

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, DC 20549**  
**FORM 10-Q**

(Mark One)

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

For the quarterly period ended September 30, 2024  
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.

**Perpetua Resources Corp.**  
(Exact Name of Registrant as Specified in its Charter)

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

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

N/A  
(I.R.S. Employer  
Identification No.)

**83702**  
(Zip Code)

**(208) 901-3060**

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Shares, without par value	PPTA	Nasdaq

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, an emerging growth company, or a smaller reporting 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"/>	Smaller 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No   
As of November 1, 2024, the registrant had 66,726,710 common shares outstanding.

**PERPETUA RESOURCES CORP.**

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## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Quarterly 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 Quarterly 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 Quarterly 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 2, Management’s Discussion and Analysis of Financial Condition and Results of Operations* and elsewhere in this Quarterly Report and in *Item 1A, Risk Factors and Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations* in our Annual Report on Form 10-K for the year ended December 31, 2023. 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 or strategic partners to fund the exploration, permitting, development and construction of the Project (as defined below);
- permitting timelines and requirements, including with respect to the timing, review process, and outcome of the final Record of Decision (“ROD”) and other permitting processes;
- the Company’s plans to submit a financing application to the Export-Import Bank of the United States (“U.S. EXIM”), the prospects of successfully securing financing from U.S. EXIM or other sources on acceptable terms, or at all, and the expected timing of, and benefits to the Project (as defined below) of, securing such financing from U.S. EXIM or other sources;
- the intended environmental and other outcomes of the South Fork Salmon Water Quality Enhancement Fund (the “Fund”) 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 any potential regulatory or policy changes resulting from a new administration, 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 Quarterly 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) will proceed in a timely manner and that the ROD will be issued 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, 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 Quarterly 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.

**PART I - FINANCIAL INFORMATION**

**Item 1. Financial Statements.**

**Perpetua Resources Corp.**

**CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)**

	<b>September 30, 2024</b>		<b>December 31, 2023</b>
	<u>                    </u>		<u>                    </u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 11,210,662	\$	3,229,462
Receivables	8,822,428		3,181,152
Prepaid expenses	924,601		443,312
	<u>20,957,691</u>		<u>6,853,926</u>
<b>NON-CURRENT ASSETS</b>			
Buildings and equipment, net	474,013		385,049
Right-of-use assets	44,707		27,898
Environmental reclamation bond (Note 5)	3,000,000		3,000,000
Mineral properties and interest (Note 3)	64,818,480		72,820,365
<b>TOTAL ASSETS</b>	\$ <u>89,294,891</u>	\$	<u>83,087,238</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	\$ 7,295,805	\$	4,997,226
Lease liabilities	44,706		27,897
CWA settlement payable (Note 6)	1,500,000		2,000,000
Environmental reclamation liabilities (Note 5)	249,357		764,607
	<u>9,089,868</u>		<u>7,789,730</u>
<b>NON-CURRENT LIABILITIES</b>			
CWA settlement payable (Note 6)	3,000,000		3,000,000
<b>TOTAL LIABILITIES</b>	<u>12,089,868</u>		<u>10,789,730</u>
<b>COMMITMENTS AND CONTINGENCIES (Note 6)</b>			
<b>SHAREHOLDERS' EQUITY (Note 4)</b>			
Common shares, no par value, unlimited shares authorized, 66,569,376 and 64,123,456 shares outstanding, respectively	632,677,284		618,581,910
Additional paid-in capital	35,408,923		34,413,562
Accumulated deficit	<u>(590,881,184)</u>		<u>(580,697,964)</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<u>77,205,023</u>		<u>72,297,508</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	\$ <u>89,294,891</u>	\$	<u>83,087,238</u>

See accompanying notes to the unaudited condensed consolidated financial statements.

**Perpetua Resources Corp.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)**

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
<b>EXPENSES</b>				
Corporate salaries and benefits	\$ 572,176	\$ 393,656	\$ 1,618,354	\$ 1,205,824
Depreciation	30,886	23,846	88,639	59,548
Directors' fees	54,436	30,158	371,518	310,268
Exploration	14,510,853	8,664,205	31,517,250	20,683,257
Environmental liability expense	854,662	22,285	1,422,288	604,222
CWA settlement expense (Note 6)	-	-	-	5,000,000
General and administration	140,829	160,264	403,966	454,543
Professional fees	253,185	230,243	1,046,200	875,327
Shareholder and regulatory	117,880	91,177	381,745	388,307
<b>OPERATING LOSS</b>	<u>16,534,907</u>	<u>9,615,834</u>	<u>36,849,960</u>	<u>29,581,296</u>
<b>OTHER EXPENSES (INCOME)</b>				
Grant income	(12,920,417)	(6,905,691)	(26,565,798)	(14,273,148)
Interest income	(41,810)	(92,620)	(101,168)	(418,670)
Other expenses (income)	(7,700)	12,571	226	13,461
Total other expenses (income)	<u>(12,969,927)</u>	<u>(6,985,740)</u>	<u>(26,666,740)</u>	<u>(14,678,357)</u>
<b>NET LOSS</b>	<u>\$ 3,564,980</u>	<u>\$ 2,630,094</u>	<u>\$ 10,183,220</u>	<u>\$ 14,902,939</u>
<b>NET LOSS PER SHARE, BASIC AND DILUTED</b>	<u>\$ 0.05</u>	<u>\$ 0.04</u>	<u>\$ 0.16</u>	<u>\$ 0.24</u>
<b>WEIGHTED AVERAGE COMMON SHARES OUTSTANDING, BASIC AND DILUTED</b>	<u>65,537,015</u>	<u>63,176,063</u>	<u>64,735,961</u>	<u>63,120,580</u>

See accompanying notes to the unaudited condensed consolidated financial statements.

**Perpetua Resources Corp.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited)**  
**For the three and nine months ended September 30, 2024 and 2023**

	Common Shares		Additional Paid in Capital	Accumulated Deficit	Total
	Shares	Amount			
<b>BALANCE, December 31, 2022</b>	63,011,777	\$ 615,553,448	\$ 32,203,858	\$ (561,926,784)	\$ 85,830,522
Share based compensation	-	-	840,827	-	840,827
Share units distributed	115,256	449,909	(449,909)	-	-
Exercise of options	12,500	64,687	(24,015)	-	40,672
Net loss for the period	-	-	-	(4,600,093)	(4,600,093)
<b>BALANCE, March 31, 2023</b>	63,139,533	616,068,044	32,570,761	(566,526,877)	82,111,928
Share based compensation	-	-	784,282	-	784,282
Share units distributed	13,334	54,936	(54,936)	-	-
Exercise of options	12,500	66,034	(24,515)	-	41,519
Net loss for the period	-	-	-	(7,672,752)	(7,672,752)
<b>BALANCE, June 30, 2023</b>	63,165,367	616,189,014	33,275,592	(574,199,629)	75,264,977
Share based compensation	-	-	696,066	-	696,066
Share units distributed	5,475	22,064	(22,064)	-	-
Deferred share units distributed	31,566	119,061	(119,061)	-	-
Net loss for the period	-	-	-	(2,630,094)	(2,630,094)
<b>BALANCE, September 30, 2023</b>	63,202,408	\$ 616,330,139	\$ 33,830,533	\$ (576,829,723)	\$ 73,330,949
<b>BALANCE, December 31, 2023</b>	64,123,456	\$ 618,581,910	\$ 34,413,562	\$ (580,697,964)	\$ 72,297,508
Share based compensation	-	-	1,008,077	-	1,008,077
Share units distributed	228,422	846,107	(846,107)	-	-
Net loss for the period	-	-	-	(2,944,525)	(2,944,525)
<b>BALANCE, March 31, 2024</b>	64,351,878	619,428,017	34,575,532	(583,642,489)	70,361,060
Share based compensation	-	-	950,158	-	950,158
Share units distributed	13,333	54,932	(54,932)	-	-
Exercise of share purchase options	228,341	1,539,900	(553,873)	-	986,027
Net loss for the period	-	-	-	(3,673,715)	(3,673,715)
<b>BALANCE, June 30, 2024</b>	64,593,552	621,022,849	34,916,885	(587,316,204)	68,623,530
Share based compensation	-	-	947,537	-	947,537
Share units distributed	1,395	6,682	(6,682)	-	-
Share sold through offering	1,834,104	11,005,174	-	-	11,005,174
Share issuance costs	-	(606,871)	-	-	(606,871)
Exercise of share purchase options	140,325	1,249,450	(448,817)	-	800,633
Net loss for the period	-	-	-	(3,564,980)	(3,564,980)
<b>BALANCE, September 30, 2024</b>	66,569,376	\$ 632,677,284	\$ 35,408,923	\$ (590,881,184)	\$ 77,205,023

See accompanying notes to the unaudited condensed consolidated financial statements.

**Perpetua Resources Corp.**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)**

	<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>OPERATING ACTIVITIES:</b>		
Net loss	\$ (10,183,220)	\$ (14,902,939)
Adjustments to reconcile net loss to net cash used in operating activities:		
Share based compensation (Note 4)	2,905,772	2,321,175
Depreciation	88,639	59,548
Change in fair value of warrant derivative	-	(1,732)
Environmental liability expense (Note 5)	1,422,288	604,222
Unrealized foreign exchange loss (gain)	3,193	(160)
Gain on sale of equipment	(13,333)	(25,000)
Changes in:		
Receivables	(5,641,276)	(1,698,358)
Prepaid expenses	(281,721)	(738,397)
Trade and other payables	2,298,579	2,792,882
CWA settlement payable	(500,000)	5,000,000
Environmental reclamation liabilities	(1,937,538)	(8,650,891)
Net cash used in operating activities	<u>(11,838,617)</u>	<u>(15,239,650)</u>
<b>INVESTING ACTIVITIES:</b>		
Deposit on equipment purchase	(199,568)	-
Proceeds from sale of silver royalty	8,335,115	-
Investment in mineral properties and interest	(333,230)	(275,992)
Purchase of building and equipment	(176,270)	(153,820)
Proceeds from sale of equipment	12,000	25,000
Net cash provided by (used in) investing activities	<u>7,638,047</u>	<u>(404,812)</u>
<b>FINANCING ACTIVITIES:</b>		
Proceeds from sale of common stock	11,005,174	-
Payment of share issue costs	(606,871)	-
Proceeds from exercise of share purchase options	1,786,660	82,191
Net cash provided by financing activities	<u>12,184,963</u>	<u>82,191</u>
Effect of foreign exchange on cash and cash equivalents	<u>(3,193)</u>	<u>161</u>
Net increase (decrease) in cash and cash equivalents	7,981,200	(15,562,110)
Cash and cash equivalents, beginning of period	3,229,462	22,667,047
<b>Cash and cash equivalents, end of period</b>	<u>\$ 11,210,662</u>	<u>\$ 7,104,937</u>
<b>NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Recognition of operating lease liability and right-of-use asset	<u>\$ 65,972</u>	<u>\$ 65,061</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash	\$ 6,066,328	\$ 3,104,628
Investment savings accounts	5,144,334	4,000,309
<b>Total cash and cash equivalents</b>	<u>\$ 11,210,662</u>	<u>\$ 7,104,937</u>

See accompanying notes to the unaudited condensed consolidated financial statements.



## Perpetua Resources Corp.

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 1. Nature of Operations and Basis of Presentation

Perpetua Resources Corp. (the “Corporation”, the “Company”, “Perpetua Resources” or “Perpetua”) was incorporated on February 22, 2011 under the *Business Corporation Act* (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 unaudited condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and include the accounts of Perpetua Resources Corp. and its wholly owned subsidiaries, Perpetua Resources Idaho, Inc. and Idaho Gold Resource Company, LLC. Intercompany transactions and balances have been eliminated.

The unaudited condensed consolidated financial statements do not include all disclosures required of annual consolidated financial statements and, accordingly, should be read in conjunction with our annual financial statements for the year ended December 31, 2023. Operating results for the nine months ended September 30, 2024 may not be indicative of results expected for the full year ending December 31, 2024. Management estimates that the Company’s 2024 effective tax rate will be 0% due to the Company’s cumulative loss position, historical net operating losses (“NOLs”), and other available evidence related to the Company’s ability to generate taxable income. Accordingly, there is no income tax provision or benefit for the nine month period ended September 30, 2024.

In the opinion of the Company, the accompanying unaudited condensed consolidated financial statements contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of the results for the interim periods reported.

The Company’s latest liquidity forecast indicates that available cash resources and other sources of liquidity are expected to be exhausted in the second quarter of 2025. Although the Company’s current capital resources and liquidity include up to \$20.0 million in funding awarded under the modified Technology Investment Agreement (“TIA”) pursuant to Title III of the Defense Production Act (“DPA”) as of September 30, 2024, 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 certain corporate expenses, including 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 strategic and funding opportunities, which may include the issuance of additional equity, new debt, or project specific debt; government funding; and/or other financing or strategic opportunities. The Company has engaged RBC Capital Markets and Endeavour Financial to assist with the evaluation of potential strategic and financing opportunities and to support the Company’s application process in connection with the U.S. EXIM \$1.8 billion Letter of Interest received in April 2024. Any such financing or strategic transaction, or any funding commitment from U.S. EXIM, will be subject to due diligence and other conditions. There can be no assurance of the amount, timing or nature of any such financing or strategic transaction, if any.

On May 12, 2023, the Company entered into a Controlled Equity Offering<sup>SM</sup> 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 September 30, 2024, \$6.2 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 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 unaudited condensed consolidated financial statements are issued.

These unaudited condensed 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.

*Loss per share*

Basic loss per share is computed by dividing the net loss 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 vesting and distribution of awarded share units, if dilutive. The Company’s potential dilutive common shares include outstanding share purchase options, restricted share units, performance share units, and deferred share units. Potentially dilutive shares as of September 30, 2024 and 2023, are as follows:

	<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>
Share purchase options	946,209	1,673,750
Share units	2,260,750	1,375,820
<b>Balance</b>	<b>3,206,959</b>	<b>3,049,570</b>

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

**2. Recently Issued Accounting Pronouncements**

In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“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 do not expect any significant changes to our consolidated financial statements from this update.

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 continue to evaluate the impact of this update however we do not expect any significant changes to our consolidated financial statements.

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. Mineral Properties and Interest**

The Company’s mineral properties and interest at the Stibnite Gold Project totaled \$64,818,480 and \$72,820,365 as of September 30, 2024 and December 31, 2023, respectively.

The Company’s subsidiaries acquired mineral rights to the Stibnite Gold Project through several transactions. All mineral and surface rights, where applicable, are held by the Company’s subsidiaries through patented and unpatented lode mining claims and mill sites, 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 (“NSR”) royalty upon the sale of project-related gold production.

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 Idaho Corporation (“Franco-Nevada”) for gross proceeds of \$8,500,000. The silver royalty agreement applies to the same properties as the gold royalty previously purchased by Franco-Nevada in 2013. 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 incurred costs of \$164,835 associated with this transaction. The net proceeds of \$8,335,115 were recorded as a reduction to the carrying value of the mineral properties and interests during the nine months ended September 30, 2024.

The Company's obligations under the gold and silver royalty agreements with Franco-Nevada are secured by a continuing security interest and a first priority lien on certain collateral including the land and mineral interests comprising the Project.

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 payments due under option agreements during 2024 are approximately \$180,000.

As of September 30, 2024, 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.

#### 4. Shareholders' 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 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.

During the twelve month period ended 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. During the three and nine months ended September 30, 2024, the Company sold 1,834,104 common shares in exchange for proceeds of approximately \$10.4 million which is net of offering costs of approximately \$0.6 million. Since its inception and through September 30, 2024, the Company has sold 2,728,986 common shares in exchange for proceeds of approximately \$12.5 million which is net of offering costs of approximately \$1.3 million under the program. As of September 30, 2024, \$6.2 million remained available under the program.

##### c. Share based compensation

Share based compensation was recognized in the unaudited condensed consolidated statements of operations for the three and nine months ended September 30, 2024 and 2023 as follows:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Exploration	\$ 493,871	\$ 400,306	\$ 1,441,800	\$ 1,215,542
Corporate salaries and benefits	399,230	266,349	1,092,454	795,925
Directors' fees	54,436	29,411	371,518	309,708
<b>Total</b>	<b>\$ 947,537</b>	<b>\$ 696,066</b>	<b>\$ 2,905,772</b>	<b>\$ 2,321,175</b>

### Share purchase options

A summary of share purchase option activity within the Company's share-based compensation plan (the "Plan") for the year ended December 31, 2023 and nine months ended September 30, 2024 is as follows:

	Number of Options	Weighted Average Exercise Price (C\$)
Balance December 31, 2022	1,945,650	\$ 9.23
Options exercised	(25,000)	4.40
Options cancelled or forfeited	(35,500)	11.48
Options expired	(219,400)	7.07
Balance December 31, 2023	1,665,750	\$ 9.54
Options exercised	(368,666)	6.60
Options expired	(350,875)	9.52
Balance September 30, 2024	946,209	\$ 10.69

During the three and nine months ended September 30, 2024 and 2023, the Company's total share based compensation from options was \$nil (2023: \$49,628) and \$nil (2023: \$213,670), respectively. No options were granted during the nine months ended September 30, 2024 nor 2023. During the three and nine months ended September 30, 2024, the intrinsic value of share purchase options exercised was \$456,237 (2023: \$nil) and \$897,381 (2023: \$30,594), respectively.

An analysis of outstanding share purchase options as of September 30, 2024 is as follows:

Range of Exercise Prices (C\$)	Options Outstanding			Options Exercisable		
	Number	Price (C\$) <sup>1</sup>	Remaining Life <sup>2</sup>	Number	Price (C\$) <sup>1</sup>	Remaining Life <sup>2</sup>
\$3.50 - \$5.90	20,000	3.50	0.47	20,000	3.50	0.47
\$5.91 - \$7.20	96,209	6.21	0.29	96,209	6.20	0.29
\$7.21 - \$9.70	130,000	9.13	1.45	40,000	9.13	1.45
\$9.71 - \$11.80	700,000	11.80	1.30	700,000	11.80	1.30
\$3.50 - \$11.80	946,209	10.69	1.20	856,209	10.85	1.17

<sup>1</sup> Weighted Average Exercise Price (C\$)

<sup>2</sup> Weighted Average Remaining Contractual Life (Years)

As of September 30, 2024, all unvested options are expected to vest and there is no unvested compensation. As of September 30, 2024, the intrinsic value of outstanding and exercisable share purchase options is approximately \$1.3 million and \$1.1 million, respectively.

### Restricted Share Units

A summary of restricted share units ("RSUs") activity awarded under the Plan for the year ended December 31, 2023 and nine months ended September 30, 2024 is as follows:

	Share Units	Weighted Average Grant Date Fair Value
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
Granted	515,128	3.02
Distributed (vested)	(241,755)	3.72
Cancelled	(2,285)	3.72
Unvested, September 30, 2024	872,728	\$ 3.25

During the nine months ended September 30, 2024, the Company awarded 515,128 RSUs (2023: 370,039 RSUs) with a weighted average grant date fair value of \$3.02 per RSU (2023: \$3.42) or approximately \$1.6 million in total (2023: \$1.3 million).

During the three and nine months ended September 30, 2024 and 2023, the Company has recognized \$367,132 (2023: \$306,265) and \$1,059,073 (2023: \$956,684), respectively, in compensation expense related to RSUs and expects to

record an additional \$1.2 million in compensation expense over the next 1.43 years. The unvested units of September 30, 2024 are scheduled to vest as follows:

Remainder of 2024	5,000
2025	438,945
2026	249,818
2027	148,023
Total	<u>841,786</u>

Unvested units will be forfeited by participants upon termination of employment in advance of vesting, with the exception of termination due to retirement if certain criteria are met.

#### Performance Share Units

A summary of performance share units (“PSUs”) and market-based performance share units (“MPSUs”) awarded under the Plan for the year ended December 31, 2023 and nine months ended September 30, 2024 is as follows:

	Share Units	Weighted Average Grant Date Fair Value
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
Granted	509,502	4.75
Distributed	(1,395)	4.79
Cancelled	(3,247)	4.92
Unvested, September 30, 2024	<u>1,051,443</u>	<u>\$ 5.58</u>

During the three and nine months ended September 30, 2024 and 2023, the Company has recognized \$525,969 (2023: \$292,971) and \$1,439,175 (2023: \$801,108), respectively, in compensation expense related to PSUs and MPSUs and expects to record an additional \$2.8 million in compensation expense over the next 1.81 years. The unvested units of September 30, 2024 are scheduled to vest as follows:

Remainder of 2024	-
2025	377,233
2026	283,862
2027	328,448
Total	<u>989,543</u>

*PSUs:* These 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. During the nine months ended September 30, 2024, the Company awarded 120,000 PSUs (2023: 23,500 PSUs) that had a weighted average grant date fair value of \$3.95 (2023: \$3.67), or \$474,000 (2023: \$86,165) in total.

*Market-based PSUs:* During the nine months ended September 30, 2024 and 2023, 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 nine months ended September 30, 2024, the Company awarded 389,502 MPSUs (2023: 277,535 MPSUs) that had a weighted grant date fair value of \$5.00 (2023: \$5.98) per MPSU or approximately \$1.9 million (2023: \$1.7 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:

	<b>2024</b>	<b>2023</b>
Grant date fair value	\$5.00	\$5.98
Risk-free interest rate	4.38%	4.15%
Expected term (in years)	3.0	3.0
Expected share price volatility	57.36%	65.74%
Expected dividend yield	-	-

The expected volatility utilized is based on the historical volatilities of the Corporation's common shares and the GDJX 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

A summary of deferred share units ("DSUs") awarded under the Plan for the year ended December 31, 2023 and nine months ended September 30, 2024 is as follows:

	<b>Share Units</b>	<b>Weighted Average Grant Date Fair Value</b>
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
Granted	110,005	3.70
Outstanding, September 30, 2024	336,579	\$ 3.69

Under the Plan, the Company may issue DSUs to non-employee directors. During the three and nine months ended September 30, 2024, 5,822 (2023: 14,479) and 110,005 (2023: 97,577) share units, respectively, with a fair value of \$54,436 (2023: \$47,202) and \$407,523 (2023: \$349,713) were granted to the non-employee directors and the related compensation expense was charged to directors' fees in the unaudited condensed consolidated statements of operations.

#### *d. Warrants*

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

## **5. Environmental Reclamation Liability**

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 nine months ended September 30, 2024, the Company spent \$1.9 million on ASAOC activities and estimates a remaining environmental liability of \$0.2 million, all of which is expected to be incurred in 2024. Movements in the environmental reclamation liability during the nine months ended September 30, 2024 and 2023 are as follows:

	<b>Nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
Balance at beginning of period	\$ 764,607	\$ 10,800,936
Additions	1,422,288	604,222
Work performed on early action items	(1,937,538)	(8,650,891)
Balance at end of period	\$ 249,357	\$ 2,754,267
Current portion	\$ 249,357	\$ 2,297,523
Non-current portion	-	456,744
Balance at end of period	\$ 249,357	\$ 2,754,267

In 2021, 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.

## 6. Commitments and Contingencies

### a. Mining Claim Assessments

The Company currently holds mining claims and mill sites for which it has an annual assessment obligation of \$335,000 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 ("ROD") 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 (upon receipt of the ROD) to \$1 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 September 30, 2024, the option payments due on these properties in 2024 are approximately \$180,000, which will be paid this year. The agreements include options to extend.

### d. Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements as of September 30, 2024 and the date of this Quarterly Report.

### e. Legal Update

The Corporation and its subsidiaries have been parties to an ongoing legal proceeding with the Nez Perce Tribe for claimed violations of the Clean Water Act ("CWA") allegedly linked 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 filed an answer generally 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 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 government. 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.

On August 8, 2023, the Company and the Nez Perce Tribe filed a final Settlement Agreement (the "Settlement Agreement") to resolve the Tribe's 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 million by Perpetua over a four-year period. This includes \$4 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 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 District Court. The Company recognized an expense of \$5 million during the second quarter of 2023. During the nine month period ended September 30, 2024, the Company made the initial \$500,000 legal expense payment. As of September 30, 2024, CWA settlement payable current portion is \$1,500,000 with the remaining \$3,000,000 classified as long-term.

The voluntary CERCLA ASAOC entered into by the Corporation, the U.S. EPA, and the United States Department of Agriculture (the “signatory federal agencies”) 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 presently developing and executing the Phase 1 early cleanup actions (known under CERCLA as “time critical removal actions”) that, after 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 subsequent and limited work seasons. During the nine months ended September 30, 2024, the Company spent \$1.9 million on ASAOC activities and estimates \$0.2 million in remaining work to be completed in 2024. The ASAOC includes a process under which the Corporation and the signatory federal agencies will evaluate whether the Corporation will proceed with additional response actions after the Phase I work has been completed. The scope of any such potential additional actions and their costs have not yet been determined.

## 7. 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 antimony trisulfide and the advancement of the Company’s Stibnite Gold Project.

During the three and nine months ended September 30, 2024 and 2023, grant income, which is included within other income (expense) on the Consolidated Statements of Operations, included the following:

<b>Government Grant</b>	<b>Three months ended September 30,</b>		<b>Nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
SBIR	\$ -	\$ 24,999	\$ -	\$ 124,997
DPA	12,615,643	4,655,183	23,665,277	11,922,642
DOTC	304,774	2,225,509	2,900,521	2,225,509
<b>Total</b>	<b>\$ 12,920,417</b>	<b>\$ 6,905,691</b>	<b>\$ 26,565,798</b>	<b>\$ 14,273,148</b>

At September 30, 2024 and December 31, 2023, grant receivable, which is included in receivables on the Consolidated Balance Sheets, include the following:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
DPA	\$ 8,479,799	\$ 1,232,025
DOTC	290,445	1,895,745
<b>Total</b>	<b>\$ 8,770,244</b>	<b>\$ 3,127,770</b>

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 and on May 2, 2024, the TIA was modified with an additional \$34.4 million in funding, bringing the total amount of the TIA to \$59.2 million. The funding objective of the TIA is to complete environmental and engineering studies necessary to obtain a Final Environmental Impact Statement, a ROD, 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 through June 16, 2025 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. During the three and nine months ended September 30, 2024, the Company was reimbursed \$11,667,011 (2023: \$6,185,455) and \$16,417,506 (2023: \$10,430,060), 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.

During the three and nine months ended September 30, 2024, the Company received cash from this grant of \$39,329 (2023: \$1,806,714) and \$4,505,821 (2023: \$1,806,714), respectively, for reimbursement of certain costs incurred of \$35,115 (2023: \$1,613,138) and \$4,023,054 (2023: \$1,613,138) and 12% fee income of \$4,214 (2023: \$193,577) and \$482,767(2023: \$193,577), respectively. During the three and nine months ended September 30, 2024, grant income includes \$32,654 (2023: \$238,447) and \$310,770 (2023: \$238,447), respectively, of 12% fee income earned on costs incurred.

## **Item 2. 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 for the three and nine months ended September 30, 2024 and 2023 with our consolidated financial statements and related notes and other financial information appearing in this Quarterly Report. Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly 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 Quarterly 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.

### **Recent Key Developments**

#### **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 the 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.

#### **Third Quarter 2024 Highlights**

- Zero lost time incidents or reportable environmental spills.
- United States Forest Service (“USFS”) published the Final Environmental Impact Statement (“FEIS”) and issued a Draft Record of Decision (“DROD”) for the Stibnite Gold Project.

#### **Final Environmental Impact Statement and Draft Record of Decision**

On September 6, 2024, the USFS published the FEIS and a DROD with respect to the Project. The FEIS analyzes the potential environmental effects of the mining operation of the Project as proposed by the Company through a general plan of operations. The DROD outlines the USFS’s proposed decision to authorize the proposed modifications to the mine plan analyzed in Alternative 2 in the Draft Environmental Impact Statement and to approve a special use authorization for transmission line upgrades and installation of a new power transmission line with supporting infrastructure.

The publication of the DROD commenced a 45-day pre-decisional objection period in which those parties or persons who have participated in a prior formal public comment period for the Project had an opportunity to have their unresolved concerns reviewed before USFS issues a final Record of Decision (“ROD”). Individuals must have submitted substantive formal comments related to the Project during previous comment periods to participate in this objection period unless the issue is based on new information that arose after the prior opportunities to comment. The objection period expired on October 21, 2024. The objection period will be followed by another 45-day resolution period prior to the publication of the ROD. The resolution period is expected to expire on or about December 5, 2024, which may be extended by the USFS in its sole discretion. Based on the USFS schedule published in October 2024, the ROD is anticipated to be published by the end of 2024. However, the USFS is not bound by the permitting schedule and anticipated milestones may be delayed materially or not be satisfied.

#### **Ancillary Permitting**

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

- The U.S. Army Corps of Engineers continues to process the Company’s 404 permit application and Compensatory Mitigation Plan after the public comment period ended in October 2023.
- The U.S. Fish and Wildlife Service issued its Final Biological Opinion on September 6, 2024 and the National Marine Fisheries Service issued its Final Biological Opinion on October 7, 2024.
- In May 2024, the Idaho Department of Environmental Quality (“IDEQ”) issued its final 401 Water Quality Certification for the Project (the “Certification”). In the third quarter of 2024, certain parties initiated a state administrative challenge to the Certification that will require a contested case hearing on certain issues. The hearing officer issued an order scheduling the hearing for April 2025.
- IDEQ issued a Clean Air Act Permit to Construct (“PTC”) in 2022 that was followed by certain state administrative challenges. In the third quarter of 2024, the Board of IDEQ issued an order remanding the PTC for a contested case hearing on certain matters. The hearing was held in October 2024, but the hearing officer has not yet issued a decision.
- 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 received a completeness determination from IDEQ on November 2, 2024 for the Project’s cyanidation facility permit and a completeness determination from Idaho Department of Lands on November 6, 2024 for the Project’s cyanidation facility Permanent Closure Plan. These determinations represent legally required findings by the respective agencies that the Company’s applications for these permits are administratively complete and may proceed to the next stage of permitting for the proposed cyanidation facility.
- The Idaho Ground Water Management 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 are continuing through the administrative review process. These include applications to IDEQ for the Idaho Pollutant Discharge Elimination System discharge permits and to IDWR for water rights authorizations and a stream alteration permit.

### ***Department of Defense Funding***

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 and on May 2, 2024, the TIA was modified with an additional \$34.4 million in funding, bringing the total amount of the TIA to \$59.2 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 through June 16, 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 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. During the three and nine months ended September 30, 2024, \$12,615,643 and \$23,665,277, respectively, was recognized as grant income related to the TIA. The Company anticipates recognizing approximately \$12,000,000 of additional grant income over the next three months. During the three and nine months ended September 30, 2024, the Company was reimbursed \$11,667,011 and \$16,417,506, respectively, for certain costs incurred. As of September 30, 2024, \$20.0 million remained available under the TIA.

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 three and nine months ended September 30, 2024, \$304,774 and \$2,900,521, respectively, was recognized as grant income

related to the OTIA. The Company anticipates recognizing approximately \$1,100,000 of additional grant income over the next three months. During the three and nine months ended September 30, 2024, the Company received cash from this grant of \$39,329 and \$4,505,821 respectively, for reimbursement of certain costs incurred of \$35,115 and \$4,023,054 and 12% fee income of \$4,214 and \$482,767, respectively. During the three and nine months ended September 30, 2024, grant income includes \$32,654 and \$310,770, respectively, of 12% fee income earned on costs incurred.

### ***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;
- Executed construction manager general contractor contract 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;
- Ausenco was awarded Basic and Value Engineering Scope for the Stibnite Gold Project;
- Hired key subject matter experts for the Owner's Team to guide Basic Engineering and overall construction readiness; and
- Ausenco and supporting consultants progressed basic and value engineering for their respective work streams.

### ***Liquidity and Financing***

The Company's latest liquidity forecast indicates that available cash resources are expected to be exhausted in the second quarter of 2025. Although the Company's current capital resources and liquidity include up to \$20.0 million in funding awarded under the modified TIA pursuant to Title III of the DPA as of September 30, 2024, 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 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 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 strategic and funding opportunities, which may include the issuance of additional equity, new debt, or project specific debt; government funding; and/or other financing or strategic opportunities. The Company has engaged RBC Capital Markets and Endeavour Financial to assist with the evaluation of potential strategic and financing opportunities and to support the Company's application process in connection with the U.S. EXIM \$1.8 billion Letter of Interest received in April 2024. Any such financing or strategic transaction, or any funding commitment from U.S. EXIM, will be subject to due diligence and other conditions. There can be no assurance of the amount, timing or nature of any such financing or strategic transaction, if any. See "*Liquidity and Capital Resources*" below 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*" section.

## Results of Operations

Three and nine months ended September 30, 2024 compared to three and nine months ended September 30, 2023

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
<b>EXPENSES</b>				
Corporate salaries and benefits	\$ 572,176	\$ 393,656	\$ 1,618,354	\$ 1,205,824
Depreciation	30,886	23,846	88,639	59,548
Directors' fees	54,436	30,158	371,518	310,268
Exploration	14,510,853	8,664,205	31,517,250	20,683,257
Environmental liability expense	854,662	22,285	1,422,288	604,222
CWA settlement expense	-	-	-	5,000,000
General and administration	140,829	160,264	403,966	454,543
Professional fees	253,185	230,243	1,046,200	875,327
Shareholder and regulatory	117,880	91,177	381,745	388,307
<b>OPERATING LOSS</b>	<b>16,534,907</b>	<b>9,615,834</b>	<b>36,849,960</b>	<b>29,581,296</b>
<b>OTHER EXPENSES (INCOME)</b>				
Grant income	(12,920,417)	(6,905,691)	(26,565,798)	(14,273,148)
Interest income	(41,810)	(92,620)	(101,168)	(418,670)
Other expenses (income)	(7,700)	12,571	226	13,461
Total other expenses (income)	(12,969,927)	(6,985,740)	(26,666,740)	(14,678,357)
<b>NET LOSS</b>	<b>\$ 3,564,980</b>	<b>\$ 2,630,094</b>	<b>\$ 10,183,220</b>	<b>\$ 14,902,939</b>

### Net Loss

Net loss for the three months ended September 30, 2024 was \$3.6 million compared with a net loss of \$2.6 million for the three months ended September 30, 2023. This \$1.0 million increase compared to the prior year period was primarily attributable to increases of \$5.8 million in exploration expense, \$0.8 million in environmental liability expense, and \$0.2 million in corporate salaries and benefits in the 2024 period offset by a \$6.0 million increase in grant income compared to the prior period.

Net loss for the nine months ended September 30, 2024 was \$10.2 million compared with a net loss of \$14.9 million for the nine months ended September 30, 2023. This \$4.7 million decrease compared to the prior year period was primarily attributable to a \$12.3 million increase in grant income and a decrease of \$5 million in CWA settlement expense. These decreases were offset by increases of \$10.9 million in exploration costs, \$0.8 million in environmental liability expense, and \$0.4 million in corporate salaries and benefits and a decrease in interest income of \$0.3 million. As noted above, for the nine months ended September 30, 2024, the Company'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 three and nine months ended September 30, 2024 were 45% and 34% higher than the 2023 comparative periods primarily due to increased share-based compensation and higher salaries.

### 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). This expense for the three and nine months ended September 30, 2024 was 81% and 20% higher than the 2023 comparative periods due to higher share-based compensation.

### Exploration

This expense relates to all exploration and evaluation expenditures related to the Stibnite Gold Project, including labor, drilling, field operations, engineering, permitting, environmental, legal and sustainability costs. The Company's exploration expenses of \$14.5 million during the three months ended September 30, 2024 were \$5.8 million, or 67%, higher than the three

months ended September 30, 2023 primarily due to a \$4.9 million increase in engineering and a \$0.4 million increase in permitting.

The Company's exploration expenses of \$31.5 million during the nine months ended September 30, 2024 were \$10.8 million, or 52%, higher than the nine months ended September 30, 2023 primarily due to increases of \$11.4 million in engineering, \$0.8 million in consulting and labor costs, and \$0.6 million in field operations and drilling support. These increases were offset by decreases of \$1.7 million in permitting costs and \$0.4 million of legal and sustainability costs. Additional details of expenditures incurred are as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Consulting and labor cost	\$ 1,841,587	\$ 1,582,265	\$ 5,412,861	\$ 4,612,015
Engineering	8,531,804	3,664,528	16,778,292	5,411,118
Environmental and reclamation	112,037	52,686	282,360	134,453
Field operations and drilling support	1,140,253	840,814	2,495,489	1,940,037
Legal and sustainability	319,685	362,718	905,679	1,284,819
Permitting	2,565,487	2,161,194	5,642,569	7,300,815
<b>TOTAL EXPLORATION</b>	<b>\$ 14,510,853</b>	<b>\$ 8,664,205</b>	<b>\$ 31,517,250</b>	<b>\$ 20,683,257</b>

### ***Environmental Liability Expense***

This expense relates to the ASAOC signed in January 2021 to voluntarily address environmental conditions at the abandoned mine site. 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 three and nine months ended September 30, 2024, the total cost estimate to complete Phase 1 early cleanup actions increased \$0.8 million and \$0.8 million, respectively, compared to the same period in 2023 driven by an increase in estimated costs for a required lake tank storage solution and EPA agency cost recovery and monitoring costs coupled with a negative \$0.2 million recognized in the comparable period ended September 30, 2023 that resulted from a decrease in total estimated costs. As of September 30, 2024, the estimate for the remaining environmental liability was \$0.2 million, all of which is expected to be incurred in 2024.

### ***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 the second quarter of 2023 for this settlement. No amount was recognized during the three and nine month periods ended September 30, 2024.

### ***General and Administrative***

This expense is predominantly insurance policies for the U.S. offices. This expense for the three and nine months ended September 30, 2024 was 12% and 11% lower than the 2023 comparative periods primarily due to lower insurance premiums.

### ***Professional Fees***

This expense relates to the legal, accounting and consulting costs of the Corporation. This expense for the three and nine months ended September 30, 2024 was 10% and 20% higher, respectively, than the 2023 comparative periods primarily due to an increase in legal fees and consulting costs.

### ***Shareholder and Regulatory***

This expense relates to marketing, licenses and fees, and shareholder communications. This expense for the three months ended September 30, 2024 was 29% higher than the 2023 comparative period primarily due an increase in marketing, licensing and other fees. This expense for the nine months ended September 30, 2024 was 2% lower than the 2023 comparative period primarily due to lower marketing costs.

### ***Grant Income***

This income results 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.

Grant income increased \$6.0 million and \$12.3 million for the three and nine months ended September 30, 2024, compared to the comparable periods in 2023 due to the modified scope of the DPA grant in 2024.

### ***Interest Income***

This income results from interest received on the Company's cash balances. Interest income decreased \$50,810 and \$317,502 in the three and nine months ended September 30, 2024 compared to the three and nine months ended September 30, 2023 as a result of lower cash balances in 2024 compared to 2023.

### **Liquidity and Capital Resources**

Capital resources of Perpetua Resources consist primarily of cash and liquid short-term investments. As of September 30, 2024, Perpetua Resources had cash and cash equivalents totaling approximately \$11.2 million, approximately \$8.8 million in receivables, principally from DOD grants, \$0.9 million in prepaid assets, and \$7.3 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 and on May 2, 2024, the TIA was modified with an additional \$34.4 million in funding, bringing the total amount of the TIA to \$59.2 million. Under the funding agreement, Perpetua Resources may request reimbursement for certain costs incurred through June 16, 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, which includes reimbursement of employee wages for activities included in the scope of the TIA. During the three and nine months ended September 30, 2024, \$12.6 million and \$23.7 million, respectively, was recognized as grant income related to the TIA. During the nine months ended September 30, 2024, the Company was reimbursed \$16.4 million for certain costs incurred, and received reimbursement of an additional \$4.6 million in October 2024 and anticipates receipt of \$3.8 million in November 2024, under the TIA with respect to expenses incurred in the three months ended September 30, 2024. As of September 30, 2024, \$20.0 million remained available under the TIA.

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; and
- Advance construction readiness for the Project.

Although the Company's current capital resources and liquidity include up to \$20.0 million in funding awarded under the modified TIA pursuant to Title III of the DPA as of September 30, 2024, such funding is available only for the specified costs described above and is not available to fund 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 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 indicates that available cash resources for expenses not eligible for reimbursement under the DPA funding are expected to be exhausted in the second quarter of 2025. 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 strategic and funding opportunities, which may include the issuance of additional equity, new debt, or project specific debt; government funding; and/or other financing or strategic opportunities. The Company has engaged RBC Capital Markets and Endeavour Financial to assist with the evaluation of potential strategic and financing opportunities and to support the Company's application process in connection with the U.S. EXIM \$1.8 billion Letter of Interest received in April 2024. Any such financing or strategic transaction, or any funding commitment from U.S. EXIM, will be subject to due diligence and other conditions. There can be no assurance of the amount, timing or nature of any such financing or strategic transaction, if any. On May 12, 2023, the Company entered into a Controlled Equity Offering<sup>SM</sup> 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 September 30, 2024, \$6.2 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, contributions due under the Settlement Agreement and our expectation of incurring 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 the unaudited condensed 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 unaudited condensed 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 \$48.1 million, of which approximately \$35.8 million are expected to be funded from the DPA reimbursements and the remainder from cash on hand. These expenditures include an estimated \$12.1 million to fund permitting of the Stibnite Gold Project, \$12.6 million for general corporate purposes, project financing and administrative costs, \$17.8 million for engineering and design work, \$3.3 million for field operations and approximately \$2.3 million to complete 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.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

Not applicable.

**Item 4. Controls and Procedures.**

**Evaluation of Disclosure Controls and Procedures**

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures as of September 30, 2024 (the "Evaluation Date"). Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the Evaluation Date.

**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 September 30, 2024 that have materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.



## **PART II — OTHER INFORMATION**

### **Item 1. Legal Proceedings.**

The Corporation and its subsidiaries have been parties to an ongoing legal proceeding with the Nez Perce Tribe for claimed violations of the Clean Water Act (“CWA”) allegedly linked 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 filed an answer generally 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 government.

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. On August 8, 2023, the Company and the Nez Perce Tribe filed a final Settlement Agreement (the “Settlement Agreement”) to resolve the Tribe’s 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 1A. Risk Factors.**

In addition to other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the risk factors and other cautionary statements described under the heading “Risk Factors” included in our Annual Report on Form 10-K for the year ended December 31, 2023 which could materially affect our businesses, financial condition, or future results. Additional risks and uncertainties currently unknown to us, or that we currently deem to be immaterial, also may materially adversely affect our business, financial condition, or future results.

### **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

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

None.

### **Item 3. Defaults Upon Senior Securities.**

None.

### **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 nine months ended September 30, 2024, 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.

### **Item 5. Other Information.**

None.

**Item 6. Exhibits.**

<b>Exhibit Number</b>	<b>Description</b>
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).
31.1	Certification of Chief Executive Officer pursuant to Section 302 of Sarbanes-Oxley Act of 2002 (Rule 13a-14(a) and 15d-14(a) of the Exchange Act).
31.2	Certification of Chief Financial Officer pursuant to Section 302 of Sarbanes-Oxley Act of 2002 (Rule 13a-14(a) and 15d-14(a) 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 Chief Financial Officer pursuant to Section 1350 of Title 18 of the United States Code.
101.INS	Inline 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)

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 13, 2024

PERPETUA RESOURCES CORP.

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