funding; and/or other financing opportunities. However, there can be no assurance that the Company will be successful in obtaining such funding.

On May 12, 2023, the Company entered into a Controlled Equity OfferingSM Sales Agreement (the “Sales Agreement”) providing for the sale by the Company, from time to time, of its common shares having an aggregate gross offering price of up to \$20.0 million. Sales under the program are subject to certain conditions, including market conditions, and there is no assurance that the Company will be able to raise funds under the program, at acceptable share prices or at all. As of December 31, 2023, \$17.2 million remains available under the program.

We believe our plans outlined above to obtain sufficient funding will be successful although there is no certainty that these plans will result in needed liquidity for a reasonable period of time. However, our expectation of incurring ASAOC costs, contributions due under the Settlement Agreement and other costs in the foreseeable future that are not eligible for DPA funding reimbursement and the need for additional funding to further support the development of our planned operations, raise substantial doubt regarding our ability to continue as a going concern for a period of one year after the date that these consolidated financial statements are issued.

These Consolidated Financial Statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the ordinary course of business and do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of the uncertainties described above.

2. Summary of Significant Accounting Policies

a. Basis of Presentation

These consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

b. Basis of Consolidation

These consolidated financial statements include the results of Perpetua Resources and its wholly owned subsidiary companies Perpetua Resources Idaho, Inc. and Idaho Gold Resource Company, LLC. All intercompany transactions, balances, income and expenses have been eliminated.

c. Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to the deferred income tax asset valuations and share-based compensation. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between estimates and the actual results, future results of operations will be affected.

d. Functional and Reporting Currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional and reporting currency of the Company and its subsidiaries is the U.S. Dollar ("USD" or "\$"). All amounts in these consolidated financial statements are in USD, unless otherwise stated.

Transactions in currencies other than the entity's functional currency are recorded at the exchange rate prevailing at the dates of the transactions. Monetary assets and liabilities are translated using the period end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate. All gains and losses on translation of these foreign currency transactions are included in the Consolidated Statements of Operations.

e. Cash and Cash Equivalents

For the purpose of the Consolidated Balance Sheets and Consolidated Statements of Cash Flows, the Company considers all highly liquid investments readily convertible to a known amount of cash with an original maturity of three months or less and subject to an insignificant risk of changes in value to be cash equivalents.

f. Buildings and Equipment

Buildings and equipment are recorded at cost less depreciation and depletion and accumulated impairment losses, if any. We capitalize expenditures for improvements that significantly extend the useful life of an asset. We charge expenditures for maintenance and repairs to operations when incurred. When an asset is sold, we recognize a gain (loss) in the Consolidated Statements of Operations based upon the proceeds received on the sale less the net carrying value of the asset. The cost of self-constructed assets includes the cost of materials, direct labor and an appropriate portion of normal overhead. Portions of interest costs incurred on debt is capitalized as a part of the cost of constructing or acquiring certain qualifying assets.

The Company depreciates its assets, less their estimated residual values, as follows:

Category	Method	Useful life
Equipment and Vehicles	Straight-line	3 to 7 years
Building Leasehold Improvements	Straight-line	5 to 8 years

Buildings and equipment held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. For purposes of evaluating the recoverability of buildings and equipment, the recoverability test is performed using undiscounted net cash flows related to the assets or asset group. If such assets are considered to be impaired, the impairment recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets or asset group.

g. Mineral Properties and Interest

Perpetua Resources is in the development stage based on the Company's Probable Mineral Reserves as set forth in the Technical Report Summary, dated as of December 31, 2021, and amended as of June 6, 2022 (the "TRS"). Mineral properties and interest acquisition costs, including indirectly related acquisition costs, are capitalized when incurred. Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are capitalized as mineral properties and interest acquisition costs at such time as the payments are made. Exploration costs are expensed as incurred.

When it is determined that a mining deposit can be economically and legally extracted or produced based on established Proven and Probable Mineral Reserves under the United States Securities and Exchange Commission ("SEC") S-K 1300, development costs related to such reserves and incurred after such determination will be considered for capitalization. The establishment of Proven and Probable Mineral Reserves is based on results of

feasibility studies, which indicate whether a property is economically feasible. Upon commencement of commercial production, capitalized costs will be amortized over their estimated useful lives or units of production, whichever is a more reliable measure. Capitalized amounts relating to a property that is abandoned or otherwise considered uneconomic for the foreseeable future are written off.

We review and evaluate the net carrying value of mineral properties and interest for impairment upon the occurrence of events or changes in circumstances that indicate that the related carrying amounts may not be recoverable. This would include events and circumstances such as our inability to obtain all the necessary permits, changes in the legal status of our mineral properties, government actions, the results of exploration activities and technical evaluations and changes in economic conditions, including the price of commodities or input prices. Such evaluations compare estimated future net cash flows with our carrying costs and future obligations on an undiscounted basis.

If it is determined that the estimated future undiscounted cash flows are less than the carrying value of the property, an impairment loss will be recorded. Where estimates of future net cash flows are not determinable and where other conditions indicate the potential for impairment, management uses available market information and/or third-party valuation experts to assess if the carrying value can be recovered and to estimate fair value.

The recoverability of the carrying values of mineral properties and interest is dependent upon economic reserves being discovered or developed on the properties, permitting, financing, start-up, and commercial production from, or the sale/lease of, or other strategic transactions related to these properties. Development and/or start-up of a project will depend on, among other things, management's ability to raise sufficient capital for these purposes.

h. Leases

Upon inception, we determine if a contractual arrangement is, or contains, a lease. Right-of-use ("ROU") assets and liabilities related to operating leases are separately reported in the Consolidated Balance Sheets. The Company currently has no financing leases.

ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the lease term. When the rate implicit to the lease cannot be readily determined, we utilize our incremental borrowing rate in determining the present value of the future lease payments. The incremental borrowing rate is derived from information available at the lease commencement date and represents the rate of interest that a lessee would have to pay to borrow an amount equal to the lease payments on a collateralized basis over a similar term in a similar economic environment. Operating lease ROU assets and liabilities also include any cumulative prepaid or accrued rent when the lease payments are uneven throughout the lease term. The ROU assets and lease liabilities may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option.

Lease liabilities are increased by interest and reduced by payments each period, and the ROU asset is amortized over the lease term. For operating leases, interest on the lease liability and the amortization of the ROU asset result in straight-line rent expense over the lease term. Variable lease expenses are recorded when incurred.

i. Share Based Compensation

The Company uses its common stock for various forms of share based compensation arrangements entered into with directors, officers, employees and consultants. Share based compensation arrangements are accounted for at fair value on the date of grant. For awards with graded vesting, the fair value of each tranche is measured separately and recognized over its respective vesting period. The total amount recognized as expense is adjusted to reflect the number of share options which ultimately vest. The Company recognizes forfeitures as they occur.

The fair value of stock options is determined using a Black-Scholes valuation model. Option pricing models require the input of subjective assumptions including the length of time employees will retain their vested stock options before exercising them, expected share price volatility, and interest rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's net loss.

The fair value of share-based awards that do not contain market conditions is based on the valuation of the common stock on the date of grant. The fair value of time-based awards that are ultimately expected to vest is recognized as an expense on a straight-line basis over the requisite service period. The fair value of performance-based awards is adjusted for the probability of achieving the performance conditions and is recognized on a straight line basis over the term of the award agreement.

The fair value of share-based awards with market conditions is estimated using a Monte Carlo simulation model.

Assumptions and estimates utilized in the model include expected share price volatilities and related indices, the interest rate, and the probability of awards expected to vest.

j. Reclamation and Remediation Costs and Asset Retirement Obligations

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration, development and production activities. The estimated costs associated with environmental reclamation liabilities are accrued in the period in which the liability is incurred if it is reasonably estimable or known. Future reclamation and environmental-related expenditures are difficult to estimate in many circumstances due to the early-stage nature of Company's operations, the uncertainties associated with defining the nature and extent of environmental disturbance, the application of laws and regulations by regulatory authorities and changes in reclamation or remediation technology. The Company periodically reviews accrued liabilities for such reclamation and remediation costs as evidence indicating that the liabilities have potentially changed becomes available. Changes in estimates are reflected in the Consolidated Statements of Operations in the period an estimate is revised.

The Company recognizes asset retirement obligations for statutory, contractual, or legal obligations associated with buildings and equipment and mineral interests and properties when those obligations result from the acquisition, construction, development or normal operation of the assets. The Company records a liability for the present value of estimated reclamation costs, and the related asset created with it, in the period in which the liability is incurred. The liability is accreted, and the asset is depreciated over the life of the related assets. Adjustments for changes resulting from the passage of time and changes to either the timing or amount of the original present value estimate underlying the obligation are made in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value of such costs. The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. The Company has no asset retirement obligations as of December 31, 2023 and 2022.

k. Fair Value Measurements

The fair value of a financial instrument is the amount that could be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity. In addition, the fair value of liabilities should include consideration of non-performance risk, including the party's own credit risk.

Fair value measurements do not include transaction costs. A fair value hierarchy is used to prioritize the quality and reliability of the information used to determine fair values. Categorization within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is defined into the following three categories:

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

At December 31, 2023, the Company has no assets and no liabilities that are remeasured at fair value on a recurring basis. At December 31, 2022, the Company had no assets and a warrant liability that was remeasured at fair value on a recurring basis. The warrant liability fair value was determined using Level 3 inputs. See Note 6.

l. Convertible Debt

Upon the issuance of convertible debt, the Company evaluates embedded conversion features within convertible debt to determine whether the embedded conversion feature(s) should be bifurcated from the host instrument and accounted for as a derivative at fair value with changes in fair value recorded in earnings.

The Company generally accounts for warrants issued in connection with debt and equity financings as a component of equity if they are freestanding and meet the conditions for equity classification. The equity component is treated as a discount on the liability component of the convertible debt, which is amortized over the term of the convertible debt using the effective interest rate method. Debt issuance costs related to the convertible debt are allocated to the liability and equity components of the convertible debt based on their relative values. Debt issuance costs allocated to the liability component are amortized over the life of the convertible debt as additional non-cash interest expense. Transaction costs allocated to equity are netted with the equity component of the convertible debt instrument in shareholders' equity.

m. Derivative Instruments

Derivative instruments are recognized as either assets or liabilities on the Consolidated Balance Sheets at fair value. The accounting for changes in the fair value of derivative instruments depends on their intended use and resulting hedge designations. Changes in the fair value of derivative instruments not designated as hedges are recorded in the Consolidated Statements of Operations as a component of other income (expense). The Company has no derivative instruments designated as hedges at December 31, 2023 and December 31, 2022.

The Company evaluates and accounts for embedded derivatives in its financial instruments based on three criteria that, if met, require bifurcation of embedded derivatives from their host instruments and accounting for them as free-standing derivative financial instruments. These three criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not required to be re-measured at fair value and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument. The result of this accounting treatment could be that the fair value of a financial instrument is classified as a derivative financial instrument and is shown at its fair value at each balance sheet date and recorded as an asset or liability with the change in fair value recorded in the Consolidated Statements of Operations as other income (expense).

The Company uses the Black-Scholes Option Pricing Model or other valuation models for valuation of the conversion option derivative associated with its convertible notes and warrant derivative. Valuation models require the input of subjective assumptions including expected share price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's net loss.

n. Income Taxes

Income taxes are accounted for under the liability method. Under this method deferred income tax liabilities or assets are recorded for expected future tax consequences of temporary differences between the financial statement carrying amounts and the tax bases of those assets and liabilities, as well as operating loss and tax credit carryforwards, using enacted tax rates in effect in the years in which the differences are expected to reverse. We provide for federal, state and foreign income taxes currently payable, if any. Federal, state and foreign tax benefits are recorded as a reduction of income taxes, when applicable.

A valuation allowance is recorded against deferred tax assets if management does not believe the Company is more likely than not that the asset will be recognized. We evaluate available positive and negative evidence available to determine the amount of valuation allowance required on our deferred tax assets.

We evaluate uncertain tax positions in a two-step process, whereby (i) it is determined whether it is more likely than not that the tax positions will be sustained based on the technical merits of the position and (ii) for those tax positions that meet the more-likely-than-not recognition threshold, the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement with the related tax authority would be recognized.

o. Loss Per Share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of share purchase options and warrants, if dilutive. The Company's potential dilutive shares of common stock include outstanding share purchase options, restricted share units (RSUs), performance share units (PSUs), deferred share units (DSUs) and warrants. Potentially dilutive shares as of December 31, 2023 and December 31, 2022 were as follows:

	December 31, 2023	December 31, 2022
Share purchase options	1,665,750	1,945,650
Shares units	1,374,797	780,897
Warrants	-	200,000
Total	3,040,547	2,926,547

All potentially dilutive shares were excluded from the calculation of diluted loss per share as their impact would be anti-dilutive.

p. Financial Instruments

The Company’s financial instruments consist of cash and cash equivalents and the environmental reclamation bond. The fair values of these instruments approximate their carrying value given their short-term nature unless otherwise noted.

q. Concentration of Credit Risk

The financial instrument which potentially subjects the Company to credit risk is cash and cash equivalents. The Corporation holds most of its cash with Canadian chartered banks and the risk of default is considered to be remote. As part of its cash management process, the Company regularly monitors the relative credit standing of these institutions.

r. Grant Income

From time to time, the Company may be awarded government grants. U.S. GAAP does not have specific accounting standards covering government grants to business entities. The Company applies International Accounting Standards 20 (“IAS 20”), Accounting for Government Grants and Disclosure of Government Assistance by analogy when accounting for government grants. Under IAS 20, government grants are initially recognized when there is reasonable assurance the conditions of the grant will be met and the grant will be received. After initial recognition, government grants are recognized in earnings on a systematic basis in a manner that mirrors the manner in which the Company recognizes the underlying costs for which the grant is intended to compensate. A grant receivable is recognized if it compensates for expenses or losses already incurred. The Company has adopted the disclosure requirements of Accounting Standards Codification (“ASC”) 832 Government Assistance.

s. Research and Development Costs

Research and development costs are recognized as operating expenses when incurred and are classified as exploration costs.

t. Recently Issued Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, amending reportable segment disclosure requirements to include disclosure of incremental segment information on an annual and interim basis. Among the disclosure enhancements are new disclosures regarding significant segment expenses that are regularly provided to the chief operating decision-maker and included within each reported measure of segment profit or loss, as well as other segment items bridging segment revenue to each reported measure of segment profit or loss. The amendments in ASU 2023-07 are effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024, and are applied retrospectively. Early adoption is permitted. We are currently evaluating the impact of this update on our consolidated financial statements and disclosures.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvement to Income Tax Disclosures, amending income tax disclosure requirements for the effective tax rate reconciliation and income taxes paid. The amendments in ASU 2023-09 are effective for fiscal years beginning after December 15, 2024 and are applied prospectively. Early adoption and retrospective application of the amendments are permitted. We are currently evaluating the impact of this update on our consolidated financial statements and disclosures.

From time to time, new accounting pronouncements are issued by the FASB that are adopted by the Company as of the specified effective date. Unless otherwise discussed, management believes that the impact of recently issued standards did not or will not have a material impact on the Company’s consolidated financial statements upon adoption.

3. Buildings and Equipment

At December 31, 2023 and 2022, the Company’s buildings and equipment were as follows:

	December 31, 2023	December 31, 2022
Buildings	\$ 2,249,908	\$ 2,249,908
Equipment and Vehicles	4,380,047	4,253,346
	6,629,955	6,503,254
Accumulated Depreciation	(6,244,906)	(6,208,274)
Balance	\$ 385,049	\$ 294,980

Depreciation expense on buildings and equipment for the years ended December 31, 2023 and 2022 was \$83,741 and \$61,294, respectively.

4. Leases

During 2023, the Company had two lease agreements for building space in Donnelly and Boise, Idaho both of which have been determined to be operating leases. Both leases provide the option for the Company to extend leases for additional time periods of one and two years, respectively, which was not recognized as part of the right to use assets and lease liabilities value. For measurement of the original lease liability and right of use asset, the Company assumed a discount rate of 10.0% based on the Company's incremental borrowing rate. The weighted average remaining lease term for operating leases as of December 31, 2023 was 0.4 years. At December 31, 2023, all remaining undiscounted lease payments of \$28,600 will be paid in 2024.

For the years ended December 31, 2023 and 2022, rent expense of \$195,214 and \$205,081, respectively, is included in exploration expense on the Consolidated Statements of Operations. For the years ended December 31, 2023 and 2022, rent expense of \$nil and \$2,882, respectively, is included in general and administration expense on the Consolidated Statements of Operations.

5. Mineral Properties and Interest

At December 31, 2023 and 2022, the Company's mineral properties and interest at the Stibnite Gold Project totaled \$72,820,365 and \$72,519,373, respectively.

The Company's subsidiaries acquired mineral rights to the Stibnite Gold Project through several transactions. All mineral rights held by the Company's subsidiaries are held through patented and unpatented mineral and mill site claims, except the Cinnabar option claims which are held under an option to purchase, and all of the Stibnite Gold Project is subject to a 1.7% net smelter returns royalty upon the sale of project-related gold production.

Included in mineral properties and interest are annual payments made under option agreements, where the Company is entitled to continue to make annual option payments or, ultimately, purchase certain properties. Annual payment due under option agreements during 2024 are approximately \$180,000.

As of December 31, 2023, it has not yet been determined that the Project's mining deposits can be economically and legally extracted or produced because the Project's estimated reserves do not yet meet the definition of proven reserves under the United States SEC Regulation S-K 1300.

Accordingly, development costs related to such reserves will not be capitalized unless they are incurred after such determination. Upon commencement of commercial production, capitalized costs will be amortized over their estimated useful lives or units of production, whichever is a more reliable measure.

Although the Company has taken steps to review and verify mineral rights to the properties in which it has an interest, in accordance with industry standards for properties in the development stage, these procedures do not guarantee the Company's title and interests. Mineral title may be subject to unregistered prior agreements and noncompliance with regulatory requirements.

6. Warrant Derivative

In May 2013, the Company issued to Franco-Nevada Corporation ("Franco") 200,000 share purchase warrants ("Franco Warrants") for gross proceeds of \$350,000. The Franco Warrants were exercisable into 200,000 common shares of the Company at C\$12.30 per warrant. The Franco Warrants contained a mandatory conversion feature which required Franco to exercise 100% of the outstanding warrants if, at any time, the volume weighted average trading price of Perpetua Resources' common shares is equal to or greater than C\$32.30 for a period of 30 consecutive trading days. The Franco Warrants expired on May 9, 2023, unexercised.

The exercise price of the Franco Warrants was denominated in Canadian Dollars; however, the functional currency of the Company is the U.S. Dollar. As a result of this difference in currencies, the proceeds that would be received by the Company were not fixed and varied based on foreign exchange rates and the warrants were a derivative and required to be recognized and measured at fair value at each reporting period. Any changes in fair value from period to period were recorded as a gain or loss in the Consolidated Statements of Operations. No circumstances existed in which the Company would be required to pay any cash upon exercise or expiry of the warrants.

A reconciliation of the change in fair values of the derivative is below:

	Fair Value of Warrant Derivative
Balance, December 31, 2021	\$ 100,770
Change in fair value of warrant derivative	(99,038)
Balance, December 31, 2022	1,732
Change in fair value of warrant derivative	(1,732)
Balance, December 31, 2023	-

The fair value of the warrants was calculated using the Black-Scholes valuation model. As of December 31, 2022, the inputs used in the Black-Scholes valuation model were:

	December 31, 2022
Share price	C\$3.95
Exercise price	C\$12.30
Expected term (in years)	0.4
Expected share price volatility	82%
Annual rate of quarterly dividends	0%
Risk-free interest rate	4.0%

7. Equity

a. *Authorized*

- Unlimited number of common shares without par value.
- Unlimited number of first preferred shares without par value.
- Unlimited number of second preferred shares without par value.

b. *ATM Offering*

On May 12, 2023, the Company entered into the Sales Agreement providing for the sale by the Company, from time to time, of the Company's common shares having an aggregate gross offering price of up to \$20.0 million (the "ATM Offering"). The Company expects to raise relatively small amounts of capital from time to time through the ATM Offering for general corporate purposes, which may include, among other things, general corporate, legal and ASAOC expenses. As of December 31, 2023, the Company sold 894,882 common shares in exchange for proceeds of approximately \$2.1 million, which is net of offering costs of approximately \$0.7 million. As of December 31, 2023, \$17.2 million remained available under the program.

c. *Share based compensation*

On March 8, 2021, the Company adopted the Omnibus Equity Incentive Plan (the "Plan") to provide the Corporation with share-related mechanisms to attract, retain and motivate qualified directors, employees and consultants of the Company and its subsidiaries, to reward such of those directors, employees and consultants as may be granted awards under this Plan by the Board from time to time for their contributions toward the long-term goals and success of the Corporation and to enable and encourage such directors, employees and consultants to acquire shares as long-term investments and proprietary interests in the Corporation. The Plan was approved by the Corporation's shareholders on April 16, 2021.

The Plan allows for awards in the following forms: stock purchase option, restricted share unit, performance share unit or deferred share unit. Under the terms of the Plan, the aggregate maximum number of shares that may be issued pursuant to awards granted under the Plan cannot exceed 4,280,530 shares. Shares delivered under the Plan can be: 1) authorized but unissued shares, 2) treasury shares, or 3) shares purchased on the open market or by private purchase.

Share based compensation for the years ended December 31, 2023 and 2022 was recognized in the Consolidated Statements of Operations as follows:

December 31,			
		2023	2022
Exploration	\$	1,594,534	\$ 1,346,515
Corporate salaries and benefits		1,074,728	1,066,398
Directors' fees		369,142	530,545
Total	\$	3,038,404	\$ 2,943,458

Share Purchase Options

A summary of share purchase option activity within the Company's share-based compensation plan for the years ended December 31, 2023 and 2022 is as follows:

	Number of Options	Weighted Average Exercise Price (C\$)
Balance December 31, 2021	2,497,150	\$ 9.15
Options granted	-	-
Options expired	(305,000)	8.71
Options cancelled or forfeited	(246,500)	9.11
Options exercised	-	-
Balance, December 31, 2022	1,945,650	\$ 9.23
Options granted	-	-
Options expired	(219,400)	7.07
Options cancelled or forfeited	(35,500)	11.48
Options exercised	(25,000)	4.40
Balance, December 31, 2023	1,665,750	\$ 9.54

During the years ended December 31, 2023 and 2022, the Company's total share based compensation from options was \$289,356 and \$1,084,969, respectively.

The fair value of options granted is estimated at the time of the grant using the Black-Scholes option pricing model. The risk-free interest rate is based on the government security rate with an equivalent term in effect as of the date of grant. The expected option lives and volatility assumptions are based on historical data of the Company. No options were granted during the years ended December 31, 2023 and 2022.

An analysis of outstanding share purchase options as of December 31, 2023 is as follows:

Range of Exercise Prices (C\$)	Options Outstanding			Options Exercisable		
	Number	Price (C\$) ¹	Remaining Life ²	Number	Price (C\$) ¹	Remaining Life ²
\$3.50 - \$5.90	45,000	3.50	1.22	45,000	3.50	1.22
\$5.91 - \$7.20	426,875	6.26	0.96	426,875	6.26	0.96
\$7.21 - \$9.70	455,875	9.54	0.64	355,875	9.65	0.20
\$9.71 - \$11.80	738,000	11.80	2.06	553,500	11.80	2.06
\$3.50 - \$11.80	1,665,750	9.54	1.36	1,381,250	9.26	1.21

¹ Weighted Average Exercise Price (C\$)

² Weighted Average Remaining Contractual Life (Years)

As of December 31, 2023, unvested compensation associated with unvested options is \$nil. As of December 31, 2023, the intrinsic value of outstanding and exercisable share purchase options is \$23,738 and \$23,738, respectively. During the year ended December 31, 2023, the intrinsic value of share purchase options exercised was \$30,594. No share purchase options were exercised during the year ended December 31, 2022.

Restricted Share Units

The following table summarizes activity for restricted share units ("RSUs") awarded under the Plan that vest over the required service period of the participant.

	Share Units	Weighted Average Grant Date Fair Value
Unvested, December 31, 2021	42,334	\$ 5.66
Granted	370,098	4.04
Distributed (vested)	(36,168)	5.00
Cancelled	(4,308)	4.03
Unvested, December 31, 2022	371,956	\$4.13
Granted	385,039	3.40
Distributed (vested)	(147,506)	4.23
Cancelled	(7,849)	3.72
Unvested, December 31, 2023	601,640	\$3.64

During the years ended December 31, 2023 and 2022, the Company awarded 385,039 RSUs (2022: 370,098 RSUs) with a weighted average grant date fair value of \$3.40 per RSU (2022: \$4.04). During the years ended December 31, 2023 and 2022, the fair value of RSUs distributed was \$500,500 and \$112,539, respectively.

During the years ended December 31, 2023 and 2022, the Company has recognized \$1,262,926 and \$949,619, respectively in compensation expense for Restricted Share Units. The Company expects to record an additional \$809,359 in compensation expense over the remaining vesting period related to these awards. Unvested units at December 31, 2023 are scheduled to vest as follows:

2024	247,308
2025	232,310
2026	122,022
Total	<u>601,640</u>

Unvested units will be forfeited by participants upon termination of employment in advance of vesting, with the exception of termination by the Company not for cause or due to the employee's death, disability, or retirement if certain criteria are met.

Performance Share Units

The following table summarizes activity for performance share units ("PSUs") and market-based performance share units ("MPSUs") awarded under the Plan:

	Share Units	Weighted Average Grant Date Fair Value
Unvested, December 31, 2021	10,750	\$5.66
Granted	267,451	6.73
Distributed	(3,750)	3.42
Cancelled	(11,185)	5.83
Unvested, December 31, 2022	263,266	\$6.77
Granted	301,035	5.80
Distributed	(12,725)	2.74
Cancelled	(4,993)	5.03
Unvested, December 31, 2023	546,583	\$6.35

During the years ended December 31, 2023 and 2022, the Company recognized \$1,089,214 and \$510,321 respectively, in compensation expense related to PSUs and MPSUs. The Company expects to record an additional \$1,908,770 million in compensation expense over the next 1.82 years. During the years ended December 31, 2023 and 2022, the fair value of PSUs distributed was \$41,790 and \$8,072, respectively.

The PSUs and MPSUs are scheduled to vest as follows:

2024	3,500
2025	256,871
2026	276,212
2027	10,000
Total	<u>546,583</u>

PSUs: PSUs vest upon completion of the performance period and specific performance conditions set forth for each individual grant for individually defined reporting and operating measurement objectives. The Company determines the factor to be applied to that target number of PSUs, with such percentage based on level of achievement of the performance conditions. Upon the achievement of the conditions, any unvested PSUs become fully vested. Certain vesting provisions also apply in the event of the employee's termination of employment by the Company without cause or a termination of employment due to the employee's death, disability, or retirement if certain criteria are met. During the year ended December 31, 2023, PSUs awarded had a weighted average grant date fair value of \$3.67 per PSU, or \$86,165 in total. During the year ended December 31, 2022, PSUs awarded had a weighted average grant date fair value of \$2.97 per PSU, or \$52,048 in total.

MPSUs: During the years ended December 31, 2023 and 2022, the Company granted MPSUs where vesting is based on the Company's cumulative total shareholder return ("TSR") as compared to the constituents that comprise the VanEck Junior Gold Miners ETF ("GDXJ Index") a group of similar junior gold mining companies, over a three year period (the "Performance Period"). The ultimate number of MPSUs that vest may range from 0% to 200% of the original target number of shares depending on the relative achievement of the TSR performance measure at the end of the Performance Period. Because the number of MPSUs that are earned will be based on the Company's TSR over the Performance Period, the MPSUs are considered subject to a market condition. Compensation cost is recognized ratably over the Performance Period regardless as to whether the market condition is actually satisfied; however, the compensation cost will reverse if an employee terminates prior to satisfying the requisite service period.

During the year ended December 31, 2023, the Company awarded 277,535 MPSUs (2022: 249,951 MPSUs) that had a weighted grant date fair value of \$5.98 (2022: \$6.99) per MPSU or approximately \$1.66 million (2022: \$1.75 million) in total. The grant date fair value of MPSUs was estimated using a Monte Carlo simulation model. Assumptions and estimates utilized in the model include expected volatilities of the Corporation's share price and the GDXJ Index, the Company's risk-free interest rate and expected dividends. The probabilities of the actual number of MPSUs expected to vest and resultant actual number of common shares expected to be awarded are reflected in the grant date fair values of the various MPSU awards. The per MPSU grant date fair value for the market condition was based on the following variables:

	2023	2022
Grant date fair value	\$5.98	\$6.99
Risk-free interest rate	4.15%	1.61%
Expected term (in years)	3.0	3.0
Expected share price volatility	65.74%	63.35%
Expected dividend yield	-	-

The expected volatility utilized is based on the historical volatilities of the Corporation's common stock and the GDXJ Index in order to model the stock price movements. The volatility used was calculated over the most recent three year period. The risk-free interest rates used are based on the implied yield available on a U.S. Treasury zero-coupon bill with a term equivalent to the Performance Period. The expected dividend yield of zero was used since it is the mathematical equivalent to reinvesting dividends in each issuing entity over the Performance Period.

Deferred Share Units

The following table summarizes activity for deferred share units ("DSUs") awarded under the Plan:

	Share Units	Weighted Average Grant Date Fair Value
Outstanding, December 31, 2021	29,213	\$5.39
Granted	116,462	3.42
Outstanding, December 31, 2022	145,675	3.82
Granted	112,465	3.53
Distributed	(31,566)	3.77
Outstanding, December 31, 2023	226,574	3.68

Under the Plan, the Company may issue DSUs to non-employee directors. During the years ended December 31, 2023 and 2022, 112,465 and 116,462 shares, respectively, with a grant date fair value of \$396,908 and \$398,549, respectively, were granted to the non-employee directors and the related compensation expense was charged to directors' fees in the Consolidated Statements of Operations. The DSUs are fully vested as of the date of grant. During the years ended December 31, 2023 and 2022, the fair value of DSUs distributed was \$109,534 and \$nil, respectively.

d. Warrants

There was a total of 200,000 warrants outstanding as of December 31, 2022. These warrants expired on May 9, 2023.

8. Income taxes

No benefit (provision) has been recognized for the years ended December 31, 2023 and 2022. The United States and Canada components of net loss for the years ended December 31, 2023 and 2022 are as follows:

	December 31,	
	2023	2022
United States	\$13,184,435	\$22,300,354
Canada	5,586,745	6,413,177
Total	\$18,771,180	\$28,713,531

The benefit (provision) for income taxes reported differs from the amount computed by applying the applicable income tax rates to the loss before the tax provision due to the following:

	December 31,	
	2023	2022
Income tax benefit computed at statutory rate of 21%	\$ (3,941,948)	\$ (6,029,842)
State tax, net of federal tax benefit	(860,095)	(875,304)
Difference in foreign tax rates	(682,386)	(1,027,801)
Change in state tax rate	451,821	1,016,106
Deferred tax adjustments	(1,414,333)	(94,128)
Change in valuation allowance	6,279,227	6,542,458
Non-deductible (taxable) items:		
(Gain) loss on derivative liability	(468)	(26,742)
Share based compensation	275,189	726,601
Equity finance costs	(239,618)	(251,259)
Other	132,611	19,911
Income tax provision (benefit)	\$ -	\$ -

The significant components of the Company's deferred tax assets are as follows:

	December 31,	
	2023	2022
Net operating loss carryforward – U.S.	\$ 42,897,060	\$ 41,589,845
Net operating loss carryforward – CAD	10,870,180	9,948,259
Buildings and equipment	423,286	453,716
Mineral interest and properties	19,810,660	37,045,201
Financing costs	510,424	573,432
Environmental obligation	67,717	2,651,486
CWA settlement payable	1,279,100	-
Stock based compensation	2,575,273	-
Other	441,559	440,276
Deferred tax assets	78,875,259	92,702,215
Less valuation allowance	(78,875,259)	(92,702,215)
Net deferred tax assets	\$ -	\$ -

The Company records a valuation allowance if, based on the weight of all available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. As of December 31, 2023 and 2022, the Company has determined that a full valuation allowance is necessary against its net deferred tax assets based on the weight of all available evidence. The resulting valuation allowance recorded against the net deferred tax assets of the Company is approximately \$78.9 million and \$92.7 million as of December 31, 2023 and 2022, respectively. At December 31,

2023, approximately \$510,000 of the allowance balance relates to future tax benefits that will be credited directly to equity once it is recognized. The changes in the valuation allowance for the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
Valuation allowance on deferred tax assets, beginning of year	\$(92,702,215)	\$(86,411,016)
Change related to:		
Valuation allowance movement recognized in continuing operations	(6,279,227)	(6,542,458)
Valuation allowance movement associated with mineral property acquisition	20,043,175	-
Valuation allowance movement recognized in equity	63,008	251,259
Valuation allowance on deferred tax assets, end of year	\$(78,875,259)	\$(92,702,215)

As of December 31, 2023, the Company has U.S. loss carryforwards of approximately \$82.5 million that expire in 2029 through 2037 and approximately \$93.7 million with no expiration but which are subject to an 80% limitation upon utilization. The Company has state net operating loss carryforwards of approximately \$128.8 million that expire in 2033 through 2043 and Canadian loss carryforwards of approximately \$40.3 million that expire in 2033 through 2043 available to reduce future years' income for tax purposes. The deferred tax asset table above reflects the tax-effected balances of the Company's net operating loss carryforwards using a 25.58% rate for U.S.-based carryforwards and 27.00% rate for Canada-based carryforwards. Our utilization of U.S. net operating loss carryforwards may be subject to annual limitations under Section 382 of the Code due to changes in control that may have occurred as a result of recent capital transactions.

In 2023 and 2022, the Company evaluated its tax positions for years which remain subject to examination by major tax jurisdictions and as a result concluded no adjustment was necessary. The Company files income tax returns in the U.S. and Canada federal jurisdictions, the state of Idaho jurisdiction, and the province of British Columbia jurisdiction. The Company had no unrecognized tax benefits as of December 31, 2023 and 2022. The Company recognizes interest accrued related to unrecognized tax benefits and penalties in its income tax provision. U.S. tax returns for the years 2020 to 2022 and Canadian tax returns for the years 2019 to 2022 remain subject to examination but there are currently no ongoing exams in any taxing jurisdictions. Tax returns for years prior to 2020 may remain open with respect to net operating loss carryforwards that are utilized in a later year, as tax attributes from prior years can be adjusted during an audit of a later year.

9. Environmental Reclamation Liabilities

On January 15, 2021, the Company agreed to an ASAOC. The Company has accounted for its obligation under the ASAOC as an environmental reclamation liability. The provision for the liability associated with the terms of the ASAOC is based on cost estimates developed with the use of engineering consultants, independent contractor quotes and the Company's internal development team. The timing of cash flows is based on the latest schedule for early action items. The estimated environmental reclamation liability may be subject to change based on changes to cost estimates and is adjusted for actual work performed. During the year ended December 31, 2023, the Company spent \$10.9 million on activities designed to improve water quality which included moving more than 325,000 tons of legacy mine waste and tailings away from sensitive waterways on site and relocating it to areas where it can be more safely stored. The Company completed most of the early action restoration work in 2023 and estimates \$0.8 million in remaining work to be completed in 2024. Movements in the environmental reclamation liability during the years ended December 31, 2023 and 2022 are as follows:

	Years ended December 31,	
	2023	2022
Balance at beginning of year	\$ 10,800,936	\$ 9,888,200
Additions	898,173	4,564,611
Work performed on early action items	(10,934,502)	(3,651,875)
Balance at end of year	\$ 764,607	\$ 10,800,936
Current portion	\$ 764,607	\$ 9,590,766
Non-current portion	-	1,210,170
Balance	\$ 764,607	\$ 10,800,936

The Company provided \$7.5 million in financial assurance for Phase 1 projects under the ASAOC. The Company paid \$3.0 million in cash collateral for a surety bond related to the ASAOC statement of work in early 2021.

10. Commitments and Contingencies

a. Mining Claim Assessments

The Company currently holds mining claims on which it has an annual assessment obligation of \$275,992 to maintain the claims in good standing. The Company is committed to these payments indefinitely. Related to the Mining Claims Assessments is a \$335,000 bond related to the Company's exploration activities.

b. Stibnite Foundation

Upon formation of the Stibnite Foundation on February 26, 2019, the Company became contractually liable for certain future payments to the Stibnite Foundation based on several triggering events, including receipt of a Final Record of Decision issued by the USFS, receipt of all permits and approvals necessary for commencement of construction, commercial production, and of the final reclamation phase. These payments could begin as early as the fourth quarter of 2024 based on the current permitting schedule and range from \$0.1 million to \$1.0 million (upon commencement of final reclamation phase) in cash and 150,000 common shares of the Company. During commercial production, the Company will make payments to the Stibnite Foundation equal to 1% of Total Comprehensive Income less debt repayments, or a minimum of \$0.5 million each year.

The Stibnite Foundation will support projects that benefit the communities surrounding the Stibnite Gold Project and was created through the establishment of the Community Agreement between Perpetua Resources Idaho, Inc. and eight communities and counties throughout the West Central Mountains region of Idaho.

c. Option Payments on Other Properties

The Company is obligated to make option payments on mineral properties in order to maintain an option to purchase these properties. As of December 31, 2023, the option payments due on these properties in 2024 are approximately \$180,000, which will be paid next year. The agreements include options to extend.

d. Off balance sheet arrangements

The Corporation has no off-balance sheet arrangements as of December 31, 2023 and the date of this Annual Report.

e. Legal Update

The Corporation and its subsidiaries have been parties to an ongoing legal proceeding with the Nez Perce Tribe for alleged violations of the Clean Water Act ("CWA") related to historical mining activities. In August 2019, the Nez Perce Tribe filed suit in the United States District Court for the District of Idaho. The Corporation promptly filed a motion to dismiss and, in the alternative, a motion to stay the litigation. Both motions were denied. Subsequently, the Corporation filed an answer denying liability and later, the court allowed the Corporation to amend and file a third-party complaint against the Forest Service. The Corporation also filed a separate CWA citizen suit against the United States Forest Service ("USFS" or "Forest Service") alleging that several of the point source discharges, as alleged by the Nez Perce Tribe in its complaint, were occurring on lands owned and controlled by the United States. Pursuant to the terms of the voluntary ASAOC executed in January 2021 with the U.S. Environmental Protection Agency ("U.S. EPA") and the United States Department of Agriculture, the Corporation agreed to dismiss its pending actions against the Forest Service without prejudice. The remaining parties to the ongoing legal proceeding agreed to stay the litigation and explore Alternative Dispute Resolution options through court-ordered mediation.

On August 8, 2023, the Company and the Nez Perce Tribe filed a final Settlement Agreement (the "Settlement Agreement") to resolve the CWA litigation. The parties jointly asked the court to approve the Settlement Agreement and dismiss the case without prejudice. The Settlement Agreement provides for total payments of \$5.0 million by Perpetua over a four-year period. This includes \$4.0 million of contributions by Perpetua to a South Fork Salmon Water Quality Enhancement Fund (the "Fund") to be used by the Nez Perce Tribe to support water quality improvement projects in the South Fork Salmon River watershed and \$1.0 million of reimbursements to the Nez Perce Tribe for legal expenses. Following a 45-day review period by the United States Justice Department and the U.S. EPA, on October 2, 2023 the U.S. District Court for the District of Idaho approved the Stipulation for Dismissal and entered a Judgment which resulted in the CWA lawsuit being dismissed without prejudice. Under the Settlement Agreement, a dismissal with prejudice will follow after completion of Perpetua's required payments. Once Perpetua has satisfied its payment obligations under the Settlement Agreement, the parties will submit a Stipulation of Dismissal with Prejudice to the court. The Company recognized an expense of \$5.0 million during the year ended December 31, 2023.

At December 31, 2023, CWA settlement payable current portion is \$2,000,000 with the remaining \$3,000,000 classified as long-term.

The voluntary CERCLA ASAOC entered into by the Company, the U.S. EPA, and the United States Department of Agriculture requires numerous early cleanup actions to occur over the next several years at the Stibnite Gold Project site (the “Stibnite Site”). Perpetua Resources Idaho, Inc. is executing the Phase 1 early cleanup actions (known under CERCLA as “time critical removal actions”) that, upon final work plan approval by the federal agencies, are designed to efficiently improve water quality in a number of areas on the Stibnite Site. Construction of time critical removal actions began in the summer of 2022, and significant progress was achieved to complete the voluntary Phase 1 Stibnite Site cleanup during the limited 2023 work season. During the year ended December 31, 2023, the Company spent \$10.9 million dedicated to improve water quality which included moving more than 325,000 tons of legacy mine waste and tailings away from sensitive waterways on the Stibnite Site and relocating it to areas where it can be more safely stored. The Company completed most of the early action restoration work in 2023 and estimates \$0.8 million in remaining work to be completed in 2024. Other longer-term proposed actions relating to Project operations are being evaluated through the NEPA process.

11. Government Grants:

The Company has been awarded government grants by the U.S. Department of Defense (“DOD”) as described below. Accounting for these DOD grants does not fall under Accounting Standard Codification 606, *Revenue from Contracts with Customers*, as the DOD does not meet the definition of a customer under this standard. The DOD grant proceeds, which will be used to reimburse expenses incurred, meet the definition of grants related to expenses as the primary purpose for the payments is to fund research and development on trisulfides and the advancement of the Company’s Stibnite Gold Project.

During the years ended December 31, 2023 and 2022, grant income, which is included within other income (expense) on the Consolidated Statements of Operations, included the following:

Government Grant	Years ended December 31,	
	2023	2022
SBIR	\$ 124,997	\$ 75,000
DPA	15,601,205	-
DOTC	5,351,680	-
Total	<u>\$ 21,077,882</u>	<u>\$ 75,000</u>

At December 31, 2023 and 2022, grant receivable, which is included in receivables on the Consolidated Balance Sheets, include the following:

Government Grant	As at December 31,	
	2023	2022
SBIR	\$ -	\$ 50,000
DPA	1,232,025	-
DOTC	1,895,745	-
Total	<u>\$ 3,127,770</u>	<u>\$ 50,000</u>

Information regarding each individual grant is as follows:

Small Business Innovation Research (“SBIR”) Grant: In September 2022, the Company was awarded two separate funding grants from the U.S. Department of Defense (“DOD”) Defense Logistics Agency (“DLA”) totaling \$200,000 to study the domestic production of military-grade antimony trisulfide. The programs were complete in September 2023 so no additional grant income is anticipated under the program.

Defense Production Act (“DPA”) Grant: On December 16, 2022, the Company entered into an undefinitized Technology Investment Agreement (“TIA”) with the DOD - Air Force Research Laboratory for an award of up to \$24.8 million under Title III of the DPA. On July 25, 2023, the TIA was definitized with the DOD, establishing the full not-to-exceed amount of \$24.8 million. The funding objective of the TIA is to complete environmental and engineering studies necessary to obtain a Final Environmental Impact Statement, a Final Record of Decision, and other ancillary permits to sustain the domestic production of antimony trisulfide capability for defense energetic materials at the Stibnite Gold Project. Proceeds from the grant will be used primarily to reimburse the Company for certain costs incurred over the next 24 months related to environmental baseline data monitoring, environmental and technical studies and other activities related to advancing the Company’s construction readiness and the permitting

process for the Stibnite Gold Project. The Company anticipates recognizing approximately \$37,000,000 of additional grant income in 2024. During the years ended December 31, 2023 and 2022, the Company was reimbursed \$14,369,177 and \$nil, respectively, for certain costs incurred.

DOD Ordnance Technology Consortium (“DOTC”) Grant: On August 18, 2023, the Company’s wholly owned subsidiary, Perpetua Resources Idaho, Inc., was awarded an Ordnance Technology Initiative Agreement (“OTIA”) of up to \$15.5 million under the Prototype Other Transaction authority of the DOD through the DOTC. The funding objective of the OTIA is to demonstrate a fully domestic antimony trisulfide supply chain using ore from the Stibnite Gold Project site. The OTIA designates funding to the Company to conduct activities to meet this objective, including obtaining additional core samples from the Project site, conducting a pilot plant study to produce mil-spec antimony trisulfide from the samples, designing a full-scale process circuit, and delivering a modular pilot plant for the DOD to use in further investigations. Under the OTIA, the Company will be reimbursed for these activities on a cost-plus fixed fee basis over the 24-month period of performance. The current estimated amount is \$15.5 million, which is subject to adjustment by the DOD based on scope, costs, budget, or other factors as the program advances. Perpetua will be entitled to reimbursement for all costs incurred under the agreement, with the negotiated fee being 12%. The OTIA contains customary terms and conditions for OTIAs, including ongoing reporting obligations. The Company anticipates recognizing approximately \$6,800,000 of additional grant income in 2024. During the year ended December 31, 2023, the Company received cash from this grant of \$3,455,934, for reimbursement of certain costs incurred of \$3,085,656 and 12% fee income of \$370,278. During the year ended December 31, 2023, grant income includes \$573,394 of 12% fee income earned on costs incurred.

12. Subsequent Events:

On February 12, 2024, the Company announced it was conditionally awarded up to \$34.6 million in additional funding under the existing TIA. Full funding of the additional award is conditioned on modifying the existing TIA to expand the in-scope work for advancing permits and construction readiness. The amendment will not change any other material terms of the definitized TIA. The modification is anticipated to be completed in the first quarter of 2024. Under the modified TIA, Perpetua may request reimbursement for certain costs incurred through June 30, 2025 related to environmental baseline data monitoring, environmental and technical studies and other activities related to advancing Perpetua’s construction readiness and permitting process for the Stibnite Gold Project. The DPA funding does not interrupt the ongoing NEPA review.

On March 13, 2024, Laurel Sayer tendered her notice of resignation to the Board, notifying the Company of her resignation as President and Chief Executive Officer and as a Director of the Company, effective March 14, 2024, and retirement from the Company on April 1, 2025 (the “Retirement Date”). Ms. Sayer will serve as Senior Advisor to the Chief Executive Officer effective March 14, 2024 until the Retirement Date. On March 14, 2024, the Company announced that the Board appointed (i) Jonathan Cherry to serve as President and Chief Executive Officer of the Company and as a Director of the Company to fill the vacancy created by Ms. Sayer’s resignation and (ii) Jessica Largent, Chief Financial Officer of the Company, as an additional Director of the Company, in each case, effective March 14, 2024.

On March 21, 2024, the Company entered into a royalty agreement with a wholly-owned subsidiary of Franco-Nevada Corporation (“Franco-Nevada”) pursuant to which Perpetua, through its subsidiaries, sold Franco-Nevada a royalty on the future payable silver production from the Project in exchange for a cash payment of \$8.5 million. Under the agreement, Franco-Nevada will receive all of the payable silver by-product revenue over the life-of-mine, subject to the terms of the agreement. Perpetua intends to use the proceeds for general corporate purposes.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.**Evaluation of Disclosure Controls and Procedures**

The Company's management, with the participation of the Company's Chief Executive Officer and Principal Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures as of December 31, 2023 (the "Evaluation Date"). Based on that evaluation, the Company's Chief Executive Officer and Principal Financial Officer concluded that the Company's disclosure controls and procedures were effective as of December 31, 2023.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, for the Company.

Our internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Management conducted an evaluation of the effectiveness of our internal control over financial reporting, as of the Evaluation Date, based on the framework set forth in Internal Control-Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on its evaluation under this framework, management concluded that our internal control over financial reporting was effective as of the Evaluation Date.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit us to provide only management's report in this annual report.

Attestation Report of the Registered Public Accounting Firm.

This Annual Report does not include an attestation report of our independent registered public accounting firm due to a transition period established by the rules of the SEC for emerging growth companies.

Changes in Internal Control Over Financial Reporting.

As of the Evaluation Date, there were no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2023 that have materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by this Item is incorporated herein by reference to the information that will be contained in our proxy statement related to the 2024 Annual Meeting of Shareholders, which we intend to file with the SEC within 120 days of the end of our fiscal year pursuant to General Instruction G(3) of Form 10-K.

Item 11. Executive Compensation.

The information required by this Item is incorporated herein by reference to the information that will be contained in our proxy statement related to the 2024 Annual Meeting of Shareholders, which we intend to file with the SEC within 120 days of the end of our fiscal year pursuant to General Instruction G(3) of Form 10-K.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this Item is incorporated herein by reference to the information that will be contained in our proxy statement related to the 2024 Annual Meeting of Shareholders, which we intend to file with the SEC within 120 days of the end of our fiscal year pursuant to General Instruction G(3) of Form 10-K.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this Item is incorporated herein by reference to the information that will be contained in our proxy statement related to the 2024 Annual Meeting of Shareholders, which we intend to file with the SEC within 120 days of the end of our fiscal year pursuant to General Instruction G(3) of Form 10-K.

Item 14. Principal Accountant Fees and Services.

The information required by this Item is incorporated herein by reference to the information that will be contained in our proxy statement related to the 2024 Annual Meeting of Shareholders, which we intend to file with the SEC within 120 days of the end of our fiscal year pursuant to General Instruction G(3) of Form 10-K.

PART IV

Item 15. Exhibit and Financial Statement Schedules.

- (a) The following documents are filed as part of the report:
- (1) Consolidated Financial Statements
Report of Independent Registered Public Accounting Firm (PCAOB ID No. 238)
Consolidated Balance Sheets as of December 31, 2023 and 2022
Consolidated Statements of Operations for the Years Ended December 31, 2023 and 2022
Consolidated Statements of Changes in Shareholders' Equity for the Years Ended December 31, 2023 and 2022
Consolidated Statements of Cash Flows for the Years Ended December 31, 2023 and 2022
Notes to the Consolidated Financial Statements
 - (2) Financial Statement Schedules
All schedules have been omitted as they are either not required or not applicable or the required information is included in the Consolidated Financial Statements or notes thereto.
 - (3) See Item 15(b)
- (b) Exhibits:

<u>Exhibit No.</u>	<u>Exhibit or Financial Statement Schedule</u>
1.1*	Controlled Equity Offering SM Sales Agreement by and between Cantor Fitzgerald & Co. and Perpetua Resources Corp., dated as of May 12, 2023 (incorporated by reference to Exhibit 1.1 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023, filed with the SEC on May 12, 2023).
3.1	Certificate of Incorporation of Perpetua Resources Corp. (incorporated by reference to Exhibit 4.1 of the Company's Registration Statement on Form S-8 (File No. 333-255147) filed with the SEC on April 9, 2021).
3.2	Notice of Articles and Articles filed under the Business Corporations Act (British Columbia) (incorporated by reference to Exhibit 4.2 of the Company's Registration Statement on Form S-8 (File No. 333-255147) filed with the SEC on April 9, 2021).
3.3	Certificate of Change of Name (incorporated by reference to Exhibit 4.3 of the Company's Registration Statement on Form S-8 (File No. 333-255147) filed with the SEC on April 9, 2021).
3.4	Amendment to Articles, dated May 25, 2022 (incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K, filed with the SEC on May 27, 2022).
4.1	Description of Common Shares (incorporated by reference to Exhibit 4.1 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2022, filed with the SEC on August 12, 2022).
10.1	Amended and Restated Investor Rights Agreement between Midas Gold Corp., Idaho Gold Resources Company, LLC and Paulson & Co. Inc., dated March 17, 2020 (incorporated by reference to Exhibit 99.50 of the Company's Registration Statement on Form 40-F (File No. 000-56206) filed with the SEC on September 23, 2020).
10.2 *#	Technology Investment Agreement between the United States of America and Perpetua Resources Idaho, Inc., as modified as of July 25, 2023 (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for its quarterly period ended September 30, 2023, filed with the SEC on November 9, 2023).
10.3*+	Employment Agreement between Laurel Sayer and Perpetua Resources Idaho Inc. (incorporated by reference to Exhibit 10.7 of the Company's Annual Report on Form 10-K for its fiscal year ended December 31, 2021, filed with the SEC on March 18, 2022).
10.4*+	First Amendment to Employment Agreement between Laurel Sayer and Perpetua Resources Idaho, Inc. (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed with the SEC on March 14, 2024).
10.5*+	Employment Agreement between Jessica Largent and Perpetua Resources Idaho Inc. (incorporated by reference to Exhibit 10.8 of the Company's Annual Report on Form 10-K for its fiscal year ended December 31, 2021, filed with the SEC on March 18, 2022).

10.6*+	Amendment to Employment Agreement between Jessica Largent and Perpetua Resources Idaho, Inc. (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2022).
10.7*+	Employment Agreement between Alan Haslam and Perpetua Resources Idaho Inc. (incorporated by reference to Exhibit 10.9 of the Company's Annual Report on Form 10-K for its fiscal year ended December 31, 2021, filed with the SEC on March 18, 2022).
10.8*+	Employment Agreement between Mckinsey Lyon and Perpetua Resources Idaho Inc. (incorporated by reference to Exhibit 10.11 of the Company's Annual Report on Form 10-K for its fiscal year ended December 31, 2021, filed with the SEC on March 18, 2022).
10.9*+	Employment Agreement between Michael Bogert and Perpetua Resources Idaho Inc. (incorporated by reference to Exhibit 10.12 of the Company's Annual Report on Form 10-K for its fiscal year ended December 31, 2021, filed with the SEC on March 18, 2022).
10.10*+	Employment Agreement between Michael Wright and Perpetua Resources Idaho Inc. (incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q for its quarterly period ended September 30, 2023, filed with the SEC on November 9, 2023)
10.11*+	Employment Agreement between Jonathan Cherry and Perpetua Resources Idaho, Inc. (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K, filed with the SEC on March 14, 2024).
10.12+	Omnibus Equity Incentive Plan (incorporated by reference to Exhibit 4.4 of the Company's Registration Statement on Form S-8 (File No. 333-256925) filed with the SEC on June 9, 2021).
10.13+	2011 Evergreen Incentive Stock Option Plan (incorporated by reference to Exhibit 4.4 of the Company's Registration Statement on Form S-8 (File No. 333-255147) filed with the SEC on April 9, 2021).
10.14*+	Form Time-Based Stock Option Award Agreement under the Stock Option Plan (US) (incorporated by reference to Exhibit 10.18 of the Company's Annual Report on Form 10-K for its fiscal year ended December 31, 2021, filed with the SEC on March 18, 2022).
10.15*+	Form Time-Based Stock Option Award Agreement under the Stock Option Plan (Canada) (incorporated by reference to Exhibit 10.19 of the Company's Annual Report on Form 10-K for its fiscal year ended December 31, 2021, filed with the SEC on March 18, 2022).
10.16*+	Form Performance-Based Stock Option Award Agreement under the Stock Option Plan (incorporated by reference to Exhibit 10.20 of the Company's Annual Report on Form 10-K for its fiscal year ended December 31, 2021, filed with the SEC on March 18, 2022).
10.17*+	Form Restricted Share Unit Award Agreement under the Omnibus Plan (incorporated by reference to Exhibit 10.21 of the Company's Annual Report on Form 10-K for its fiscal year ended December 31, 2021, filed with the SEC on March 18, 2022).
10.18*+	Form Performance Share Unit Award Agreement under the Omnibus Plan (incorporated by reference to Exhibit 10.22 of the Company's Annual Report on Form 10-K for its fiscal year ended December 31, 2021, filed with the SEC on March 18, 2022).
10.19*+	Form Deferred Share Unit Agreement under the Omnibus Plan (incorporated by reference to Exhibit 10.23 of the Company's Annual Report on Form 10-K for its fiscal year ended December 31, 2021, filed with the SEC on March 18, 2022).
10.20+	Form Former Director Consulting Agreement (incorporated by reference to Exhibit 10.24 of the Company's Annual Report on Form 10-K for its fiscal year ended December 31, 2021, filed with the SEC on March 18, 2022).
10.21+	Short-Term Incentive Plan (incorporated by reference to Exhibit 10.25 of the Company's Annual Report on Form 10-K for its fiscal year ended December 31, 2021, filed with the SEC on March 18, 2022).
10.22	Transition Agreement between Midas Gold Corp. and Paulson & Co. Inc., dated December 3, 2020 (incorporated by reference to Exhibit 10.26 of the Company's Annual Report on Form 10-K for its fiscal year ended December 31, 2021, filed with the SEC on March 18, 2022).
21.1	Subsidiaries of the Company (incorporated by reference to Exhibit 21.1 of the Company's Annual Report on Form 10-K for its fiscal year ended December 31, 2021, filed with the SEC on March 18, 2022).
23.1	Consent of PricewaterhouseCoopers LLP.
23.2	Consent of Christopher Dail.
31.1	Certification of Chief Executive Officer pursuant to Section 302 of Sarbanes-Oxley Act of 2002 (Rule 13a-14 and 15d-14 of the Exchange Act).
31.2	Certification of Principal Financial Officer pursuant to Section 302 of Sarbanes-Oxley Act of 2002 (Rule 13a-14 and 15d-14 of the Exchange Act).

32.1	Certification of Chief Executive Officer pursuant to Section 1350 of Title 18 of the United States Code.
32.2	Certification of Principal Financial Officer pursuant to Section 1350 of Title 18 of the United States Code.
96.1	Technical Report Summary, Revision 1, amended as of June 6, 2022 (incorporated by reference to Exhibit 96.1 of the Company's Current Report on Form 8-K filed with the SEC on June 8, 2022).
97.1+	Perpetua Resources Corp. Incentive-Based Compensation Clawback Policy, adopted as of November 8, 2023.
101.INS	XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

+ Compensatory plan or agreement.

* Portions of this exhibit have been redacted in compliance with Regulation S-K Item 601(b)(10)(iv).

Schedules have been omitted pursuant to Regulation S-K Item 601(b)(2). The Company agrees to furnish to the SEC a copy of any omitted schedule upon request.

Item 16. Form 10-K Summary.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

PERPETUA RESOURCES CORP.

Date: March 26, 2024

By: /s/ Jonathan Cherry
Name: Jonathan Cherry
Title: President, Chief Executive Officer and
Director

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Jonathan Cherry</u> Jonathan Cherry	President, Chief Executive Officer and Director <i>(Principal Executive Officer)</i>	March 26, 2024
<u>/s/ Jessica Largent</u> Jessica Largent	Chief Financial Officer and Director <i>(Principal Financial and Accounting Officer)</i>	March 26, 2024
<u>/s/ Marcelo Kim</u> Marcelo Kim	Chairman	March 26, 2024
<u>/s/ Andrew Cole</u> Andrew Cole	Director	March 26, 2024
<u>/s/ Bob Dean</u> Bob Dean	Director	March 26, 2024
<u>/s/ Laura Dove</u> Laura Dove	Director	March 26, 2024
<u>/s/ Rich Haddock</u> Rich Haddock	Director	March 26, 2024
<u>/s/ Jeff Malmen</u> Jeff Malmen	Director	March 26, 2024
<u>/s/ Chris Robison</u> Chris Robison	Director	March 26, 2024
<u>/s/ Alex Sternhell</u> Alex Sternhell	Director	March 26, 2024

SHAREHOLDER INFORMATION

Corporate Information

Perpetua Resources Corp.
405 S. 8th Street, Ste 201
Boise, ID 83702
(208) 901-3060
www.perpetuaresources.com

Market Information

Perpetua Resources' common stock trades on the Nasdaq Stock Exchange and the Toronto Stock Exchange under the symbol "PPTA".

Shareholder Inquiries

Please direct inquiries and shareholder requests for information to:

Chris Fogg

Investor Relations Manager
(208) 901-3049
chris.fogg@perpetuacorp.us
info@perpetuacorp.us

Annual Report on Form 10-K and Proxy Statement for 2023

Our Form 10-K and proxy statement are included in this document in its entirety as filed with the SEC. Upon request to Investor Relations, we will deliver free of charge a copy of our Form 10-K or proxy statement.

ENDNOTES

*Investors should be aware that the publication of the SDEIS and the permitting schedule, and the identification by the USFS of the Modified Mine Plan as the Preferred Alternative in the SDEIS, does not indicate any commitments on the part of the USFS with regard to the content or timing of a final decision. In developing the Final Environmental Impact Statement ("FEIS"), the next phase of the NEPA planning process, the USFS may select various actions based on the Modified Mine Plan or each of the alternatives analyzed in the SDEIS. Furthermore, the USFS is not bound by the permitting schedule and anticipated milestones may be delayed materially or not be satisfied.

Investors should also be aware that full funding under the modified DPA TIA is subject to negotiation of the additional in-scope work and final availability of funds. Until the agreement is amended, the additional \$34.6 million in funding will be unavailable. While Perpetua expects to enter into the modification in 2024, there is no assurance that we will be able to finalize the amendment on the expected timeline or at all. Additionally, funding under the DPA TIA is available only for the specified costs related to permitting, environmental baseline data monitoring, environmental and technical studies, and advancing construction readiness and is not available to fund the Company's costs under its Administrative Settlement and Order on Consent obligations and certain corporate expenses. Certain statements contained in this annual report are "forward-looking statements" within the meaning of "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995 and the Securities Exchange Act of 1934 (the "Exchange Act") and "forward-looking information" within the meaning of applicable Canadian securities laws. The forward-looking statements included in the annual report are subject to all of the risks and uncertainties described in the "Cautionary Note Regarding Forward-Looking Statements" and "Risk factors" sections on pages 1 and 11 of the Form 10-K.

The material scientific and technical information in respect of the Stibnite Gold Project in this annual report, unless otherwise indicated, is based upon information contained in the Technical Report Summary (the "TRS"), dated as of December 31, 2021, and amended as of June 6, 2022, developed for the Stibnite Gold Project. The TRS summarizes, in accordance with the mining property disclosure rules specified in S-K 1300 ("S-K 1300") promulgated by the U.S. Securities and Exchange Commission (the "SEC"), the technical report titled "Stibnite Gold Project, Feasibility Study Technical Report, Valley County, Idaho" effective December 22, 2020, and issued January 27, 2021 (the "2020 Feasibility Study"), which was prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Although we have not updated our capital cost estimates as of December 31, 2023, based on significant inflation and increased financing costs since 2020, we expect the actual cost estimates to be higher than the 2020 estimate. These cost estimates may change materially due to inflation, competition or other unforeseen challenges at the Project site. All disclosure contained in this annual report regarding the mineral reserves and mineral resource estimates and economic analysis on the property is fully qualified by the full disclosure contained in the 2020 Feasibility Study and the TRS and the assumptions described therein. See "Notice Regarding Mining Property Disclosure Rules" on page 4 of the Form 10-K for more information regarding the presentation of scientific and technical information and for a summary of differences between the TRS and the 2020 Feasibility Study.

¹ Our supply agreement with Ambri is subject to certain conditions, including mutual agreement on certain material terms, including volume and pricing, identification of one or more refiners to transform our antimony concentrate into antimony metal and Ambri's ability to successfully develop, manufacture and market its proposed batteries.

² See 102 Cong. Rec. 4118 (1956).

³ Under NEPA, a "Preferred Alternative" is identified by a federal agency in a Draft Environmental Impact Statement to let the public know which action the agency is leaning toward selecting as final.

⁴ Perpetua's market capitalization is based on fully diluted market capitalization using the closing share price as March 28, 2023 (US\$4.16 share price and fully diluted shares of 67 million).

⁵ Market capitalization for peer companies are based on March 28, 2023 closing stock prices and fully diluted shares based on most recently available information.

⁶ Stibnite Gold Project Net Asset Value ("NAV") is based on After-Tax Net Present Value ("NPV") as presented in the 2020 Feasibility Study using a 5% discount rate. We have not updated our capital cost estimates as of December 31, 2023; however, based on significant inflation and increased financing costs since 2020, we expect the actual cost estimates to be higher than the 2020 estimate.

These cost estimates may change materially due to inflation, competition or other unforeseen challenges at the Project site. Peer group NAV figures are based on NPVs using a 5% discount rate based on the last available project NPV assuming a \$1,850 per ounce gold price.

⁷ Stibnite Gold Project NPV is based on the 2020 Feasibility Study.



**Perpetua
Resources**

Responsible Mining. Critical Resources. Clean Future.

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