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

**FORM 40-F**

¨ Registration statement pursuant to Section 12 of the Securities Exchange Act of 1934
or
x Annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2020 Commission File Number 1-39918

# PERPETUA RESOURCES CORP.

(Exact name of Registrant as specified in its charter)

| **British Columbia, Canada** | **1040** | **26-4675940** |
|---|---|---|
| (Province or other jurisdiction of incorporation or organization) | (Primary Standard Industrial Classification Code Number) | (I.R.S. Employer Identification Number) |

**405 S. 8th Street, Ste 201, Boise, Idaho 83702**
**(208) 901-3060**
(Address and telephone number of Registrant's principal executive offices)

**Perpetua Resources Idaho Inc., 13181 Highway 55, PO Box 429, Donnelly, Idaho 83615**
**(208) 901-3060**
(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| **Common Shares, no par value** | **PPTA** | **Nasdaq Stock Market LLC** |

Securities registered or to be registered pursuant to Section 12(g) of the Act:

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

For annual reports, indicate by check mark the information filed with this Form:

x Annual information form x Audited annual financial statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 47,481,134

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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.x 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).
x Yes ¨ No

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company x

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, 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. ¨

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.
¨ Yes x No

## FORM 40-F

**Principal Documents**

The following documents, filed as Exhibits 99.1, 99.2 and 99.3 to this Annual Report on Form 40-F, are incorporated herein by reference:

(a) Annual Information Form for the fiscal year ended December 31, 2020;

(b) Management's Discussion and Analysis for the fiscal year ended December 31, 2020; and

(c) Consolidated Financial Statements for the fiscal year ended December 31, 2020.

**Resource and Reserve Estimates**

The documents incorporated by reference herein have been prepared in accordance with the requirements of securities laws in effect in Canada, which differ from the requirements of United States securities laws. In Canada, an issuer is required to provide technical information with respect to mineralization, including "Mineral Reserves" and "Mineral Resources" (both as defined under Canadian Institute of Mining, Metallurgy and Petroleum standards), if any, on its mineral exploration properties in accordance with Canadian requirements, which differ significantly from the requirements of the U.S. Securities and Exchange Commission ("SEC") applicable to registration statements and reports filed by United States companies pursuant to the United States Securities Act of 1933, as amended, or the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"). As such, information contained in the documents incorporated by reference herein concerning descriptions of mineralization under Canadian standards may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements of the SEC, as further described in the documents incorporated by reference herein.



## ADDITIONAL DISCLOSURE

**Certifications and Disclosure Regarding Controls and Procedures.**

(a) Certifications. See Exhibits 99.4, 99.5, 99.6 and 99.7 to this Annual Report on Form 40-F.

(b) Disclosure Controls and Procedures. As of the end of Perpetua Resources Corp.'s fiscal year ended December 31, 2020, an evaluation of the effectiveness of Pepetua's "disclosure controls and procedures" (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) was carried out by the management of Perpetua, with the participation of the President and Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of Perpetua. Based upon that evaluation, the CEO and CFO have concluded that as of the end of that fiscal year, Perpetua's disclosure controls and procedures were effective to ensure that information required to be disclosed by Perpetua in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission (the "Commission") rules and forms and (ii) accumulated and communicated to the management of Perpetua, including the CEO and CFO, to allow timely decisions regarding required disclosure.

It should be noted that while the CEO and CFO believe that Perpetua's disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect that Perpetua's disclosure controls and procedures or internal control over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

(c) Management's Annual Report on Internal Control Over Financial Reporting.

Management is responsible for establishing and maintaining adequate internal control over Perpetua's financial reporting. Perpetua's internal control system was designed to provide reasonable assurance that all transactions are accurately recorded, that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that Perpetua's assets are safeguarded.

Management has assessed the effectiveness of Perpetua's internal control over financial reporting as at December 31, 2020. In making its assessment, management used the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") framework in Internal Control – Integrated Framework (2013) to evaluate the effectiveness of Perpetua's internal control over financial reporting. Based on this assessment, management has concluded that Perpetua's internal control over financial reporting was effective as of December 31, 2020.

(d) Attestation Report of the Registered Public Accounting Firm. This Annual Report on Form 40-F does not include an attestation report of the company's registered public accounting firm due to a transition period established by rules of the SEC for newly public companies.

(e) Changes in Internal Control Over Financial Reporting. The required disclosure is included under the heading "Changes in Internal Control Over Financial Reporting" in the Company's Management's Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended December 31, 2020, filed as Exhibit 99.2 to this Annual Report on Form 40-F.

**Notices Pursuant to Regulation BTR.**

None.

**Audit Committee Financial Expert.**

Perpetua's board of directors has determined that Bob Dean, a member of Perpetua's audit committee, qualifies as an "audit committee financial expert" (as such term is defined in Form 40-F). Bob Dean is "independent" as that term is defined in the rules of the Nasdaq Stock Market.

**Code of Business Conduct**.

Perpetua has adopted a Code of Conduct and Ethics Policy that applies to all employees, officers and directors of Perpetua. This Code constitutes a "code of ethics" as defined in Form 40-F and is referred to in this Annual Report on Form 40-F as the "Code of Ethics".

The Code of Ethics is available for viewing on Perpetua's website at www.perpetuaresources.com, is available in print to any shareholder who requests a copy, and is filed as an exhibit to this Annual Report on Form 40-F. Requests for copies of the Code of Ethics should be made by contacting: Tracey Thurmond by phone at (208) 901-3060 or by e-mail to community@perpetua.us.

During the year ended December 31, 2020, the Code of Ethics was amended in connection with Perpetua's listing on the Nasdaq Stock Market and SEC registration. Other than such revisions, during the year ended December 31, 2020, there were not any amendments to, or waivers, including implicit waivers, from, any provision of the Code of Ethics.

If any amendment to the Code of Ethics is made, or if any waiver from the provisions thereof is granted, Perpetua may elect to disclose the information about such amendment or waiver required by Form 40-F to be disclosed, by posting such disclosure on Perpetua's website, which may be accessed at www.perpetuaresources.com.

**Principal Accountant Fees and Services.**

The required disclosure is included under the heading "Audit Committee Information – Audit Committee Oversight – External Auditor Service Fees (By Category)" in Perpetua's Annual Information Form for the fiscal year ended December 31, 2020, filed as Exhibit 99.1 hereto.

**Pre-Approval Policies and Procedures.**

(a) All non-audit services must be pre-approved by the Committee, or if a request is made between Committee meetings, the Committee Chair may pre-approve a request for non-audit services, but the Chair must advise other Committee members of such pre-approval no later than the next regularly scheduled Committee meeting. In no event can the external auditor undertake non-audit services prohibited by legislation or professional standards.



(b) Of the fees reported in this Annual Report on Form 40-F under the heading "Principal Accountant Fees and Services", none of the fees billed by Deloitte LLP were approved by Perpetua's audit committee pursuant to the *de minimus* exception provided by Section (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

**Off-Balance Sheet Arrangements**

The required disclosure is included under the heading "Off Balance Sheet Arrangements" in the Management's Discussion and Analysis for the fiscal year ended December 31, 2020, filed as Exhibit 99.2 hereto.

**Tabular Disclosure of Contractual Obligations**

The following table sets forth Pepetua's known contractual obligations as at December 31, 2020.

| | Payments due by period | | | | |
|---|---|---|---|---|---|
| **Contractual Obligations** | **Total** | **Less than 1 year** | **1-3 years** | **3-5 years** | **More than 5 years** |
| Long-Term Debt | | | | | - |
| Interest Obligations | 17,801 | 5,934 | 11,867 | - | - |
| Principal Obligations | 11,867,316 | - | 11,687,316 | - | - |
| | 11,879,187 | 5,934 | 11,879,184 | - | - |
| Lease Obligations | 305,284 | 230,821 | 74,464 | - | - |
| Purchase Obligations | - | - | - | - | - |
| Other Long-Term Liabilities Reflected on the Company's Balance Sheet under the GAAP of the primary financial statements | - | - | - | - | - |
| **Total** | 12,190,402 | 236,754 | 11,953,647 | - | - |

**Identification of the Audit Committee.**

Perpetua has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The members of the audit committee are Bob Dean, Jeffrey Malmen and Alex Sternhell.

**Mine Safety Disclosure.**

None.

**Nasdaq Stock Market Disclosure**

Perpetua's shares are listed for trading on the Toronto Stock Exchange (the "TSX") and Perpetua is subject to the corporate governance requirements of the TSX, the *Business Corporations Act* (British Columbia) (the "**BCBCA**") and the securities laws of each of the Provinces of Canada other than Québec.



The NASDAQ Rulebook specifies a quorum requirement of at least 33-1/3% of the shares issued and outstanding and entitled to vote for meetings of a listed company's shareholders. Perpetua's current quorum requirements, as set forth in its articles, for a meeting of shareholders is two shareholders present in person or represented by proxy representing at least 10% of the shares entitled to be voted. Perpetua's current quorum requirement is not prohibited by, and does not constitute a breach of, the BCBCA.



**EXHIBITS**

| Exhibit | Description |
|---|---|
| 99.1 | Annual Information Form for the year ended December 31, 2020 |
| 99.2 | Management's Discussion and Analysis for the year ended December 31, 2020 |
| 99.3 | Audited Annual Consolidated Financial Statements for the year ended December 31, 2020 |
| 99.4 | Certification of President & Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14 of the Securities Exchange Act of 1934 |
| 99.5 | Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14 of the Securities Exchange Act of 1934 |
| 99.6 | Certification of President & Chief Financial Officer pursuant to 18 U.S.C. Section 1350 |
| 99.7 | Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350 |
| 99.8 | Consent of Deloitte LLP |
| 99.9 | Richard K. Zimmerman, R.G. SME-RM |
| 99.10 | Art Ibrado, P.E. |
| 99.11 | Grenvil M. Dunn, C. Eng. |
| 99.12 | Garth D. Kirkham, P. Geo. |
| 99.13 | Christopher J. Martin, C. Eng |
| 99.14 | Peter E. Kowalewski, P.E. |
| 99.15 | Chris J. Roos, P.E., |
| 99.16 | Scott Rosenthal, P.E. |
| 99.17 | Christopher Dail, C.P.G. |
| 99.18 | Code of Conduct and Ethics Policy |



**UNDERTAKING AND CONSENT TO SERVICE OF PROCESS**

**A. Undertaking.**

Perpetua Resources Corp. undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the SEC staff, and to furnish promptly, when requested to do so by SEC staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

**B. Consent to Service of Process.**

Perpertua Resources Corp. has previously filed a Form F-X in connection with the class of securities in relation to which the obligation to file this report arises.

Any change to the name or address of the agent for service of process of Perpetua Resources Corp. shall be communicated promptly to the SEC by an amendment to the Form F-X referencing the file number of Perpetua Resources Corp.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, Perpetua Resources Corp. certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, on March 15, 2021.

**PERPETUA RESOURCES CORP.**

By: /s/ Darren Morgans
Name: Darren Morgans
Title: CFO

**Exhibit 99.1**

# ANNUAL INFORMATION FORM

## PERPETUA RESOURCES CORP.
## (formerly, Midas Gold Corp.)

**Suite 201 - 405 S 8th Street**
**Boise, Idaho 83702**
**Telephone: 208 901-3060**
**E-Mail: Info@perpetuacorp.us**
**Website: www.perpetuaresources.com**

For the year ended December 31, 2020

Dated March 15, 2021

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## PRELIMINARY NOTES

In this Annual Information Form ("AIF"), Perpetua Resources Corp. and its 100% owned subsidiaries are collectively referred to as the **Corporation** or **Perpetua Resources** unless specifically identified otherwise. All information contained herein is as at and for the year ended December 31, 2020, unless otherwise specified.

All dollar amounts in this AIF are expressed in United States dollars unless otherwise indicated.

### Cautionary Statement Regarding Forward-Looking Statements

This AIF contains "forward-looking information" within the meaning of applicable Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking information").

In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects", "budget", "estimates", "intends", "anticipates", "determine" or "believes", or variations or the negative of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will be", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature, forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information.

Forward-looking information includes, but is not limited to, statements regarding:

- analyses and other information based on expectations of future performance and planned work programs;
- possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action;
- timing, costs and potential success of future activities on the Corporation'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;
- permitting time lines and requirements, 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; and
- planned expenditures and budgets and the execution thereof.

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.

Any forward-looking information contained herein is stated as of the date of this document and Perpetua Resources does not intend, and does not assume any obligation, to update such forward-looking information to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events unless required to do so by law or regulation.

With respect to forward-looking information contained herein, the Corporation 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 on reasonable terms; the exchange rates for the U.S. and Canadian currencies will be consistent with the Corporation's expectations; that the current exploration, development, environmental other objectives concerning the Corporation's Stibnite Gold Project (the "Project" or "Stibnite Gold Project") can be achieved and that the Corporation'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"), the State of Idaho and other agencies and regulatory bodies) as well as the public comment period and environmental impact statement will proceed in a timely manner and as expected; that the progression of the litigation involving the Nez Perce Tribe will proceed in a timely manner and as expected; 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 the continuity of economic and political conditions and operations of the Corporation.

The forward-looking information contained herein is subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ materially from those expressed or implied by such forward-looking information. In addition to those discussed in the Corporation's public disclosure record, such risks and other factors include, among others, the risks and uncertainties set out under the heading "Risks and Uncertainties" in this AIF.

Although the Corporation has attempted to identify important factors that could affect the Corporation and may cause actual actions, events or results to differ materially from those described in the forward-looking Information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Accordingly, readers should not place undue reliance on such forward- looking information.

**Compliance with NI 43-101**

The technical information in this AIF has been prepared in accordance with Canadian regulatory requirements set out in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") and reviewed and approved by Christopher Dail, C.P.G., Exploration Manager of the Corporation and a Qualified Person (as hereinafter defined).

The Feasibility Study Technical Report with an effective date of December 22, 2020 and titled "Stibnite Gold Project, Feasibility Study Technical Report, Valley County, Idaho" (the "FS Technical Report") referred to herein was compiled by M3 Engineering & Technology Corp. ("M3") for Perpetua Resources.

Perpetua Resources commissioned this study to evaluate the development of the Project based on information available up to the date of the FS Technical Report. The following companies also contributed to the FS Technical Report, excerpts of which are included herein:

- Hydromet WA Pty Ltd (mineral processing and metallurgical testing);
- Kirkham Geosystems Ltd. (drilling, sample preparation analyses and security, data verification);



- Blue Coast Metallurgy Ltd. (metallurgical and geochemical testing);
- Value Consulting, Inc. (mineral resource estimates, mineral reserves estimates, capital and operating costs); and
- Tierra Group International Ltd. (project infrastructure, environmental studies, permitting and social or community impact, capital and operating costs).

**Mineral Resources (as defined herein) that are not Mineral Reserves (as defined herein) do not have demonstrated economic viability. Mineral Resource estimates do not account for mineability, selectivity, mining loss and dilution. These Mineral Resource estimates include Inferred Mineral Resources (as defined herein) that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There is also no certainty that these Inferred Mineral Resources will be converted to the Measured Resource (as defined herein) and Indicated Resource (as defined herein) categories through further drilling, or into Mineral Reserves, once economic considerations are applied.**

The Mineral Reserves and Mineral Resources at the Stibnite Gold Project are contained within areas that have seen historic disturbance resulting from prior mining activities and which have been subject to a number of regulatory actions and consent decrees in respect of these past activities. In order for the Corporation to advance its interests at Stibnite, the project will be subject to a number of Federal, State and local laws and regulations and will require permits to conduct its activities. See "Description of the Business - Environmental and Other Matters Pertaining to the Mineral Properties".

For readers to fully understand the technical information in this AIF they should read the FS Technical Report (available on SEDAR at www.sedar.com under the Corporation's profile as filed on January 28, 2021) in its entirety, including all qualifications, assumptions and exclusions that relate to the technical information set out in this AIF. The FS Technical Report is intended to be read as a whole, and sections should not be read or relied upon out of context. The technical information in the FS Technical Report is subject to the assumptions and qualifications contained in the FS Technical Report.

**Notice to U.S. Investors on Canadian Disclosure Standard**

This AIF, including any documents incorporated by reference herein, has been prepared in accordance with the requirements of securities laws in effect in Canada, which differ from the requirements of United States securities laws. In Canada, an issuer is required to provide technical information with respect to mineralization, including Mineral Reserves and Mineral Resources, if any, on its mineral exploration properties in accordance with Canadian requirements, which differ significantly from the requirements of the U.S. Securities and Exchange Commission ("SEC") applicable to registration statements and reports filed by United States companies pursuant to the U.S. *Securities Act of 1933* or the United States *Securities Exchange Act of 1934*, as amended (the "U.S. Exchange Act"). As such, information contained in this AIF and the documents incorporated by reference herein concerning descriptions of mineralization under Canadian standards may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements of the SEC.



**GLOSSARY OF TECHNICAL TERMS**

Conversion Factors

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

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

**Acre** or **ac** means an area of 4,840 square yards or 43,560 square feet or 0.4047 hectares.

**Ag** means silver.

**Arsenopyrite** means a mineral composed of iron, arsenic and sulphur (FeAsS)

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

**Au** means gold.

**CERCLA** means Comprehensive Environmental Response, Compensation, and Liability Act, known also as Superfund.

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

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

**Feasibility Study** or **FS**, under CIM standards, is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate, at the time of reporting, that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study.

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



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

**Host** means a rock or mineral that has been intruded by younger rocks or minerals.

**IDEQ** means the Idaho Department of Environmental Quality and is a state department created by the Idaho Environmental Protection and

Health Act to ensure clean air, water, and land in the state and protect Idaho citizens from the adverse health impacts of pollution.

**Indicated Resource** or **Indicated Mineral Resource**, under CIM standards, is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve

**Inferred Resource** or **Inferred Mineral Resource**, under CIM standards, is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

**Intrusion** means the process of emplacement of magma in a pre-existing rock, and also the igneous rock mass so formed.

**km** means kilometre(s).

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

**M** means million.

**Measured Resource** or **Measured Mineral Resource**, under CIM standards, is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.

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

**Mineral Reserve** or **mineral reserve**, under CIM standards, is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must be demonstrated by a Pre-Feasibility Study or Feasibility Study.



**Mineral Resource** or **mineral resource**, under CIM standards, is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

**Modifying Factors** are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

**NI 43-101** means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

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

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

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

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

**POx** means pressure oxidation.

**Preliminary Economic Assessment** or **PEA** as defined in NI 43-101 means a study, other than a Pre-Feasibility or Feasibility Study, that includes an economic analysis of the potential viability of mineral resources.

**Pre-Feasibility Study** or **Preliminary Feasibility Study** or **PFS** is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a

Qualified Person, acting reasonably, to determine if all or part of the Mineral Resource may be converted to a Mineral Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

**PRO** means the Plan of Restoration and Operations that was filed by the Corporation with the US Forest Service in September 2016.



**Probable Reserves** or **Probable Mineral Reserves**, under CIM standards, is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.

**Proven Reserves** or **Proven Mineral Reserves**, under CIM standards, is the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.

**Pyrite** means a mineral composed of iron and sulphur ($FeS_2$).

**Qualified Person** conforms to that definition under NI 43-101 and means an individual who (a) is an engineer or geoscientist with a university degree, or equivalent accreditation, in an area of geoscience, or engineering, relating to mineral exploration or mining; (b) has at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these, that is relevant to his or her professional degree or area of practice; (c) has experience relevant to the subject matter of the mineral project and the technical report; (d) is in good standing with a professional association; and (e) in the case of a professional association in a foreign jurisdiction, has a membership designation that (i) requires attainment of a position of responsibility in their profession that requires the exercise of independent judgment; and (ii) requires (A) a favourable confidential peer evaluation of the individual's character, professional judgement, experience, and ethical fitness; or (B) a recommendation for membership by at least two peers, and demonstrated prominence or expertise in the field of mineral exploration or mining.

**Quartz** means a mineral composed of silicon and oxygen ($SiO_2$).

**RC** means reverse circulation.

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

**Sb** means antimony.

**Sediment** means a solid material that has settled down from a state of suspension in a liquid. More generally, solid fragmental material transported and deposited by wind, water or ice, chemically precipitated from solution, or secreted by organisms, and that forms in layers in loose unconsolidated form.

**Stibnite** means a sulphide mineral composed of antimony and sulphur ($Sb_2S_3$)

**Sulphide** means a group of minerals in which one or more metals are found in combination with sulphur.

**Tonne** means a metric unit of mass equivalent to volume multiplied by specific gravity; equivalent to 1.102 tons or 1,000 kilograms (equivalent to 2,204.6 pounds).

**Vein** means a sheet-like intrusion into a fissure or crack, commonly bearing quartz.



## CORPORATE STRUCTURE

### Corporate Structure

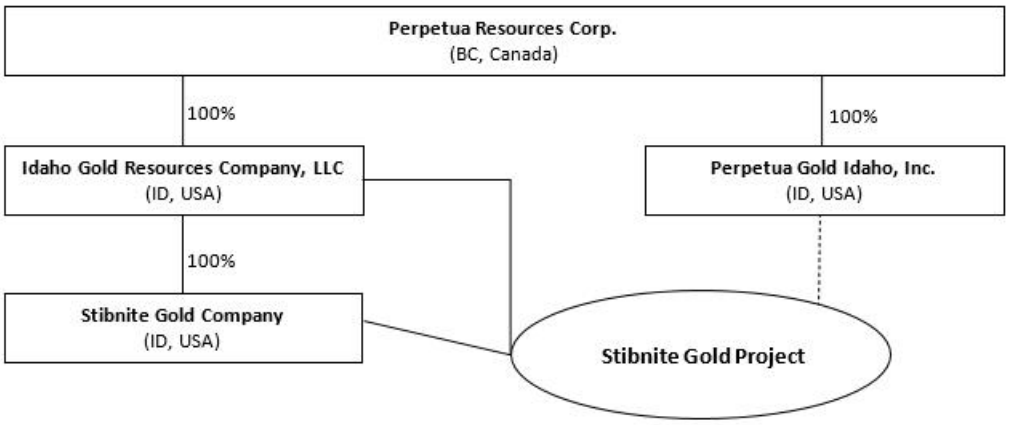
The Corporation was incorporated under the *Business Corporations Act* (British Columbia) on February 22, 2011 under the name "Midas Gold Corp."

The Corporation changed its name to "Perpetua Resources Corp.," subsequent to the end of this reporting period, on February 15, 2021.

The Corporation's head office is located at Suite 201 – 405 South 8 $^{th}$ Street, Boise Idaho, U.S.A. 83702 and its registered and records office is located at Suite 400 – 725 Granville Street, Vancouver, British Columbia V7Y 1G5.

### Organization Chart

The following chart shows the intra-corporate relationships between the Corporation and its subsidiaries:
Perpetua Resources Idaho, Inc. has no ownership interest in the Stibnite Gold Project, rather it manages the activities on the Project for the owners, Idaho Gold Resources Company, LLC and Stibnite Gold Company.




Idaho Gold Resources Company, LLC holds title to the West End deposit and the majority of the unpatented exploration claims and patented and unpatented mill sites. Stibnite Gold Company holds title to the Yellow Pine and Hangar Flats deposits and several unpatented claims.

Unless the context otherwise indicates, reference to the terms the "Company", the "Corporation" or "Perpetua Resources," in this AIF includes Perpetua Resources Corp. and its subsidiaries.

**GENERAL DEVELOPMENT OF THE BUSINESS**

**Three Year History and Significant Acquisitions**

In February 2018, the Corporation reported on updated mineral resources and continuing progress in its feasibility-level metallurgical test program for the Project On February 22, 2018, the Corporation reported that Idaho's House of Representatives and Senate passed a joint memorial asking the President of the United States, Idaho's congressional delegation, the Administrator of the Environmental Protection Agency, the Secretary of the Interior and the Secretary of Agriculture to take the steps necessary to approve the Project in a timely and cost-effective manner. The joint memorial was passed with overwhelming support.



On March 21, 2018, the Corporation reported that it had appointed Javier Schiffrin, Senior Vice President, Paulson & Co. Inc., to its board of directors following the resignation of Victor Flores. Mr. Schiffrin was nominated by Paulson & Co. under the investor rights agreement entered into with Perpetua Resources in relation to the March 2016 financing that was backstopped by Paulson & Co. Mr. Flores had been appointed to the board in 2016 as one of Paulson & Co.'s two nominees under that agreement.

On May 9, 2018, the Corporation announced that it had entered into an agreement with Barrick Gold Corporation (NYSE:ABX / TSX:ABX) ("Barrick") whereby Barrick would purchase 46,551,731 common shares of Perpetua Resources in a non-brokered private placement (the "Placement") at a price of C$1.06 per share for gross proceeds of US$38,065,907. The Placement resulted in Barrick owning 19.9% of the issued and outstanding shares in Perpetua Resources on a post-transaction basis, and 12.4% assuming conversion of the Notes. The transaction closed on May 16, 2018.

Also during May 2018, the Corporation announced that it had increased the size of its board of directors from seven to eight members and appointed Mark Hill, Chief Investment Officer with Barrick to fill the additional position. The increase in board size was in accordance with the terms of the investor rights agreement entered into with Barrick in conjunction with the Placement.

On August 9, 2018, the Corporation announced that it had appointed Brad Doores to its Board of Directors, replacing Michael Bogert, who stepped down from the Board at the same time in a planned transition to working more closely with the Corporation on permitting-related matters. On August 30, 2018, it was announced that Michael Bogert had been appointed General Counsel for Perpetua Resources Idaho, Inc., Perpetua Resources' wholly owned subsidiary leading the regulatory process for the Project.

On October 10, 2018, the Corporation announced that the Nez Perce Tribal Executive Committee had adopted a resolution formally opposing the Stibnite Gold Project. The Nez Perce Tribe is one of the three tribes being consulted by the U.S. Forest Service ("USFS") under the National Environmental Policy Act review process. Perpetua Resources has and will continue to reach out to the Nez Perce Tribe and hopes to address their concerns.

On December 4, 2018, the Corporation announced that it, Perpetua Resources Idaho, Inc. (formerly, Midas Gold Idaho, Inc.) ("PRII") and seven of the communities closest to the Stibnite Gold Project site officially established a community agreement. Through the creation of the Stibnite Advisory Council, the agreement establishes a collaborative environment for the companies and local communities to work together throughout the life of the project and provides a venue for cities and counties to address concerns and opportunities directly with Perpetua Resources. It also creates the Stibnite Foundation to support community projects. Subsequent to year end, an eighth community also signed the community agreement, while another community deferred consideration of the agreement until after the draft EIS is published. Perpetua Resources also withdrew its request for Valley County to join the community agreement due to a perception of a conflict of interest by some members of the community given Valley County's role as a cooperating agency under NEPA. The Stibnite Advisory Council has been established and is meeting regularly to discuss various matters related to the Project, and the Stibnite Foundation was subsequently established at a later date.

There were several updates to the permitting schedule during 2018 and again subsequent to year end. On July 3, 2018, the Corporation announced that the USFS had provided its quarterly update to the anticipated permitting schedule for the Project. The USFS, in cooperation with the six other federal, state and local agencies responsible for the permitting schedule, anticipated issuing a draft EIS for public comment in February 2019, with a Final EIS and Draft Record of Decision ("ROD") by October 2019. This would have allowed for an approved Final ROD in March 2020. On October 1, 2018, the Corporation announced that the USFS had provided its subsequent quarterly update to the anticipated permitting schedule for the Project which anticipated issuing a draft EIS for public comment in May 2019, with a Final EIS and Draft ROD in February 2020, followed by an approved Final ROD in May 2020.

On January 29, 2019, the Corporation announced that it had been advised that the USFS anticipated issuing a draft EIS for public comment in Q3 2019, with a Final EIS and Draft ROD in Q2 2020 and a Final ROD in Q3 2020. This updated schedule accommodated the review and analysis of a considerable amount of additional information requested by the agencies and provided by Perpetua Resources during the quarter, including information and water modelling related to potential development alternatives such as alternate transportation routes to the Project and alternate tailings storage facility locations, and the integration of consultations required by other agencies to meet their regulatory obligations. The USFS will continue to issue quarterly updates to the anticipated schedule as the process advances.

On January 31, 2019, the Corporation announced that it had appointed Jaimie Donovan to its Board of Directors, replacing Mark Hill, who resigned as Barrick's representative from the Corporation's Board.

On March 25, 2019, the Corporation announced that it amended the investor rights agreement dated May 16, 2018 ("IRA") entered into with Barrick Gold Corporation ("Barrick") in conjunction with Barrick's US$38 million investment in Perpetua Resources completed in May 2018. These amendments were made at Perpetua Resources' request and are designed to increase financing flexibility and options for Perpetua Resources, including a commitment by Barrick to provide a lead order.

On March 12, 2019, the Corporation announced that it filed a preliminary short form base shelf prospectus (the "Shelf Prospectus") with the securities commissions in each of the provinces of Canada, except Quebec. On April 4, 2019, the Corporation announced that it had filed a final short-form base Shelf Prospectus with the securities commissions in each of the provinces of Canada, except Quebec. The Shelf Prospectus will allow Perpetua Resources to offer and issue up to C$200 million of common shares, warrants, subscription receipts, units, debt securities, or any combination of such securities (collectively, the "Securities") during the next 25-months. The Securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of sale, which would be set forth in a subsequently filed prospectus supplement. In connection with the Shelf Prospectus filings, the Corporation also filed an amended technical report entitled "Stibnite Gold Project, Prefeasibility Study Technical Report, Valley County, Idaho" dated effective December 8, 2014 and amended March 28, 2019 (the "PFS"). Amendments to the PFS include changes to clarify that the mineral resource estimate is consistent with the CIM Definition Standards adopted by the CIM Council on May 10, 2014 (with no resulting changes to the mineral resource estimate in the PFS), and to remove the comparison of the 2012 preliminary economic assessment.

On April 16, 2019, the Corporation announced it had provided an initial cash grant of $100,000 and issued 1.5 million common shares in the capital of the Corporation, valued at $877,500, to launch the Stibnite Foundation in Idaho. These grants to the Stibnite Foundation (the "Foundation") were made in accordance with the Corporation's ongoing annual and milestone funding obligations pursuant to the terms of the Community Agreement, details of which can be found in the Corporation's December 4, 2018 news release. The 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 and eight communities and counties throughout the West Central Mountains region of Idaho.



On June 6, 2019, the Corporation announced that it had been advised that the Nez Perce Tribe intended to initiate legal action against the Corporation and its subsidiaries related to alleged water quality impacts related to historical mining activity undertaken prior to Perpetua Resources' involvement in the site.

On June 10, 2019, the Corporation entered into an agreement with RBC Capital Markets and BMO Capital Markets (as co-lead underwriters) and Haywood Securities in connection with a bought deal public offering (the "Offering") of 33,200,000 common shares of the Corporation (the "Common Shares"). The Common Shares were offered at a price of C$0.60 per Common Share for gross proceeds of C$19,920,000. Paulson & Co. Inc participated in the Offering in order to maintain its pro rata partially diluted interest of 29.11% of outstanding Common Shares. Barrick Gold Corporation ("Barrick") acquired Sufficient Common Shares so as to give Barrick a 19.9% ownership interest of all outstanding Common Shares upon completion of the Offering.

On August 8, 2019, the Nez Perce Tribe followed on from its Notice of Intent to sue (as reported on June 6, 2019) by filing suit in federal court on matters pertaining to water quality in the Stibnite Mining District related to historical mining activity dating back over 80 years and long before the Company acquired any rights to the site. Perpetua Resources is not, and has never, operated on site and is not responsible for the existing contamination but has proposed the Stibnite Gold Project ("Project") as a means for providing the much-needed cleanup of historical waste polluting the area today. Since well before the suit was filed, Perpetua Resources has been working closely with the Idaho Department of Environmental Quality ("IDEQ") and the United States Environmental Protection Agency ("EPA") to gain permission under the federal *Comprehensive Environmental Response Compensation and Liability Act* ("CERCLA") law to take immediate action and learn more about the specific causes of degraded water quality in a number of locations. Perpetua Resources firmly believes that it is not legally responsible for cleanup of site legacy impacts caused by previous mining companies or directed by government agencies. However, the Company wants to be part of the solution. During the quarter ended December 31, 2019, in the normal progression of such litigation, Perpetua Resources filed a request for a stay of proceedings based on the progress in respect of ongoing discussions with Federal and State regulators on a path under CERCLA that would provide early cleanup actions and end the litigation, in addition to a request for a dismissal of the suit based on other

considerations. Both motions were consolidated for judicial review in mid-December and were ruled on in December and January. Both motions were dismissed, but the federal court invited a new motion to stay the case if the CERCLA order became “imminent”. The litigation is proceeding through discovery and if the case proceeds to trial, it will likely be set for spring, 2021. Independent from its defense of this lawsuit, the Company will continue moving forward with its longstanding work to assess and improve water quality in the area, restore the site and return the site to environmental standards not seen in decades through responsible, modern mining.

Earlier in 2019, the Corporation announced that it had been advised that the U.S. Forest Service (“USFS”) anticipated issuing a draft Environmental Impact Statement (“EIS”) for public comment in late Q4 2019, with a Final EIS and Draft Record of Decision (“ROD”) in Q3 2020 and a Final ROD in late Q4 2020. However, on December 4, 2019, Perpetua Resources reported that the USFS had indicated that the Draft EIS for the Project would be made available for public review in January 2020 and issuing a Final EIS and Draft ROD in Q4 2020 and the Final ROD for the Project in Q1 2021.

On January 27, 2020, the Corporation announced the USFS and other regulators working on the Project have, following internal reviews, had identified a number of recommended improvements to the Draft EIS. The regulatory agencies indicated the recommended improvements to the Draft EIS would ultimately support a complete ROD at the conclusion of the permitting process. The USFS advised that it would update the release date for the Draft EIS in early February 2020 and will provide the revised project schedule in its quarterly Schedule of Proposed Actions update published on April 1, 2020.



On March 17, 2020, the Corporation announced that it had completed a financing for gross proceeds of US$35.0 million (C$47.6 million), with proceeds to be used for continued work on the Stibnite Gold Project and for general working capital purposes. The financing was completed with Paulson & Co. Inc. (“Paulson”), on behalf of the several investment funds and accounts managed by Paulson, whereby Paulson purchased Canadian dollar denominated 0.05% senior unsecured convertible notes (the “2020 Notes”) issued by a wholly-owned subsidiary of the Corporation on a private placement basis. The 2020 Notes are convertible into common shares of the Corporation at a price of C$0.4655.

On April 1, 2020, the Corporation announced the USFS and other regulators working on the Project released an updated schedule for the permitting of the Project and committed to releasing the Draft EIS for public review in Q3 2020. The updated schedule came after a comprehensive internal review by federal and state regulators of the preliminary Draft EIS that identified areas for improvement and refinement resulting in a more user-accessible document. At the time the USFS pledged to provide additional resources to undertake the final review and release of the Draft EIS.

On July 2, 2020, the Corporation announced that the USFS and other regulators working on the review of the Project under the National Environmental Policy Act (“NEPA”), released their quarterly Schedule of Proposed Actions (“SOPA”), which updates the NEPA permitting schedule for the Project. The updated schedule indicated that the USFS expected to release the Draft EIS for public review in August 2020. Once released, the schedule indicated there would be a minimum 45-day public comment period, as required by NEPA. Immediately following the public comment period, the USFS and cooperating agencies planned to respond to all comments and produce the final EIS and a draft ROD. Upon publication of the final EIS, there would be a period for objections and resolution before the final ROD is published.

On August 14, 2020, the Corporation announced that the USFS had released the Draft EIS on the Project for public comment. The comment period is legally required to be 45 days and the USFS decided to grant a 15-day extension.

On August 26, 2020, the Corporation announced that Paulson, on behalf of the several investment funds and accounts managed by it, would be exercising the conversion feature on the convertible notes held by Paulson in the aggregate principal amount of C$82,102,500 for a total of 199,692,804 common shares of the Corporation (19,969,280 common shares on a post-consolidation basis following completion of the Consolidation (as defined below), which resulted in Paulson holding approximately 44.12% of the Corporation’s outstanding common shares. The convertible notes were purchased by Paulson in two separate financings completed on March 17, 2016 and March 17, 2020 with conversion prices of $0.3541 and $0.4655, respectively ($3.541 and $4.655, respectively, on a post-Consolidation basis). Following the conversion, there were outstanding convertible notes in the aggregate principal amount of C$15,409,901 remaining which were convertible into 43,518,501 common shares of the Corporation (4,351,850 common shares on a post-Consolidation basis).

On September 10, 2020, the Corporation announced that the Project had received a ‘Permitting Dashboard’ to bring improved coordination, transparency and accountability to projects under the NEPA permitting process. Published on the Council on Environmental Quality (“CEQ”) website, the Project Permitting Dashboard maintains the same permitting schedule as that published by the USFS in July, 2020. Projects that have received a Permitting Dashboard are afforded enhanced coordination between federal agencies but must still move through the strict protocols of study and review under, and meet the regulatory standards required by, NEPA.



On December 4, 2020, the Corporation announced the transition of five members the Corporation’s board of directors to five new, independent directors who will assist the Corporation in moving the Project through the remaining phase of permitting under the NEPA and into construction and operations. The decision comes as a part of a transition agreement between the Corporation and Paulson. As part of the agreement, Stephen Quin resigned as President, CEO and a director of the Corporation and was succeeded by Ms. Laurel Sayer, currently President and CEO of the Corporation’s wholly-owned subsidiary, Perpetua Gold Idaho, Inc. The transition agreement resulted in the resignation from the Board of the following members: Stephen Quin, Keith Allred, Jaimie Donovan, Brad Doores, Jon Goode, and Peter Nixon, effective December 3, 2020. Immediately thereafter, Bob Dean, David Deisley, Jeff Malmen, Chris Robison, Alex Sternhell and Laurel Sayer were appointed as directors of the Corporation.

On December 22, 2020, the Corporation announced the results of an independent Feasibility Study (the "FS" or "Feasibility Study") and technical report completed on the Project. The Project, as envisioned in the FS, would become one of the largest and highest-grade open pit gold mines in the United States and the country's only primary producer of antimony. The FS builds upon the Corporation's Plan of Restoration and Operations, identifying a suite of operational improvements and environmental refinements to achieve the Corporation's key objective for the financially viable restoration and brownfields development of the Stibnite mining district.

**Subsequent Events**

Subsequent to year end, the Corporation granted 873,500 stock options with a weighted average exercise price of C$11.80 that will expire in five years from the date of grant.

On January 15, 2021, the Corporation announced that after three years of extensive discussions, federal agencies had authorized and directed the Corporation to perform immediate clean up actions to address contaminated legacy conditions within Idaho's abandoned Stibnite mining district that were negatively impacting water quality. Through an Administrative Settlement Agreement and Order on Consent (the "ASAOC") signed on January 15, 2021 by the Environmental Protection Agency and USFS, with concurrence by the U.S. Department of Justice, the Corporation was instructed to clean up certain contaminated conditions within the Stibnite mining district in Idaho. The sources of contamination to be addressed by the Agreement are decades old and largely stem from tungsten and antimony mining during World War II and the Korean War, long before the Corporation started planning for redevelopment of the site. The Agreement consists of three primary phases. The first phase of the Agreement is designed to significantly improve water quality over the next four years. Phases 2 and 3 of the Agreement would move forward if the Project receives permission to proceed with mining under the NEPA and would provide the opportunity for comprehensive and site-wide cleanup of legacy features and waste by including permission to address legacy areas that are not included in the restoration activities proposed by the Project.

On January 27, 2021, the Corporation announced that it had consolidated its common shares on the basis of one (1) new post-consolidation common share for every ten (10) pre-consolidation common shares (the "Consolidation"). The Consolidation was completed in order to meet the minimum share price requirements for trading on the Nasdaq Stock market (the "Nasdaq").

On January 28, 2021, the Corporation announced that it had filed an independent technical report on SEDAR in accordance with NI 43-101 that details the results of the recent feasibility study on the Project.

On February 16, 2021, the Corporation announced that it had changed its name from Midas Gold Corp. to Perpetua Resources Corp. and that the Corporation's common shares had been approved for listing on the Nasdaq. The Corporation's common shares began trading on the Nasdaq on February 18, 2021 under the symbol "PPTA" and on the Toronto Stock Exchange under the new name at market open on February 18, 2021 under the stock symbol "PPTA".



On February 17, 2021, the Corporation announced that the Nez Perce Tribe and the Corporation had jointly moved for a stay of the Nez Perce Tribe's *Clean Water Act* lawsuit while they pursue a Court supervised alternative dispute resolution process to potentially resolve the case.

Also subsequent to year end, the Corporation appointed Chris Foster as Chief Financial Officer of Perpetua Resources effective March 16, 2021, on a contract basis. Mr. Foster is a member of the Chartered Professional Accountants of Canada (CPA Canada) and will be responsible for providing the Corporation with financial management services. Mr. Foster will be replacing Darren Morgans who will resign from his current role as Chief Financial Officer effective March 15, 2021. Mr. Morgans has served as the Corporation's Chief Financial Officer since April 2011.

**DESCRIPTION OF THE BUSINESS**

**Summary of the Business**

The Corporation is an exploration development-stage company engaged in acquiring mining properties with the intention of exploring, evaluating and placing them into production, if warranted. Currently, its principal business is the exploration and, if warranted, redevelopment, restoration and operation of the Stibnite Gold Project in Idaho, USA.

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

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

**Employees**

At December 31, 2020, the Corporation had 38 employees. A total of 35 employees were employed in Idaho and were directly related to the mineral exploration and development activities of the Stibnite Gold Project, with the remaining four persons employed in Vancouver in respect of executive management and administrative support. The Corporation also contracts out certain activities, such as drilling, metallurgical testing and feasibility study preparation to specialized service providers. As a result of the seasonal nature of field activities, the number of people on site and in the Corporation's Donnelly facilities can vary. Typically there could be 20 - 50 or more persons engaged in field activities on site when actively drilling with multiple rigs, and an additional 5 - 10 or more people providing support activities in Donnelly. These numbers are significantly lower when there is no drilling underway. Significant aspects of the exploration and development business require specialized skills and

knowledge in areas that include geology, mining, metallurgy, engineering, environmental contamination treatment, permitting and regulatory compliance, as well as environmental and social policy issues. While recent activity within the industry in general has made it more challenging to recruit and retain qualified employees, Perpetua Resources has been successful to date in recruiting and retaining key personnel necessary to its operating needs.



**Competitive Conditions**

The gold exploration and mining business is a competitive business. The Corporation competes with numerous other companies possessing much greater financial and technical research resources. Competition is particularly intense with respect to the acquisition of desirable undeveloped gold properties. See *"Risk Factors – The Corporation's Risks"*.

**Environmental, Social & Governance**

Perpetua Resources Corp. has, since its inception, incorporated the principles of environmental protection, social considerations and good governance into all its actions, in which was formalized in its Environmental, Social and Governance Policy (**ESG Policy**), approved in February 2019. The intent of the ESG policy is to set out the Corporation's guiding principles in a coherent, systematic manner to inform stakeholders and interested parties as to those principles.

*Guiding Principles*

The Corporations activities are guided by certain principles as they relate to responsible mineral development. These principles include, but are not limited to, the following:

- Perpetua Resources' purpose is to leave the Stibnite Gold Project site better than we found it and to leave a lasting legacy of economic benefits in Valley County and Idaho.
- Our employees are driven to achieve these goals by their own ideals and values, and they would not be working with Perpetua Resources if that was not the case.
- Perpetua Resources recognizes that responsible corporate behaviour with respect to environmental, social and governance (ESG) factors can generally have a positive influence on long-term financial performance.
- Disclosure is the key that allows stakeholders and other interested parties better understand, evaluate and assess potential risk and return, including the potential impact of ESG factors on Perpetua Resources' performance.
- Perpetua Resources' investment analysis should incorporate ESG factors to the extent that they affect risk and return.
- Perpetua Resources acknowledges that the division of authority and responsibilities among the three parties that are core to corporate governance – shareholders, directors and managers.
- Employees, contractors, suppliers, federal, state and local governments and the community at large have a vested interest in positive corporate conduct and long-term business performance.

*Core Values*

In order to live up to these principles, Perpetua Resources has defined certain core values in its ESG Policy that are integral to the Corporation's DNA:

- Safety - The health and safety of our employees, contractors and the public is of the utmost importance.



- Environmental Responsibility - The Corporation goes above and beyond what is required; we find practical solutions to manage growth while protecting and enhancing the natural environment.
- Community Involvement - As a proud part of the community, Perpetua Resources actively strive to serve the community's needs, to collectively enhance prosperity and well-being.
- Transparency - Perpetua Resources fulfills its commitments in an open and transparent manner. Perpetua Resources aims to be accurate, consistent and straightforward in all information delivered to our stakeholders.
- Accountability - As part of Perpetua Resources' governance, the Corporation ensures that accountability guides all of its actions, decisions, conduct and reporting.
- Integrity & Performance - Perpetua Resources and its employees holds themselves to high moral standards and strive to fulfill their commitments in an effective and sustainable manner.

*Conservation Principles*

Given the importance of environmental protection in the development, operation and closure of natural resource projects, Perpetua Resources has adopted the following guiding conservation principles for the Project in order to align it with the Corporation's core values:

- Conduct restoration, mining, milling and reclamation activities in an environmentally responsible manner;
- Locate Project infrastructure on previously disturbed areas wherever practicable;

- Design and construct facilities to minimize impacts to aquatic and terrestrial wildlife, improve habitat across the Project site, and protect anadromous and local aquatic populations;
- Protect and improve local surface water and groundwater quality; and,
- Repair, relocate, or construct new ecologically diverse stream channels and wetlands to mitigate those disturbed by legacy and new mine development.

As part of its ESG Policy, the Corporation has adopted at Health & Safety Policy, an Environmental Policy, Sustainability Goals and an approach to Transparency and Sustainability Reporting that can be found in the ESG Policy here: https://investors.perpetuaresources.com/esg/.

In addition, the Corporation's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, releases or emissions of various substances related to mining industry operations, which could result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties Environmental legislation is evolving, which means stricter standards and enforcement, fines and penalties for non-compliance are becoming more stringent. Environmental assessment of proposed projects carries a heightened degree of responsibility for companies and directors, officers and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Corporation's operations, including its capital expenditures and competitive position.

For Perpetua Resources' work in relation to environmental matters at the Stibnite Gold Project, see "Summary of the Stibnite Gold Project – Environmental Studies" and *"Summary of the Stibnite Gold Project – Environmental Mitigation and Remediation".* Also see *"Risk Factors – Industry Risks".*



**Foreign Operations**

The Corporation is incorporated pursuant to the laws of British Columbia, Canada and is a reporting issuer in each of the provinces of Canada, except Quebec. The Corporation is dependent upon its ownership of the Stibnite Gold Project that is located in Idaho, USA.

**Summary of the Stibnite Gold Project**

On December 22, 2020, the Company announced the results of an independent feasibility study and subsequently filed the Stibnite Gold Feasibility Study on January 28, 2021.

Attached as Schedule "A" to this AIF is the summary contained in the Stibnite Gold Feasibility Study. The entire Stibnite Gold Feasibility Study is incorporated by reference herein.

**LITIGATION**

On June 5, 2019, the Company was served by Idaho's Nez Perce Tribe with a notice of intent (NOI) to sue under the Clean Water Act. The Tribe filed the complaint August 8, 2019 in the United States District Court for the District of Idaho which was later served on the Company August 16, 2019. The complaint identified eight areas internal and external to the Stibnite Gold Project Site that the suit alleges violates the Clean Water Act, and the action seeks declaratory and injunctive relief.

The Company filed a motion to dismiss and, in the alternative, a motion to stay the litigation pending conclusion of negotiations with the Environmental Protection Agency (EPA) on a CERCLA administrative order on consent (AOC), a process that was underway before the plaintiff filed suit. Argument was heard on December 16, 2019 where the motion to dismiss was denied. On January 7, 2020, the Company filed its formal answer denying liability for the allegations contained in the complaint, and on January 8, 2019 the motion to stay the litigation was denied by the district court. A scheduling order was entered February 11, 2020.

On February 17, 2021, the Corporation announced that the Nez Perce Tribe and the Corporation had jointly moved for a stay of the Nez Perce Tribe's *Clean Water Act* lawsuit while they pursue a Court supervised alternative dispute resolution process to potentially resolve the case.

**RISKS AND UNCERTAINTIES**

Perpetua Resources is subject to a number of significant risks due to the nature of its business and the present stage of its business development. Only those persons who can bear risk of the entire loss of their investment should invest in the Corporation's common shares, convertible debentures, warrants, options or other securities.

Perpetua Resources' failure to successfully anticipate and address such risks and uncertainties could have a material adverse effect on its business, financial condition and/or results of operations, and the future trading price of its common shares may decline and investors may lose all or part of their investment. Such risks and uncertainties could cause the Corporation's future business, operations and financial condition to differ materially from the forward-looking statements and information contained in this MD&A and as described in the cautionary statements on forward-looking information found in this document. The Corporation is subject to various risks, known and unknown, arising from factors within or outside of its control.

Perpetua Resources cannot give assurance that it will successfully address these risks or other unknown risks that may affect its business. Estimates of Mineral Resources and mineral reserves ("Mineral Reserves") are inherently forward-looking statements subject to error. Although mineral resource and mineral reserve estimates require a high degree of assurance in the underlying data when the estimates are made, unforeseen events and uncontrollable factors can have significant adverse or positive impacts on the estimates. Actual results will inherently differ from estimates. The unforeseen events and uncontrollable factors include, without limitation: geologic uncertainties including inherent sample variability, metal price fluctuations, variations in mining and processing parameters, and adverse changes in environmental or mining laws and regulations. The timing and effects of variances from estimated values cannot be accurately predicted.

Below is a brief summary of some of Perpetua Resources' risks and uncertainties. The business of the Corporation involves significant risk due to the nature of mining, exploration and development activities. Certain risk factors, including but not limited to those listed below, are related to the mining industry in general while others are specific to Perpetua Resources. These risk factors are not a definitive list of all risk factors associated with an investment in the common shares of Perpetua Resources or in connection with the Corporation's operations.

**Industry Risks**

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

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

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

- international economic and political conditions;
- central bank purchases and sales;
- expectations of inflation or deflation;
- international currency exchange rates;
- interest rates;
- global or regional consumptive patterns;
- speculative activities;
- levels of supply and demand;
- increased production due to new mine developments;
- decreased production due to mine closures;
- improved mining and production methods;
- availability and costs of metal substitutes;
- metal stock levels maintained by producers and others; and
- inventory carrying costs.



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

While the price of gold has recently been strong, there can be no assurance that gold prices will remain at such levels or be such that the Project, and any future operations in which Perpetua Resources has a direct or indirect interest, will be mined at a profit. Some credible industry experts are predicting that gold will continue to increase in price during 2021 and the next several years. However, other credible industry experts expect that the price of gold has generally peaked during the recent pandemic and resulting economic crisis, and that as economies slowly recover over the next few years, the price of gold will decrease and be worth much less per ounce than it is today.

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

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

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

**Mineral exploration and development in the United States is subject to numerous regulatory requirements on land use.**

Mineral exploration and development in the United States is subject to Federal, State and local regulatory processes and evolving application of environmental and other regulations can and has affected the ability to advance mineral projects as effectively as in prior years. A number of mineral projects in the United States have been subjected to regulatory delays or actions that have impeded the progress of these projects towards production. Such delays can increase the funding requirements of the Corporation as expenditures continue for a longer period of time.



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

A changing legal environment and court rulings related to the use of unpatented lode mining claims now being overturned and re-examined may cause the Corporation to make modifications to its current claims management program and strategy.

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

An appeal of the District Court decision in Rosemont Mine was heard February 1, 2021 in the United States Court of Appeals for the Ninth Circuit where the United States defended the decision of the Forest Service. The Corporation believes that the Arizona court's conclusion squarely conflicts with applicable Mining Law statutes, regulations, case law, and the strong congressional policy favoring mineral development and multiple uses of Federal lands and is monitoring the outcome of the case.

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

Resource exploration and development is a speculative business, characterized by a high number of failures. Substantial expenditures are required to discover new deposits and to develop the infrastructure, mining and processing facilities at any site chosen for mining. Resource exploration and development also involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate. Few properties that are explored are ultimately developed into producing mines, and there is no assurance that commercial quantities of ore will be discovered on any of Perpetua Resources' exploration properties. There is also no assurance that, even if commercial quantities of ore are discovered, a mineral property will be brought into commercial production, or if brought into production, that it will be profitable. The discovery of mineral deposits is dependent upon a number of factors, including the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit is also dependent upon, among a number of other factors, its size, grade, proximity to infrastructure, current metal prices, and government regulations, including regulations relating to required permits, royalties, allowable production, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but any one of these factors, or the combination of any of these factors, may prevent Perpetua Resources from receiving an adequate return on invested capital. In addition, depending on the type of mining operation involved, several years can elapse from the initial phase of drilling until commercial operations are commenced. Some ore reserves may become unprofitable to develop if there are unfavourable long-term market price fluctuations in gold or other metals, or if there are significant increases in operating or capital costs. Most of the above factors are beyond the Corporation's control, and it is difficult to ensure that the exploration or development programs proposed by Perpetua Resources will result in a profitable commercial mining operation. Please also see, among other things, the risk factor found under the subheading "Perpetua Resources' future exploration and development efforts may be unsuccessful" below.



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

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

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

the risk factor found under the subheading “Perpetua Resources’ business involves risks for which Perpetua Resources may not be adequately insured, if it is insured at all” below.

**Mineral exploration and development activities are subject to geologic uncertainty and inherent variability.**

There is inherent variability between duplicate samples taken adjacent to each other and between sampling points that cannot be reasonably eliminated. There may also be unknown geologic details that have not been identified or correctly appreciated at the current level of delineation. This results in uncertainties that cannot be reasonably eliminated from the estimation process. Some of the resulting variances can have a positive effect and others can have a negative effect on mining and processing operations.

**The quantification of Mineral Resources and Mineral Reserves is based on estimates and is subject to great uncertainty, and there can be no assurance about the quantity and grade of minerals until Mineral Resources are actually mined.**

The calculations of amounts of mineralized material within Mineral Resources and Mineral Reserves are estimates only. Actual recoveries of gold and other potential by-products from Mineral Resources and Mineral Reserves may be lower than those indicated by test work. Any material change in the quantity of mineralization, grade, tonnage or stripping ratio, or the price of gold and other potential by-products, may affect the economic viability of a mineral property. In addition, there can be no assurance that the recoveries of gold and other potential by-products in small-scale laboratory tests will be duplicated in larger scale pilot plant tests under on-site conditions or during production. Notwithstanding the results of any metallurgical testing or pilot plant tests for metallurgy and other factors, there remains the possibility that the ore may not react in commercial production in the same manner as it did in testing.

Mining and metallurgy are an inexact science and, accordingly, there always remains an element of risk that a mine may not prove to be commercially viable. Until a deposit is actually mined and processed, the quantity of Mineral Reserves, Mineral Resources and grades must be considered as estimates only. In addition, the determination and valuation of Mineral Reserves and Mineral Resources is based on, among other things, assumed metal prices. Market fluctuations and metal prices may render Mineral Resources and Mineral Reserves uneconomic. Any material change in quantity of Mineral Reserves, Mineral Resources, grade, tonnage, percent extraction of those mineral reserves recoverable by underground mining techniques or stripping ratio for those Mineral Reserves recoverable by open pit mining techniques may affect the economic viability of a mining project, including the Project and any future operations in which Perpetua Resources has a direct or indirect interest. Please also see, among other things, the risk factor found under the subheading “Perpetua Resources’ mineral resource and mineral reserve estimates may not be indicative of the actual gold that can be mined” below.



**Increased operating and capital costs may adversely affect the viability of existing and proposed mining projects.**

The mining industry has at times been subjected to conditions that have resulted in significant increases in the cost of equipment, labour and materials. Perpetua Resources used benchmarked data for the operation and capital costs included in its FS with an effective date of December 22, 2020; however, there is no guarantee that development or operations of the Project will eventuate, and if it did, such operating or capital costs will prevail.

**The Corporation’s Risks**

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

Perpetua Resources does not generate any revenues and does not have sufficient financial resources to undertake by itself all of its planned exploration and permitting activities. Perpetua Resources has limited financial resources and has financed its activities primarily through the sale of Perpetua Resources’ securities, such as common shares and convertible notes. Perpetua Resources will need to continue its reliance on the sale of its securities for future financing, including that required to complete the permitting process, resulting in dilution to existing shareholders.

Specifically, the failure to obtain sufficient financing, or financing on terms acceptable to Perpetua Resources, may result in a delay or indefinite postponement of exploration, development or production on any or all of the Corporation’s properties or even a loss of an interest in a property, or an inability to pay any of the Corporation’s non-operating expenses which could also lead to late fees or penalties, depending on the nature of the expense.

If future financings involve the issuance of debt, the terms of the agreement governing such debt could impose restrictions on the Corporation’s operation of its business. Failure to raise capital when needed could have a materially adverse effect on the Corporation’s business, financial condition and results of operations. If adequate financing is not available, Perpetua Resources may not be able to commence or continue with its activities.

**Perpetua Resources has an obligation to repay the outstanding principal under the remaining 2016 Notes by the seventh anniversary of their issuance unless previously converted into common shares; on or before that date, Perpetua Resources either needs to have arranged sufficient funding to repay the outstanding principal or to have converted the notes into common shares in accordance with the terms of the Convertible Notes.**

Perpetua Resources does not generate revenue and previously announced a plan of how it intended to use the proceeds from the issuance of the Convertible Notes over the term of the Convertible Notes. In order to repay the outstanding principal on remaining 2016 Notes, Perpetua Resources either needs to arrange debt, equity or other forms of funding, to either develop the Stibnite Gold Project and repay the remaining 2016 Notes from operating cash flows, repay the remaining 2016 Notes in full, or convert the remaining 2016 Notes into common shares. The risks associated with the development of the Stibnite Gold Project as stated in this section are high. There are no circumstances in which the

Corporation would be required to pay cash upon conversion of the remaining 2016 Notes.



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

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

**Perpetua Resources is subject to numerous government regulations which could cause delays in carrying out its operations, and increase costs related to its business.**

Perpetua Resources' mineral exploration and development activities are subject to various laws and regulations governing operations, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities, who may require operations to cease or be curtailed, or corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, development or production. Amendments to current laws and regulations governing operations, or more stringent implementation thereof could substantially increase the costs associated with Perpetua Resources' business or prevent it from exploring or developing its properties.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on Perpetua Resources and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

**Perpetua Resources is currently undertaking an extensive permitting process for the redevelopment and restoration of the Stibnite Gold Project and the timeframes for such processes are not fixed and can take significantly longer, and cost significantly more, than expected.**

The regulatory processes related to permitting of major mining projects in the US are subject to considerable uncertainty as to the information required by the permitting agencies and the timeframes to analyze information provided, and the outcomes of such analysis. The Stibnite Gold Project is more complex than greenfields sites due to the need to address the extensive legacy impacts related to historical mining activities which adds additional uncertainty. Since Perpetua Resources entered the permitting process for redevelopment and restoration, the proposed timeframe to get to a Final ROD has been extended by regulators several times and further extensions to the currently published timeframes can be expected.



**Perpetua Resources' current and future permits to conduct activities at the Stibnite Gold Project could be challenged during regulatory processes or in the courts by third parties and such challenges may delay or prevent the Corporation from meeting its objectives.**

Third parties commonly challenge permits related to exploration, development and mining projects and there is a possibility that such parties may challenge Perpetua Resources' permits for its activities. Such challenges would extend the timeframes anticipated for the Project advancement and increase funding requirements beyond those currently anticipated or block the approval of the Project.

**Perpetua Resources may be subject to litigation.**

All industries, including the mining industry, are subject to legal claims, with and without merit. The Corporation may become involved in legal disputes in the future. Defense and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material effect on the Corporation's financial position or results of operations.

Legal proceedings may be brought against Perpetua Resources, for example, litigation based on its business activities, environmental laws, tax matters, volatility in its stock price or failure to comply with its disclosure obligations, which could have a material adverse effect on Perpetua Resources' financial condition or prospects. Regulatory and government agencies may bring legal proceedings in connection with the enforcement of applicable laws and regulations, and as a result, Perpetua Resources may be subject to expenses of investigations and defense, fines or penalties for violations if proven, and potentially cost and expense to remediate, increased operating costs or changes to operations, and cessation of operations if ordered to do so or required in order to resolve such proceedings. The Corporation may become party to disputes governed by the rules of arbitration outside of Canada. Perpetua Resources may also be the subject of legal claims in Canada in respect of its activities in another jurisdiction such as the United States. In the event of a dispute arising at non-Canadian operations, Perpetua Resources may

be subject to the exclusive jurisdiction of non-Canadian courts or may not be successful in subjecting non-Canadian persons to the jurisdiction of courts in Canada. The Corporation's inability to enforce its rights could have an adverse effect on its future cash flows, earnings, results of operations and financial condition.

**Perpetua Resources may face opposition from environmental non-governmental organizations ("ENGOs"), Indian tribes or other stakeholders that may delay or interfere with the regulatory process for the development of the Project.**

ENGOs, Indian tribes or other stakeholders commonly challenge permits related to exploration, development and mining projects and there is possibility that such parties may challenge Perpetua Resources' permits for its activities. Such challenges would extend the timeframes anticipated for the Project advancement and increase funding requirements beyond those currently anticipated or prevent the approval of the Project. As noted above, in 2018, the Nez Percé Tribe announced its opposition to the Project and certain NGOs campaigned against the community agreement. As discussed below, the Tribe brought judicial action against Perpetua Resources that it is presently defending and ultimately believes will be resolved in an acceptable manner.



**The Nez Percé Tribe has filed a complaint against Perpetua Resources under the Clean Water Act and the Corporation is vigorously defending the litigation. If successful, this litigation could act to delay the Project.**

On June 5, 2019, Perpetua Resources Corp., Perpetua Resources Idaho, Inc., Idaho Gold Resources Company, LLC and Stibnite Gold Company ("Companies") were served by Idaho's Nez Percé Tribe with a notice of intent (NOI) to sue under the Clean Water Act. The Tribe filed the complaint on August 8, 2019 in the United States District Court for the District of Idaho, which was later served on August 16, 2019. The complaint identified eight areas internal and external to the Stibnite Gold Project Site that the suit alleges violates the Clean Water Act, and the action seeks declaratory and injunctive relief.

The Companies filed a motion to dismiss and, in the alternative, a motion to stay the litigation pending conclusion of negotiations with the EPA on a CERCLA administrative order on consent, a process that was underway before the plaintiff filed suit. Argument was heard on December 16, 2019, where the motion to dismiss was denied. On January 7, 2020, the Companies filed its formal answer denying liability for the allegations contained in the complaint, and on January 8, 2020, the motion to stay the litigation was denied by the district court. On June 11, 2020, Perpetua Resources Idaho, Inc., Idaho Gold Resources Company, LLC and Stibnite Gold Company ("Perpetua Companies") notified the Forest Service that they may seek to join them in the case through a formal notice of intent ("NOI"). The Perpetua Companies filed the complaint against the Forest Service per previous NOI on August 18, 2020. In conjunction with the filing, the Perpetua Companies requested that the action be joined to the original action as a "third party complaint" or in the alternative, be consolidated with the original action. On September 8, 2020, the Federal court granted a stipulation allowing the Companies to file an amended answer and allowing the Perpetua Companies to file the third-party complaint against the Forest Service, in addition to declining to consolidate the cases. Subsequently, on September 9, 2020, the court held a status conference and the prospect emerged of scheduling a mandatory alternative dispute resolution ("ADR").

For over three years, the Companies have been working with EPA on a CERCLA agreement that will foster early clean up activity on the Stibnite Site. Under CERCLA section 113(h), citizen suits under the Clean Water Act are pre-empted from interfering in work covered under CERCLA administrative orders. On January 15, 2021 a voluntary administrative settlement and order on consent ("ASAOC") that that would afford legal certainty in performing any CERCLA response actions was executed by the Companies as well as the EPA and the United States Department of Agriculture with the concurrence of the United States Department of Justice. Such early CERCLA actions (known as "time critical removal actions"), upon work plan approval by the Federal agencies, will begin taking place in early 2021 and are designed to immediately improve water quality in a number of areas on the site while longer-term actions are being evaluated through the NEPA process.

Pursuant to the ASAOC, the Companies agreed to dismiss its pending complaints against the Forest Service, which occurred on January 29, 2021. Also upon execution of the ASAOC, the parties agreed on February 17, 2021 to stay to the litigation until June 1 in order to explore ADR process, which was ordered by the court on February 19.

Perpetua Resources cannot predict the potential ramifications of this litigation matter, nor can it provide any assurance that it will be concluded in a manner consistent with the Corporation's expectations.

**Perpetua Resources has not completed an environmental impact statement, nor has it received the necessary permits for water or explosives to conduct mining operations.**

The department responsible for environmental protection in the U.S. has broad authority to shut down and/or levy fines against facilities that do not comply with environmental regulations or standards. Failure to obtain the necessary permits would adversely affect progress of Perpetua Resources' activities and would delay or prevent the beginning of commercial operations.



**Perpetua Resources' activities are potentially subject to environmental liability.**

Perpetua Resources is not aware of any claims for damages related to any impact that its operations have had on the environment but it may become subject to such claims in the future, including potential claims related to legacy environmental impacts from prior operators. An environmental claim could adversely affect Perpetua Resources' business due to the high costs of defending against such claims and its impact on senior management's time and attention to addressing such claims. Also, environmental regulations may change in the future which could adversely affect Perpetua Resources' operations including the potential to curtail or cease exploration programs or to preclude entirely the

economic development of a mineral property. The extent of any future changes to environmental regulations cannot be predicted or quantified, but it should be assumed that such regulations would become more stringent in the future. Generally, new regulations will result in increased compliance costs, including costs for obtaining permits, delays or fines resulting from loss of permits or failure to comply with the new regulations.

The Corporation's activities and ownership interests potentially expose the Corporation to liability under CERCLA and its state law equivalents. Under CERCLA and its state law equivalents, subject to certain defenses, any present or past owners or operators of a facility, and any parties that disposed or arranged for the disposal of hazardous substances at such a facility, could be held jointly and severally liable for cleanup costs and may be ordered to undertake remedial cleanup actions or to pay for the previous government cleanup efforts in response to actual or threatened releases of hazardous substances. Such parties may also be liable to government or tribal entities for the cost of damages to natural resources, which may be substantial. Additional regulations or requirements may also be imposed upon the Corporation's operations, tailings and waste disposal areas, as well as upon mine closure under federal and state environmental laws and regulations, including, without limitation, the U.S. Clean Water Act and state law equivalents. Air emissions in the U.S. are subject to the Clean Air Act and its state equivalents as well.

On January 15, 2021 a voluntary ASAOC under CERCLA (see above) that that would afford legal certainty for Perpetua Resources in performing any response actions was executed by Perpetua Resources as well as the Environmental Protection Agency ("EPA") and the United States Department of Agriculture with the concurrence of the United States Department of Justice. With this agreement, it is not expected that any CERCLA enforcement actions will take place while the ASAOC remains in effect for actions and activities conducted under the authority of the ASAOC, which could be for the duration of the Project.

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

The mineral resource industry is intensively competitive in all of its phases, and Perpetua Resources competes with many companies possessing much greater financial and technical research resources. Competition is particularly intense with respect to the acquisition of desirable undeveloped gold properties. The principal competitive factors in the acquisition of such undeveloped properties include the staff and data necessary to identify, investigate and purchase such properties, and the financial resources necessary to acquire and develop such properties. Competition could adversely affect Perpetua Resources' ability to advance the Project or to acquire suitable prospects for exploration in the future on terms it considers acceptable. Increased competition could adversely affect the Corporation's ability to attract necessary capital funding or acquire an interest in additional properties.

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

Mineral resource exploration and, if warranted, development, is a speculative business, characterized by a number of significant risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits, which, though present, are insufficient in volume and/or grade to return a profit from production. There is no certainty that the expenditures that have been made and may be made in the future by Perpetua Resources related to the exploration of its properties will result in discoveries of mineralized material in commercial quantities. Most exploration projects do not result in the discovery of commercially viable mineral deposits and no assurance can be given that any particular level of recovery or Mineral Reserves will in fact be realized or that any identified mineral deposit will ever qualify as a commercially viable deposit which can be legally and economically exploited.



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

Assays results from core drilling or reverse circulation drilling can be subject to errors at the laboratory analyzing the drill samples. In addition, reverse circulation or core drilling may lead to samples which may not be representative of the gold or other metals in the entire deposit. Mineral resource and mineral reserve estimates are based on interpretation of available facts and extrapolation or interpolation of data and may not be representative of the actual deposit. All of these factors may lead to mineral resource and/or mineral reserve estimates being overstated, the mineable gold that can be received from the Project being less than the mineral resource and mineral reserve estimates, and the Project not being a viable project.

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

**Perpetua Resources has a limited history as an exploration company and does not have any experience in putting a mining project into production.**

Perpetua Resources has only been actively engaged in exploration since 2009. Perpetua Resources does not generate any revenues from operations or production. Putting a mining project into production requires substantial planning and expenditures and, while several members of the management have mine construction experience, as a corporation, Perpetua Resources does not have any experience in taking a mining project to production. As a result of these factors, it is difficult to evaluate Perpetua Resources' prospects, and its future success is more uncertain than if it had a longer or more proven history.

**Perpetua Resources expects to continue to incur losses and may never achieve profitability, which in turn may harm the future operating performance and may cause the market price of Perpetua Resources' common shares to decline.**

Perpetua Resources has incurred net losses every year since inception. Perpetua Resources currently has no commercial production and has never recorded any revenues from mining operations. Perpetua Resources expects to continue to incur losses, and will continue to do so until such time, if ever, as its properties commence commercial production and generate sufficient revenues to fund continuing operations.

The proposed development of new mining operations will require the commitment of substantial resources for operating expenses and capital

expenditures, which may increase in subsequent years as Perpetua Resources adds, as needed, consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Project or any other properties. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture or other agreements with others in the future, its acquisition of additional properties, and other factors, many of which are unknown today and may be beyond the Corporation's control. Perpetua Resources may never generate any revenues or achieve profitability. If Perpetua Resources does not achieve profitability, it would have to raise additional financing or shut down its operations.



**Perpetua Resources has negative cash flow from operating activities.**

As indicated, the Corporation currently has no producing mines and has no source of operating cash flow other than through equity, joint ventures and/or debt financing. As such, the Corporation has, and is expected to continue to have, negative operating cash flow. To the extent the Corporation has negative cash flow in future periods, the Corporation may use a portion of its general working capital to fund such negative cash flow.

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

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

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

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

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

**Perpetua Resources' ability to explore and, if warranted, develop its mineral claims may be impacted by litigation or consent decrees entered into by previous owners of mineral rights that now comprise the Project, related to disturbance related to past mining and exploration activities.**

Several of the patented lode and mill site claims acquired by Perpetua Resources over the West End Deposit and the Cinnabar claim groups (the latter held under option) are subject to a consent decree under CERCLA, which covers certain environmental liability and remediation responsibilities with respect to such claims. The consent decree requires that heirs, successors and assigns refrain from activities that would interfere with or adversely affect the integrity of any remedial measures implemented by government agencies. Several of the patented claims in the Hangar Flats and Yellow Pine properties are subject to a consent decree under CERCLA between the original owner of those claims and the United States, which creates certain obligations on that owner, including that the owner will cooperate with the EPA and U.S. Forest Service in those agencies' efforts to secure any government controls necessary to implement response activities.



All industries, including mining, are subject to legal claims with or without merit. Defense and settlement costs can be substantial, even with respect to claims without merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular claim could have an effect on the Corporation's financial position. It is possible that any proposal to develop a mine on the Project, or any governmental approval for such a development, could be challenged in court by third parties, the effect of which would be to delay and possibly entirely impede the Corporation from developing the Project or commencing production.

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

Perpetua Resources is dependent on a relatively small number of key personnel, the loss of any of whom could have an adverse effect on the operations of Perpetua Resources. Perpetua Resources' success is dependent to a great degree on its ability to attract and retain highly qualified management personnel. The loss of any such key personnel, through incapacity or otherwise, would require Perpetua Resources to seek and

retain other qualified personnel and could compromise the pace and success of its exploration and permitting activities. Perpetua Resources does not maintain key person insurance in the event of a loss of any such key personnel.

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

Perpetua Resources has a relatively small staff and depends upon its ability to hire consultants with the appropriate background and expertise as such persons are required to carry out specific tasks. Perpetua Resources' inability to hire the appropriate consultants at the appropriate time could adversely impact Perpetua Resources' ability to advance its exploration and permitting activities.

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

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

**Internal controls provide no absolute assurances as to reliability of financial reporting and financial statement preparation, and ongoing evaluation may identify areas in need of improvement.**

The Corporation has invested resources to document and assess its system of internal control over financial reporting and undertakes an evaluation process of such internal controls. Internal control over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, safeguards with respect to the reliability of financial reporting and financial statement preparation.



The Corporation currently believes that no material weakness exists in regard to its internal controls for financial reporting that result in a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented or detected on a timely basis. However, if the Corporation fails to maintain the adequacy of its internal control over financial reporting, as either the Corporation's or the applicable regulatory standards are modified, supplemented, or amended from time to time, then the Corporation may not be able to ensure that it can conclude on an ongoing basis that it has effective internal controls over financial reporting. If in the future the Corporation is required to disclose a material weakness in its internal controls over financial reporting, then this could result in the loss of investor confidence in the reliability of the Corporation's financial statements, which in turn could harm the Corporation's business and negatively impact the trading price of its common shares. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Corporation's operating results, or cause it to fail to meet its reporting obligations.

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

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

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

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

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

**A shortage of supplies and equipment could adversely affect Perpetua Resources' ability to operate its business.**

Perpetua Resources is dependent on various supplies and equipment to carry out its activities. The shortage of such supplies, equipment and parts could have a material adverse effect on Perpetua Resources' ability to carry out its activities and therefore have a material adverse effect on the cost of doing business.

**A cyber security incident could adversely affect Perpetua Resources' ability to operate its business.**

Information systems and other technologies, including those related to the Corporation's financial and operational management, and its technical and environmental data, are an integral part of the Corporation's business activities. Network and information systems related events, such as computer hacking, cyber-attacks, computer viruses, worms or other destructive or disruptive software, process breakdowns, denial of service attacks, or other malicious activities or any combination of the foregoing or power outages, natural disasters, terrorist attacks, or other similar events could result in damages to the Corporation's property, equipment and data. These events also could result in significant expenditures to repair or replace damaged property or information systems and/or to protect them from similar events in the future. Furthermore, any security breaches such as misappropriation, misuse, leakage, falsification, accidental release or loss of information contained in the Corporation's information technology systems including personnel and other data that could damage its reputation and require the Corporation to expend significant capital and other resources to remedy any such security breach. Insurance held by the Corporation may mitigate losses however in any such events or security breaches may not be sufficient to cover any consequent losses or otherwise adequately compensate the Corporation for any disruptions to its business that may result and the occurrence of any such events or security breaches could have a material adverse effect on the business of the Corporation. There can be no assurance that these events and/or security breaches will not occur in the future or not have an adverse effect of the business of the Corporation.

**Counterparty and liquidity risk.**

Credit risk relates to cash and cash equivalents, accounts receivable, and derivative contracts and arises from the possibility that a counterparty to an instrument fails to perform. Counterparty risk is the risk that a third party might fail to fulfill its performance obligations under the terms of a financial instrument. The Corporation is subject to counterparty risk and may be affected, in the event that a counterparty becomes insolvent. To manage both counterparty and credit risk, the Corporation proactively manages its exposure to individual counterparties. The Corporation only transacts with highly rated counterparties. A limit on contingent exposure has been established for each counterparty based on the counterparty's credit rating, and the Corporation monitors the financial condition of each counterparty.

Liquidity risk is the risk that the Corporation may not have sufficient cash resources available to meet its payment obligations. To manage liquidity risk, the Corporation maintains cash positions and has financing in place that the Corporation expects will be sufficient to meet its operating and capital expenditure requirements. Potential sources for liquidity could include, but are not limited to: the Corporation's current cash position, existing credit facilities, future operating cash flow, and potential private and public financing. Additionally, the Corporation reviews its short-term operational forecasts regularly and long-term budgets to determine its cash requirements.

**Perpetua Resources may be negatively affected by an outbreak of infectious disease or pandemic.**

An outbreak of infectious disease, pandemic or a similar public health threat, such as the COVID-19 outbreak in 2020, and the response thereto, could adversely impact the Corporation, both operationally and financially. The global response to the COVID-19 outbreak has resulted in, among other things, border closures, severe travel restrictions and extreme fluctuations in financial and commodity markets. Additional measures may be implemented by one or more governments around the world in jurisdictions where the Corporation operates. Labour shortages due to illness, Corporation or government-imposed isolation programs, restrictions on the movement of personnel or possible supply chain or other disruptions could result in a reduction or interruption of the Corporation's operations and activities. An outbreak of infectious disease, pandemic or a similar public health threat may affect the Corporation's ability to purchase products and/or services at reasonable costs in the operation of its business and to stay on schedule due to the reliance on external parties in the permitting process. As well, as efforts are undertaken to slow the spread of the COVID-19 pandemic, the operation and development of mining projects may be impacted. To date, a number of mining projects have been suspended as cases of COVID-19 have been confirmed, for precautionary purposes or as governments have declared a state of emergency or taken other actions. If the operation or development of one or more of the properties of Perpetua Resources, or in which Perpetua Resources holds a royalty, stream or other interest, is suspended or the development is delayed for precautionary purposes or as governments declare states of emergency or other actions are taken in an effort to combat the spread of COVID-19, it may have a material adverse impact on the Corporation's profitability, results of operations, financial condition and the trading price of the Corporation's securities.



The adverse effects described above could be rapid and unexpected. These disruptions may severely impact the Corporation's ability to carry out its business plans for 2021 and beyond. While the Corporation's operations and activities have not been materially impacted to date (although Perpetua Resources has adjusted some of its internal procedures), there can be no assurance that Perpetua Resources will remain unaffected by the current COVID-19 crisis or potential future health crises. The actual and threatened spread of COVID-19 globally could adversely affect global economies and financial markets resulting in a prolonged economic downturn and a decline in the value of the Corporation's stock price.

In response to the COVID-19 pandemic, Perpetua Resources has implemented precautionary measures and management practices at its corporate offices, including introducing a "work from home" policy at its offices in Canada and Idaho, limiting visits to essential personnel, reducing travel for its personnel, transitioning to virtual meetings where feasible and ensuring proper protocols around sanitation and social distancing.

The Corporation's management will continue to monitor the situation regarding COVID-19 and may take actions under best management practices that alter the Corporation's business operations as may be required by federal, provincial or local authorities (including Health Canada and the US Center for Disease Control), or that management determines are in the best interests of the Corporation's employees, suppliers, shareholders and other stakeholders. Such alterations or modifications could cause substantial interruption to the Corporation's business, any of which could have a material adverse effect on, among other things, the Corporation's operations or financial results. The extent to which COVID-19 and any other pandemic or public health crisis impacts the Corporation's business, affairs, operations, financial condition (including the Corporation's ability to raise funds), liquidity, availability of credit and results of operations will depend on future developments that are highly uncertain and cannot be accurately predicted, including new information which may emerge concerning the severity of and the actions required to contain the COVID-19 pandemic or remedy its impact, among others. While vaccination programs have begun to be implemented throughout Canada and the United States, industries, including mining, continue to be affected by COVID-19 in varying degrees. It continues to be difficult to

predict the duration and extent of the impact of COVID-19 on the Corporation's business and operations, both in the short and long-term.

In December 2020, several Canadian provinces declared a second provincial emergency requiring various restrictions, such as stay at home orders, mandatory closures of certain types of businesses and reduced limits on social gatherings. While these restrictions have not yet had a significant impact on the Corporation's operations, the Corporation cannot predict the extent to which these restrictions (and any other future restrictions imposed by governmental authorities in Canada or the United States) may affect the Corporation on a going-forward basis.



## DIVIDENDS AND DISTRIBUTIONS

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

## DESCRIPTION OF CAPITAL STRUCTURE

### Authorized Capital

The authorized capital of the Corporation consists of an unlimited number of common shares without par value, an unlimited number of first preferred shares without par value, and an unlimited number of second preferred shares without par value.

### Common Shares

There are 47,561,444 common shares issued and outstanding as of the date of this AIF. There are no special rights or restrictions of any nature attached to any of the common shares, which all rank equally as to all benefits which might accrue to the holders of common shares. All registered shareholders are entitled to receive a notice of any general meeting of the shareholders to be convened by the Corporation. At any general meeting, subject to the restrictions on joint registered owners of common shares, on a show of hands every shareholder who is present in person and entitled to vote has one vote and on a poll, every shareholder has one vote for each common share of which he, she or it is the registered owner and may exercise such vote either in person or by proxy.

### Preferred Shares

No first preferred shares or second preferred shares are issued and outstanding as of the date of this AIF.

The first preferred shares have certain privileges, restrictions and conditions. The first preferred shares may be issued in one or more series and the Board may from time to time fix the number and designation and create special rights and restrictions. First preferred shares would rank on a parity with first preferred shares of any other series (if any) and be entitled to priority over the second preferred shares, common shares, and the shares of any other class ranking junior to the first preferred shares with respect to the payment of dividends and the distribution of assets on a liquidation, dissolution or winding up of the Corporation. Holders of first preferred shares shall be entitled to receive notice of and to attend all annual and special meetings of shareholders of the Corporation, except for meetings at which any holders or a specified class or series are entitled to vote, and to one vote in respect of each first preferred share held at all such meetings.

The second preferred shares have certain privileges, restrictions and conditions. Second preferred shares may be issued in one or more series and the directors may from time to time fix the number and designation and create special rights and restrictions. Second preferred shares would rank on a parity with second preferred shares of any other series (if any) and be entitled to priority over the common shares and the shares of any other class ranking junior to the second preferred shares with respect to the payment of dividends and the distribution of assets on a liquidation, dissolution or winding up of the Corporation. Holders of second preferred shares shall be given notice of and be invited to attend meetings of the voting shareholders of the Corporation but shall not be entitled as such to vote at any general meeting of shareholders of the Corporation.



## MARKET FOR SECURITIES

### Trading Price and Volume

The following table sets out information relating to the monthly trading of the common shares of the Corporation on the TSX (under symbol "MAX") for the months indicated (presented on a pre-Consolidation basis):

| Period | High | Low | Volume |
|---|---|---|---|
| **2020** | | | |
| January | 0.73 | 0.56 | 4,369,222 |
| February | 0.61 | 0.50 | 3,928,580 |
| March | 0.56 | 0.235 | 5,476,932 |
| April | 0.67 | 0.41 | 6,660,603 |
| May | 0.68 | 0.52 | 5,753,218 |

| | | | |
|---|---|---|---|
| June | 0.72 | 0.52 | 5,217,474 |
| July | 1.79 | 0.69 | 25,272,445 |
| August | 2.04 | 1.45 | 29,004,835 |
| September | 1.79 | 1.32 | 12,108,334 |
| October | 1.53 | 1.07 | 6,871,434 |
| November | 1.47 | 1.11 | 6,160,966 |
| December | 1.43 | 1.10 | 7,869,361 |

Source: Stockwatch

**Prior Sales**

The table below states the price, number and date at which securities of the Corporation, that are not listed or quoted on a marketplace, have been issued during the most recently completed financial year by the Corporation (all on a post-Consolidation basis).:

| Date of Issuance | Number of Common Shares[(1)] | Issuance or Exercise Price per Common Share[(1)] | Reason for Issue |
|---|---|---|---|
| January 1, 2020 | 338,000 | $ 6.20 | Grant of Stock Options |
| March 20, 2020 | 45,000 | $ 3.50 | Grant of Stock Options |
| April 3, 2020 | 50,000 | $ 4.40 | Grant of Stock Options |
| May 22, 2020 | 9,500 | $ 6.30 | Grant of Stock Options |
| August 26, 2020 | 9,473,716 | Cdn$ 3.541 | Note Conversion[(3)] |
| August 26, 2020 | 10,225,564 | Cdn$ 4.655 | Note Conversion[(3)] |

(1) Presented on a post-Consolidation basis.

(2) The Company's stock option plan includes stock appreciation rights (" **SARs**") which permit optionees to terminate vested stock options and receive Common Shares in lieu of the benefit which would have been received had the stock options been exercised.

(3) Issued to Paulson in respect of the exercise in full of the conversion feature of the convertible notes held by Paulson in the aggregate principal amount of Cdn$82,102,500;



**DIRECTORS AND OFFICERS**

**Name, Occupation and Security Holding**

The name, province or state and country of residence and position with the Corporation of each director and executive officer of the Corporation, the principal business or occupation in which each director and executive officer of the Corporation has been engaged during the immediately preceding five years, the period during which each director has served as director and the number and percentage of the voting securities beneficially owned, or controlled or directed, directly or indirectly, by each director and executive officer as at the date of this AIF is set out in the table below. Each director's term of office will expire at the next annual general meeting of the Corporation unless earlier due to resignation, removal or death of the director. The term of office of the officers expires at the discretion of the Corporation's directors.

| Name, Province/State and Country of Residence | Position with the Corporation | Principal Occupation During the Past Five Years | Period as Director and/or Officer | Number and Percentage of Common Shares Held[(1)] |
|---|---|---|---|---|
| Laurel Sayer<br>Idaho, USA[(4)] | President, CEO and Director | Ms. Sayer has served as President and CEO of PRII since 2016. Prior to her appointment to the Corporation's board of directors, Ms. Sayer worked as the executive director of the Idaho Coalition of Land Trusts (ICLT), which is dedicated to supporting and advancing private land conservation in Idaho. Ms. Sayer also spent more than two decades working on policy matters with Idaho Congressman Mike Simpson and Idaho United States Senator Mike Crapo, with an emphasis on natural resource issues. | Director and Officer since December 4, 2020 | 9,750<br>0.020% |
| Marcelo Kim<br>New York, USA[(3)] [(4)] | Chairman and Director | Partner at Paulson & Co. Inc. since 2011; from 2009-2011, generalist analyst covering event arbitrage investment opportunities across broad sectors and capital structures. Chairman of International Tower Hill since December 2016. | Director since March 17, 2016<br><br>Chairman since March 17, 2020 | Nil |

| Name, Province/State and Country of Residence | Position with the Corporation | Principal Occupation During the Past Five Years | Period as Director and/or Officer | Number and Percentage of Common Shares Held[1] |
|---|---|---|---|---|
| Christopher Papagianis[5] | Director | Partner at Paulson & Co., where he works on a number of the firm's largest investments. Prior to joining Paulson, Mr. Papagianis was director of private equity at Peterson Management. Mr. Papagianis last served in government as Special Assistant for Domestic and Economic Policy to President George W. Bush. In this role, he guided the collaborative process within the White House to develop and implement policies, legislation, and regulations across numerous agencies. Mr. Papagianis is a graduate of Harvard College. | Director since May 14, 2020 | Nil |
| Bob Dean Idaho, USA[2] [3] | Director | Mr. Dean has over two decades of experience in business, investment management, corporate finance, and capital markets, having spent over 20 years at Allen & Company LLC, a New York-based investment banking firm, where he was a Managing Director and equity partner. He is currently the Managing Member of Gemstone Capital and co-owner of Ada Sand & Gravel, a large independent producer of construction aggregates in Southwest Idaho. Mr. Dean serves as an Advisory Board Member of Natural Intelligence Systems, Inc. and Greybull Stewardship LP, and is a Board Member of several non-profits including Trailhead Boise, MoFi, and Ramapo for Children. | Director since December 4, 2020 | 5,000 0.011% |



| Name, Province/State and Country of Residence | Position with the Corporation | Principal Occupation During the Past Five Years | Period as Director and/or Officer | Number and Percentage of Common Shares Held[1] |
|---|---|---|---|---|
| David Deisley Utah, USA[3] [4] | Director | Mr. Deisley most recently led the successful permitting effort for the Donlin Gold Project in Alaska for NovaGold Resources and brings extensive recent permitting experience in the U.S. as well as a wealth of experience in corporate affairs, native/tribal stakeholder engagement, legal governance, litigation, and mergers and acquisitions. Prior to his tenure with NovaGold, Mr. Deisley was the Executive Vice President, Corporate Affairs and General Counsel for Goldcorp and previously worked at Barrick Gold. | Director since December 4, 2020 | 500 0.001% |
| Jeffrey Malmen Idaho, USA [2] [3] [5] | Director | Mr. Malmen is currently the Senior Vice President of Public Affairs for IDACORP and Idaho Power, where he has worked since 2007. In his role, he oversees government and regulatory affairs, corporate communications, and corporate services, including supply chain, real estate and facilities. Prior to that, Mr. Malmen enjoyed a 21-year career in state and federal politics, most recently as Chief of Staff for Idaho Governor C.L. "Butch" Otter and Idaho Governor Phil Batt prior to that. He also served as Administrator of the Division of Financial Management for Idaho Governor Dirk Kempthorne. He is the Vice Chairman of the Idaho Association of Commerce and Industry and Board Member of the Idaho Mining Association. | Director since December 4, 2020 | Nil |



| Name, Province/State and Country of Residence | Position with the Corporation | Principal Occupation During the Past Five Years | Period as Director and/or Officer | Number and Percentage of Common Shares Held[1] |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| Christopher Robison<br>Colorado, USA[4] [5] | Lead Director | Mr. Robinson was most recently Chief Operating Officer for Newmont Mining, the world's largest gold miner, brings extensive expertise in mining, metallurgy, project development, mine safety, stakeholder engagement, environmental issues, corporate social responsibility, supply chain, mergers and acquisitions, capital investments, business improvement and regulatory issues. Prior to his role at Newmont, Mr. Robison had a distinguished career at Rio Tinto Minerals and Kennecott Utah Copper. | Director since<br>December 4, 2020 | 10,000<br>0.021% |
| Alex Sternhell<br>Maryland, USA[2] [5] | Director | Mr. Sternhell is one of the top Washington strategists and lobbyists helping to shape U.S. public policy as Principal of the Sternhell Group. Mr. Sternhell has more than two decades of experience working on Capitol Hill. He served as the Democratic Deputy Staff Director of and Senior Policy Advisor to the U.S. Senate Committee on Banking, Housing and Urban Affairs as well as the Staff Director for the Senate Banking Subcommittee on Securities and Investment. He played a key role in drafting and negotiating nearly every major piece of financial services legislation in recent history. | Director since<br>December 4, 2020 | Nil |

(1) Percentage based on 47,561,444 common shares of the Corporation issued and outstanding as at the date of this AIF.
(2) Member of the Audit Committee, of which Mr. Dean is the Chair.
(3) Member of the Corporate Governance and Nominating Committee, of which Mr. Kim is the Chair.
(4) Member of the Environmental, Health and Safety Committee, of which Mr. Robison is the Chair.
(5) Member of the Compensation Committee, of which Mr. Papagianis is the Chair.

As of the date of this AIF, directors and executive officers of the Corporation, as a group, will beneficially own, or exercise control or direction, directly or indirectly, over an aggregate of 25,250 common shares representing 0.053% of the outstanding common shares of the Corporation. Paulson, an insider of the Corporation, currently owns 20,935,732 common shares, representing 44.018% of the outstanding common shares of the Corporation. Christopher Papagianis and Marcelo Kim are Paulson's nominees to the Board.



**Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

To the knowledge of the Corporation, none of the Corporation's directors or executive officers is, as at the date of this AIF, or has been, within ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any corporation (including the Corporation) that:

(a) was subject to an Order (as defined below) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

"Order" means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant corporation access to any exemption under securities legislation and, in each case, that was in effect for a period of more than 30 consecutive days.

None of the Corporation's directors or executive officers or, to the Corporation's knowledge, any shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation:

(a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any corporation (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder; or

(c) has been subject to:

  (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

  (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

**Conflicts of Interest**

The directors of the Corporation are required by law to act honestly and in good faith with a view to the best interests of the Corporation and to disclose any interests which they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Corporation will participate in any project or opportunity, that director will primarily consider the degree of risk to which the Corporation may be exposed and its financial position at that time.

To the best of the Corporation's knowledge, there are no known existing or potential conflicts of interest among the Corporation, its directors or officers as a result of their outside business interests, except that certain of the directors and officers serve as directors and/or officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise. Of the Corporation's eight directors, two are the nominee directors of Paulson & Co. Inc. and one is the nominee director of Barrick Gold Corporation (the "Nominee Directors"). Although the Nominee Directors may have been placed on the Corporation's board of directors by their respective companies, the Nominee Directors must, in exercising their fiduciary duties, act in the best interests of the Corporation and not in the best interests of their nominator.

The directors and officers of the Corporation are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and the Corporation will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. In accordance with the *Business Corporations Act* (British Columbia), such directors or officers will disclose all such conflicts and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

**CERTAIN CORPORATE GOVERNANCE CONSIDERATIONS**

The following disclosure is provided to augment the corporate governance disclosure pursuant to National Instrument NI 58-101 *Disclosure of Corporate Governance Practices* in the Corporation's most recently filed management information circular

**Director Term Limits and Other Mechanisms of Board Renewal**

The Corporation has not adopted term limits for its directors. The Corporation believes that term limits are an arbitrary mechanism for removing directors and can result in highly qualified and experienced directors forced out solely based on the length of their service. The Corporation's Corporate Governance and Nominating Committee, however, reviews on at least an annual basis the size, composition, mandate and performance of the Board and the various committees of the Board, and makes recommendations for appointment, removal of directors, or other adjustments as appropriate. In addition, the composition of the Corporation's board has changed considerably since inception, with only three directors having been with the Corporation since inception, thereby providing effective renewal of the board.

To ensure adequate renewal of the Board, the Board annually, and at such other times as it deems appropriate, reviews the performance and effectiveness of the Board, the directors and the committees of the Board to determine whether changes in size, personnel or responsibilities are warranted or advisable. To assist in its review, the Board will conduct informal surveys of its directors, receive an annual report from the Corporate Governance and Nominating Committee on its assessment of the functioning of the Board, and reports from each committee respecting each committee's own effectiveness.

As part of its annual review, the Board assesses the skills of its Board members in a variety of areas critical to the effective oversight of the Corporation. These assessments with regard to skills ensure that the Board possesses the requisite expertise, experience, and operational and business insight for the effective stewardship of the Corporation, and a summary of the results are disclosed in the Corporation's most recently filed management information circular. As part of its assessment, the Board also considers, among other diversity factors, whether there are women on the Board and the committees.



The results of such assessments and surveys are reported to the Board and the Chairman, together with any recommendations from the Corporate Governance and Nominating Committee for improving the composition of the Board.

The Corporate Governance and Nominating Committee has considered whether to propose that the Board adopt term limits for directors and has determined not to do so after consideration of a number of factors, including the significant advantages associated with the continued involvement of long-serving directors who have gained a deep understanding of the Corporation's projects, operations and objectives during their tenure; the experience, corporate memory and perspective of such directors; the annual review processes performed by the Board and its committees; the professional experience, areas of expertise and personal character of members of the Board; the actual changes in board composition over the years, and the current needs and objectives of the Corporation.

**Environmental, Social and Governance Policies**

From its beginning, Perpetua Resources has made the environment, social responsibility and good governance (" **ESG**") a priority and the foundation of everything it does and, in 2019, the Corporation adopted a formal ESG Policy which sets out the guiding principals that it and its subsidiaries follow with regards to environmental protection, social considerations and good governance. Through the approval of the ESG Policy and other corporate initiatives, the Corporation is demonstrating these commitments through its actions and reports on them regularly. Additional information regarding Perpetua Resources' ESG initiatives can be found here https://investors.perpetuaresources.com/esg/

The Corporation maintains a written Code of Conduct & Ethics Policy ( **Code**), which sets out standards of behaviour required by all employees in conducting the business and affairs of Perpetua Resources and its subsidiaries. Compliance with the Code is mandatory for all employees, officers and directors, and the full text may be viewed on the Corporation's web site. Included within the Code is a requirement that all employees comply with all laws and governmental regulations applicable to the Corporation's activities, including but not limited to, maintaining a safe and healthy work environment, promoting a workplace that is free from discrimination or harassment and conducting all activities in full compliance with all applicable environmental and securities laws.

**Policies Regarding the Representation of Women on the Board**

The Corporation adopted a Diversity & Inclusion Policy which sets forth the Corporation's commitment and approach to achieving and maintaining diversity on its Board and in Executive Officer or Senior Management positions. In this Policy, diversity refers to all the characteristics that make individuals different from each other. It includes, but is not limited to, characteristics such as gender, geographical representation, education, skills and experience, ethnicity, age and personal circumstances.

The Corporate Governance and Nominating Committee has had considerable discussion regarding gender diversity and the benefits thereof and the Corporation is committed to gender diversity on the Board and the boards of directors of its subsidiaries, as well as at the senior levels of management. The Board ensures, in the process of ongoing Board renewal and the continuing search for a diverse mix of talent and competency, that, where possible, new appointments will advance the Corporation's commitment to diversity in a timely fashion.



**Consideration of the Representation of Women in the Director and Executive Officer Identification and Selection Process**

*Board and Executive Officer Appointments*

In accordance with the Diversity Policy, the Board, with the assistance of the Corporate Governance and Nominating Committee or any other person who identifies or nominates Board members or Executive Officers for appointment, will, in the process of identifying and considering candidates for appointment/election to the Board or to Executive Officer positions:

- ensure the Board is comprised of Directors who possess knowledge, skills, competencies, diverse viewpoints and relevant expertise to enable them to make active, informed and positive contributions to the management of the Corporation and the conduct of its business;
- review the Board skills & competencies assessments, developed and maintained to identify the skills and competencies required for the Board and to monitor how those requirements are currently satisfied, along with potential areas for growth and improvement;
- review the current list of potential candidates, developed and maintained to the extent feasible to address the diversity objectives of this Policy;
- consider candidates who are highly qualified based on their experience, professional expertise, personal skills, qualities and values;
- consider diversity criteria defined in this Policy and specifically the level of representation of women on the Board, in Executive Officer and Senior Management positions, in order to promote gender diversity;
- take into account that qualified candidates for Directors may be found in a broad range of organizations, including privately held businesses, profit and not-for profit associations, academic institutions and other entities in addition to the traditional candidate pool of corporate directors; and
- engage, where appropriate, qualified independent executive search firms to conduct searches for candidates, to help achieve the Corporation's diversity objectives in relation to the Board and Executive Officer positions.

*Senior Management Appointments*

In accordance with the Diversity Policy, the Chief Executive Officer of Perpetua Resources, with the assistance of the Chief Executive Officer of PRII, will, when identifying and considering the selection of candidates for appointment/promotion to Senior Management positions:

- consider candidates who are highly qualified based on their experience, professional expertise, personal skills, qualities and values;
- consider diversity criteria defined in this Policy and specifically the level of representation of women in Senior Management positions, in order to promote gender diversity;
- take into account that qualified candidates may be found in a broad range of organizations, including privately held businesses, profit and not-for profit associations, academic institutions and other entities in addition to the traditional candidate pool of corporate senior managers; and
- engage, where appropriate, qualified independent executive search firms to conduct searches for candidates, to help achieve the Corporation's diversity objectives in relation to Senior Management positions.

**Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions**

The Corporation has not, at this time, established fixed targets in relation to any specific diversity characteristics, however, it aspires towards meaningful progress being achieved in future with respect to the number of women on the Board and in Executive Officer or Senior Management positions.

The Corporation believes that adopting such targets may unduly restrict its ability to nominate, select, hire or promote the best candidate for the position in question, however, the Corporation remains committed to an inclusive and diverse Board and workplace. The Corporation intends to continue to include gender and other diversity measures as among the factors that are considered when nominating directors and hiring executive officers.

**Number of Women on the Board and in Executive Officer Positions**

Of the Corporation's current Board of eight directors, there is one female director (12.5%). Of the seven directors on the PRII Board, four are female (57.1%).

The Corporation currently has one female as named executive officers, Laurel Sayer, who was appointed as President and CEO in December 2020. She was appointed President and CEO of the Corporation's wholly-owned operating subsidiary, PRII, in September 2016. In addition, the Corporation's VP, Investor Relations and Finance (Jessica Largent), the Corporate Secretary of the Corporation and PRII (Tanya Nelson) and PRII's VP External Affairs (Mckinsey Lyon), are women.

**AUDIT COMMITTEE INFORMATION**

The following is the text of the Corporation's Audit Committee Mandate:

**Audit Committee Mandate**

**A. PURPOSE**

The overall purpose of the Audit Committee (the "Committee") of Perpetua Resources Corp. (the "Corporation") is assist the board of directors (the "Board") of the Corporation in fulfilling its oversight responsibilities for:

1. the Corporation's accounting and financial reporting processes and the integrity, quality and transparency of the Corporation's financial statements;

2. the performance of the Corporation's internal accounting controls, disclosure controls and procedures and internal control over financial reporting;

3. the Corporation's compliance with legal and regulatory requirements which relate to financial reporting;

4. the appointment (subject to shareholder ratification) of the Corporation's external auditor and approval of its compensation as well as responsibility for its independence, qualifications and performance of all audit and audit related work; and

5. such other duties as assigned to it from time to time by the Board.



The function of the Committee is oversight. The members of the Committee are not full-time employees of the Corporation. The Corporation's management is responsible for the preparation of the Corporation's financial statements in accordance with applicable accounting standards and applicable laws and regulations. The Corporation's external auditor is responsible for the audit and quarterly review, when applicable, of the Corporation's financial statements in accordance with applicable auditing standards and laws and regulations.

In carrying out its oversight role, the Committee and the Board recognize that the Corporation's management is responsible for:

1. implementing and maintaining effective internal accounting controls, disclosure controls and procedures and internal control over financial reporting;

2. the preparation, presentation and integrity, including the accuracy and completeness, of the Corporation's financial statements; and,

3. the appropriateness of the accounting principles and reporting policies that are used by the Corporation.

**B. COMPOSITION, PROCEDURES AND ORGANIZATION**

1. The Committee shall consist of at least three members of the Board. The Board will appoint members to the Committee and the Committee will elect a Committee Chair from among the Committee's membership.

2. The Board will ensure that the Chair of the Committee and its members are independent and financially literate, as defined in National Instrument 52-110 ("NI 52-110") the NASDAQ listing standards and Rule 10A-3 under the Securities Exchange Act of 1934, as amended. At least one member shall be an "audit committee financial expert," as defined by Securities and Exchange Commission ("SEC") rules and meet any NASDAQ requirement for finance, accounting or comparable experience or background. Members shall not serve on more than three public company audit committees simultaneously unless the Board determines that such simultaneous service would not impair the member's ability to serve effectively on the Committee.

3. The Committee will meet at least four times a year. The Chair of the Committee has the authority to convene additional meetings, as circumstances warrant. The Committee will invite members of management, the auditor or others to attend meetings and provide pertinent information, as necessary. The Committee will hold private meetings with each of the external auditor, and senior management. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials.

4. No business shall be transacted by the Committee, except at a meeting where a majority of the members are present, either in person or by teleconference or video conference.

5. The Committee may:

    a) engage outside legal, audit or other counsel and/or advisors at the Corporation's expense, without the prior approval of the directors of the Corporation;



    b) set and pay the compensation of any advisors employed by the Committee;

    c) review any legal counsel reports of evidence of a material violation of securities laws or breaches of fiduciary duty;

    d) investigate any matter brought to its attention with full access to all books and records of the Corporation and seek any information it requires from employees – all of whom are directed to cooperate with the Committee's request – or external parties; and

    e) meet and/or communicate directly with the Corporation's officers, the external auditor or outside counsel, as necessary.

6. The Committee's business will be recorded in minutes of the Committee meetings, which shall be submitted to the Board. The Committee Secretary will normally be the Corporate Secretary, unless otherwise determined by the Committee.

**C. ROLES AND RESPONSIBILITIES**

The Committee will carry out the following duties and responsibilities:

1. **Financial Statements and Related Disclosure Documents**

The duties and responsibilities of the Committee as they relate to the financial statements and related disclosure documents are to:

    a) review and discuss with management and the external auditor, when the external auditor is engaged to perform an interim review, the interim and annual consolidated financial statements and the related disclosures contained in Management's Discussion and Analysis and recommend these documents to the Board for approval, prior to the public disclosure of this information by the Corporation. Such discussion shall include:

        I. the external auditor's judgment about the quality, not just the acceptability, of accounting principles applied by the Corporation;

        II. the reasonableness of any significant judgments made;

        III. any significant accounting and reporting issues, including complex or unusual transactions;

        IV. any recent professional and regulatory pronouncements and their impact or potential impact on the financial statements;

        V. the clarity and completeness of the financial statement disclosure;

        VI. any accounting adjustments that were noted or proposed by the external auditor but were not made (whether immaterial or otherwise); and

        VII. any communication between the audit team and their national office relating to accounting or auditing issues encountered during their work.



    b) review and recommend approval to the Board of the following financial sections of:

I. the annual Report to shareholders;

II. the Annual Report on Form 10-K;

III. each Quarterly Report on Form 10-Q;

IV. prospectuses;

V. the annual and interim press release disclosing financial results, when applicable; and,

VI. other financial reports requiring approval by the Board.

**2. Internal Controls**

The duties and responsibilities of the Committee as they relate to internal and disclosure controls as well as financial risks of the Corporation are to:

a) periodically review and assess with management and the external auditor the adequacy and effectiveness of the Corporation's systems of internal control over financial reporting and disclosure, including policies, procedures and systems to assess, monitor and manage the Corporation's assets, liabilities and expenses. In addition, the Committee will review and discuss the appropriateness and timeliness of the disposition of any recommendations for improvements in internal control over financial reporting and disclosure procedures;

b) discuss with management its process for performing its required quarterly certifications under Section 302 of the Sarbanes-Oxley Act, including the evaluation of the effectiveness of disclosure controls by the chief executive officer and chief financial officer;

c) obtain and review reports of the external auditor on significant findings and recommendations on the Corporation's internal controls, together with management's responses, including remediation plans to address any internal control deficiencies; and,

d) periodically discuss with management, the Corporation's policies regarding financial risk assessment and financial risk management, including an annual review of insurance coverage. While it is the responsibility of management to assess and manage the Corporation's exposure to financial risk, the Committee will discuss and review guidelines and policies that govern the process. The discussion may include the Corporation's financial risk exposures and the steps management has taken to monitor and control such exposures, including hedging, foreign exchange, internal controls, and cash and short-term investments.



**3. External Auditor**

The duties and responsibilities of the Committee as they relate to the external auditor of the Corporation shall be to:

a) receive reports directly from and oversee the external auditor;

b) discuss with representatives of the external auditor the plans for their quarterly reviews, when applicable, and annual audit, including the proposed scope of the audit, adequacy of staff and their proposed fees and expenses. The Committee will have separate discussions with the external auditor, without management present, on:

(i) the results of their annual audit and applicable quarterly reviews, and, before the filing of the Corporation's Annual Report on Form 10-K (or the annual report to shareholders if distributed prior to the filing of Form 10-K), all critical accounting policies and practices of the Corporation, all alternative treatments within generally accepted accounting principles for policies and practices relating to material terms that have been discussed with management, including ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditor, and other material written communications between the independent auditors and management;

(ii) the matters required to be discussed by PCAOB Auditing Standard 1301;

(iii) any difficulties encountered in the course of their work, including restrictions on the scope of activities or access to information;

(iv) the characterization of any deficiencies in internal control over financial reporting;

(v) management's response to audit issues and, when applicable, quarterly review issues; and,

(vi) any disagreements with management.

c) pre-approve all audit and allowable non-audit fees and services to be provided by the external auditor in accordance with securities laws and regulations. The Committee will pre-approve all audit and non-audit services to be provided by the external auditor in advance of work being started on such services. The Committee Chair may approve proposed audit and non-audit services between Committee meetings and will bring any such approvals to the attention of the Committee at its next meeting;

d) recommend to the Board that it recommend to the shareholders of the Corporation the appointment and termination of the external auditor;

e) receive reports in respect of quarterly reviews, when applicable, and audit work of the external auditor and, where applicable, oversee the resolution of any disagreements between management and the external auditor;

f) ensure that at all times there are direct communication channels between the Committee and the external auditor of the Corporation to discuss and review specific issues, as appropriate;



g) meet separately, on a regular basis, with management and the external auditor to discuss any issues or concerns warranting Committee attention. As part of this process, the Committee shall provide sufficient opportunity for the external auditor to meet privately with the Committee;

h) at least annually, assess the external auditor's independence and receive a letter each year from the external auditor confirming its continued independence, in accordance with the applicable requirements of the Public Company Accounting Oversight Board;

i) allow the external auditor of the Corporation to attend and be heard at any meeting of the Committee;

j) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the external auditor to ensure compliance with NI 52-110 and SEC regulations and NASDAQ listing standards;

k) review and report quarterly to the Board on the Corporation's compliance with the Anti-Bribery/Anti-Corruption Policy; and

l) at least annually, evaluate the external auditor's qualifications, performance and independence, which with respect to the external auditor's independence, shall be evidenced by information set forth in a formal written statement obtained from the external auditor regarding relationships between the external auditor and the Corporation and relationships or services that may impact the external auditor's objectivity and independence, and report the results of such review to the Board; and

**4. Whistleblower**

The duties and responsibilities of the Committee as they relate to the Whistleblower Policy of the Corporation shall be to establish and review procedures established with respect to employees and third parties for:

i) the receipt, retention and treatment of complaints received by the Corporation, confidentially and anonymously, regarding accounting, financial reporting and internal accounting and disclosure controls and procedures, or auditing matters; and

ii) dealing with the reporting, handling and taking of remedial action with respect to alleged violations of accounting, financial reporting and internal accounting and disclosure controls and procedures, or auditing matters, as well as certain other alleged illegal or unethical behavior, in accordance with the Corporation's related policy and procedures.



**5. Compliance**

The duties and responsibilities of the Committee as they relate to the Corporation's Compliance are to:

a) review disclosures made by the Corporation's Chief Executive Officer and Chief Financial Officer regarding compliance with their certification obligations as required by the regulators;

b) review the Corporation's Chief Executive Officer and Chief Financial Officer's quarterly and annual assessments of the design and operating effectiveness of the Corporation's disclosure controls and procedures and internal control over financial reporting, respectively;

c) review the findings of any examination by regulatory agencies, and any auditor observations; and

d) receive reports, if any, from management and corporate legal counsel of evidence of material violation of securities laws or breaches of fiduciary duty.

**6. Reporting Responsibilities**

It is the duty and responsibility of the Committee to:

a) regularly report to the Board on Committee activities, issues and related recommendations;

b) prepare the Committee report required by SEC proxy rules to be included in the Corporation's annual proxy statement; and,

c) report annually to the shareholders, describing the Committee's composition, responsibilities and how they are discharged, and any other information required by legislation.

**7. Other Responsibilities**

Other responsibilities of the Committee are to:

a) perform any other related activities as requested by the Board;

b) review and assess the adequacy of the Committee charter annually, requesting Board approval for proposed changes;

c) confirm annually that all responsibilities outlined this charter have been carried out; and

d) institute and oversee special investigations, as needed.



**Composition of the Audit Committee**

The following individuals are the members of the Audit Committee **:**

| | | |
|---|---|---|
| Bob Dean | Chair, Independent(1) | Financially literate(1) |
| Jeffrey Malmen | Independent(1) | Financially literate(1) |
| Alex Sternhell | Independent(1) | Financially literate(1) |

(1) As defined by NI 52-110, the NASDAQ listing standards and Rule 10A-3 under the Securities Exchange Act of 1934, as amended.

The "audit committee financial expert" as defined by SEC Rules is Bob Dean.

**Audit Committee Member Education and Experience**

For information regarding the education and experience of the members of the Audit Committee members, please see the information under the heading "Directors and Officers".

**Audit Committee Oversight**

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

All non-audit services must be pre-approved by the Committee, or if a request is made between Committee meetings, the Committee Chair may pre-approve a request for non-audit services, but the Chair must advise other Committee members of such pre-approval no later than the next regularly scheduled Committee meeting. In no event can the external auditor undertake non-audit services prohibited by legislation or professional standards.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation's external auditor, Deloitte LLP, Chartered Professional Accountants, in the year ended December 31, 2020 and December 31, 2019 for audit service fees were as follows:

| 12 Months Ended | Audit Fees(1) | Audit Related Fees (2) | Tax Fees | All Other Fees |
|---|---|---|---|---|
| December 31, 2020 | $ 153,000 | $ 48,075 | Nil | Nil |
| December 31, 2019 | $ 105,000 | $ 55,000 | Nil | Nil |

(1) *Audit Fees relate to the audit of the Corporation's annual Financial Statements and the review of the Corporation's quarterly interim Financial Statements.*

*(2) Audit Related Fees relate to services performed by the auditor in their review of documents that include or refer to their independent auditor's report.*

**INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

The directors, executive officers and principal shareholders of the Corporation or any associate or affiliate of the foregoing have had no material interest, direct or indirect, in any transactions in which the Corporation has participated within the three most recently completed financial periods

prior to the date of this AIF or in the current financial year, and do not have any material interest in any proposed transaction, which has materially affected or is reasonably expected to materially affect the Corporation, except as set out elsewhere in this AIF and immediately below.

Certain directors and/or officers of the Corporation have subscribed for common shares of the Corporation pursuant to the public and private placement financings of the Corporation. In addition, certain directors and/or officers of the Corporation have been granted stock options under the Corporation's Stock Option Plan.



## TRANSFER AGENTS AND REGISTRARS

The registrar and transfer agent for the common shares of the Corporation is Computershare Investor Services Inc. at its principal office located at 3rd Floor, 510 Burrard Street, Vancouver, BC V6C 3B9.

## MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Corporation that are still in effect:

1. Royalty agreement with Franco-Nevada Idaho Corporation dated as of May 9, 2013;
2. Trust Indenture among Idaho Gold Resources Company, LLC ("Idaho Gold"), the Corporation, and Computershare Trust Company of Canada dated March 17, 2016;
3. Amended and Restated Investor Rights Agreement among the Corporation, PRII and Paulson dated March 17, 2020;
4. Guarantee Indenture among the Corporation, Idaho Gold and Computershare Trust Company of Canada dated March 17, 2016;
5. Supplemental Trust Indenture #1 among Idaho Gold, the Corporation, and Computershare Trust Company of Canada dated April 4, 2016;
6. Investor Rights Agreement between the Corporation and Barrick dated May 16, 2018, as amended;
7. Guarantee Indenture among the Corporation, Idaho Gold and Computershare Trust Company of Canada dated March 17, 2020; and
8. Transition Agreement between the Corporation and Paulson dated December 3, 2020.

Copies of all material contracts or summaries thereof in Material Change Reports are available on SEDAR at www.sedar.com under the Corporation's profile.

## INTERESTS OF EXPERTS

### Names of Experts

The following persons or companies whose profession or business gives authority to a statement made by the person or company are named in the AIF as having prepared or certified a part of that document or a report of valuation described in the AIF:

1. Richard K. Zimmerman, R.G. SME-RM, Art Ibrado, P.E., Grenvil M. Dunn, C. Eng., Garth D. Kirkham, P. Geo, Christopher J. Martin, C. Eng, Peter E. Kowalewski, P.E., Chris J. Roos, P.E., and Scott Rosenthal, P.E., all of whom are Qualified Persons, were the authors responsible for the preparation of the FS Technical Report;
2. Christopher Dail, C.P.G. is responsible for certain information of a scientific or technical nature in this AIF relating to the Company's Stibnite Gold Project; and
3. The audited financial statements of the Corporation for the years ended December 31, 2020 and 2019 have been subject to audit by Deloitte LLP, Chartered Professional Accountants.



### Interests of Experts

Based on information provided by the relevant persons in item 1 above, to the knowledge of the Corporation none of such persons has held, or received or will receive, any registered or beneficial interests, direct or indirect, in any securities or other property of the Corporation or of one of the Corporation's associates or affiliates (based on information provided to the Corporation by such experts) or is expected to be elected, appointed or employed as a director, officer or employee of the Corporation or of any associate or affiliate of the Corporation.

Christopher Dail, C.P.G. is the Exploration Manager of the Corporation. Mr. Dail has been granted stock options of the Corporation in the course of his employment but these interests held by Mr. Dail in the Corporation has at all times represented less than 1% of the issued and outstanding common shares of the Corporation.

Deloitte LLP is the independent registered public accounting firm of the Company and is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia and the applicable rules and regulations of the Securities and Exchange Commission and the Public Company Accounting Oversight Board (United States).

**ADDITIONAL INFORMATION**

Additional information relating to the Corporation may be found on SEDAR at www.sedar.com, as well as at the Corporation's web site at .www.perpetuaresources.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities, and securities authorized for issuance under equity compensation plans, is contained in the Corporation's information circular for its most recent annual general meeting of security holders that involved the election of directors.

Additional financial information is provided in the Corporation's consolidated financial statements and management's discussion and analysis for its most recently completed financial year, being the year ended December 31, 2020.



**SCHEDULE "A"**
**SUMMARY FROM STIBNITE GOLD FEASIBILITY STUDY**

*The following description of the Company's Stibnite Gold Project below is the summary contained in the Stibnite Gold Feasibility Study, which information is based on the assumptions, qualifications and procedures which are set out in the Stibnite Gold Feasibility Study and are not fully described herein. The following information does not purport to be a complete summary of the Stibnite Gold Feasibility Study. Reference should be made to the full text of the Stibnite Gold Feasibility Study which has been filed with certain Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review under the Company's profile on SEDAR at www.sedar.com.*

"1. Summary

**1.1 Introduction**

Since inception, Midas Gold's vision for the Stibnite Mining District (the **District**) has been to use modern mining to redevelop an abandoned, brownfield mine site, provide long-term employment and business opportunities for a rural area in Idaho, funded by an economically viable project. The Project, as envisioned in this Feasibility Study (**FS**), would become one of the largest and highest-grade open pit gold mines in the United States and the country's only primary producer of antimony, a critical and strategic mineral. The FS builds upon Midas Gold's Plan of Restoration and Operations (**PRO**) (Midas Gold, 2016), identifying a suite of operational improvements and environmental refinements to achieve the Company's key objective for the financially viable restoration and brownfields development of the Stibnite mining district.

Restoration goals were established early on to address environmental impacts from over 100 years of historical mining activities and return the site to a fully functioning, self-sustaining ecosystem with improved water quality and habitat capable of supporting enhanced populations of fish, wildlife and flora. In addition to gold, the District also contains significant Mineral Reserves of antimony, a metal on the U.S. Department of Interior's final list of 35 critical minerals (Dept. of Interior, 2018) and referred to informally as a critical mineral herein.

This Technical Report (**Report**) provides a comprehensive overview of the Stibnite Gold Project (**Project**) and includes recommendations for future work programs required to advance the Project to a decision point. It provides information about the geology, mineralization, exploration potential, Mineral Resources, Mineral Reserves, mining method, process method, infrastructure, social and economic benefits, environmental protection, cleanup and repair of historical impacts, permitting, reclamation and closure concepts, capital and operating costs and an economic analysis for the Project. In summary, this Report defines an economically feasible, technically and environmentally sound Project that achieves redevelopment and restoration goals for the Stibnite Mining District.

**For readers to fully understand the information in this Report, they should read this Report in its entirety, including all qualifications, assumptions and exclusions that relate to the information set out in this Report that qualifies the technical information contained in the Report. The Report intended to be read as a whole, and sections should not be read or relied upon out of context. The technical information in the Report is subject to the assumptions and qualifications contained in the Report. The economic and technical analyses included in this Report provide only a summary of the potential Project economics based on the assumptions set out herein. There is no guarantee that the Project economics described herein can be achieved.**



**1.2 Background**

After a number of years of collecting technical and environmental baseline data on the District and understanding the legacy impacts from past mining activity, engaging with stakeholders, and developing an environmentally, socially and economically feasible path forward, Midas Gold completed a preliminary feasibility study (**PFS**) in 2014 (M3, 2014) and submitted its PRO for the Project to regulators in September 2016. The PRO formed the basis for Alternative 1 in the Draft Environmental Impact Statement **(DEIS)** (USFS, 2020). Continued evolution of the Project following environmental modeling and analysis resulted in a modified PRO **(ModPRO)** (Brown and Caldwell, 2019) filed with regulators in May 2019, which formed the basis of Alternative 2 in the DEIS. The plan laid out in the PRO and ModPRO was founded on Midas Gold's core values of safety, environment, community involvement, transparency, accountability, integrity and performance. These core values led to the

development of a number of key conservation guidance principles for the design of the Project:

- Meet society's present day needs for economic prosperity and mineral production while remaining protective of the environment and ensuring sustainability for future generations.
- Design with closure in mind, providing a long-term foundation for a naturally sustainable ecosystem.
- Conduct activities in an environmentally responsible manner.
- Reclaim, reprocess, or reuse legacy mining materials and restore legacy mining impacts during construction and early operations.
- Limit the Project footprint to previously disturbed areas, to the extent reasonably practicable and feasible.
- Improve on existing environmental conditions, especially with respect to water quality and fish and wildlife migration, populations and habitat throughout the Project life.
- Restore the impacts of development and replace the ecosystem function of affected features.
- Ensure local and regional financial and social benefits by prioritizing local hiring, training, purchasing, and contracting.



Since filing the PRO, Midas Gold has continued to advance the Project along two parallel paths: additional design and engineering studies in support of the FS; and further environmental modeling and analysis in support of Project permitting. In anticipation of the effects analysis in the DEIS, after considering comments received during stakeholder engagement discussions pre-release of the DEIS, and in response to the comments submitted during the official public comment period on the DEIS, Midas Gold has further refined the Project in this FS by incorporating a suite of operational improvements and Project modifications that reduce environmental, social and economic impacts identified in the PRO, ModPRO or DEIS. Key environmentally-focused modifications relative to the ModPRO incorporated in the Report include:

- Reducing the size of the Hangar Flats pit and associated water management risks and costs;
- Elimination of the Fiddle DRSF resulting in a reduction in Project footprint, and water management and reclamation requirements;
- Backfilling of the Hangar Flats pit to the pre-mining valley bottom elevation thereby preventing formation of a pit lake and mitigating impacts to water quality and stream temperature in Meadow Creek;
- Changes to the DRSF design and sequencing to allow for stockpiling and processing of low-grade ore, thereby eliminating the need to permanently place low-grade ore in DRSFs;
- Modifications to the stream and riparian restoration designs to further address stream temperature impacts;
- Optimization of limestone dosage into the pressure oxidation circuit to enhance the environmental stability of arsenic in mine tailings;
- Elimination of the countercurrent decantation circuit (**CCD**) reducing the process plant footprint and construction and operating costs; and,
- A comprehensive contact water management and water treatment plan.

These Project modifications are in addition to operational improvements and environmental protection measures adopted in the ModPRO and Alternative 2 of the DEIS (when compared to the PRO) that included:

- Elimination of the West End DRSF and partial backfilling of the Hangar Flats and West End pits;
- Installation of low permeability covers on DRSFs to reduce contact water seepage and infiltration;
- Onsite lime generation to reduce trucking requirements and operational expenses; and,
- Modifications to surface water management strategies to reduce the volume of water handling and improve site water quality.

The Project, as currently envisioned in this FS, integrates the results and findings of scientific investigations, engineering studies and stakeholder engagement activities conducted over the last decade into an environmentally, socially and economically feasible plan that redefines modern mining practices and principles to achieve environmental restoration of an abandoned mine site and create long-term economic benefits for the community and Project stakeholders.

### 1.3 Key Results

The Project consists of mining the Yellow Pine, Hangar Flats and West End deposits using conventional open pit methods, conventional processing methods to extract gold, silver and antimony, and on-site production of gold (**Au**) and silver (**Ag**) doré and an antimony (**Sb**) concentrate. The Project also entails an extensive reclamation and restoration program for historical impacts to the site including the recovery and reprocessing of Historical Tailings, restoration of fish passage during and after operations, relocation of historical mining wastes to engineered storage facilities, stream restoration, and reforestation of impacted areas. Midas Gold's plans for decommissioning the site include progressive and concurrent remediation, reclamation and restoration activities, beginning at the start of construction and continuing beyond the

operations phase, through Project reclamation and closure.



The Stibnite Gold Project economics, as contemplated in the FS, are summarized in Table 0-1:

**Table 0-1: Stibnite Gold Project Feasibility Study Highlights**

| Component | Early Production<br>Years 1-4 | Life-of-Mine<br>Years 1-15 |
|---|---|---|
| Recovered Gold (2) Total | 1,853 koz | 4,238 koz |
| Recovered Antimony Total | 74 millon lbs | 115 million lbs |
| Recovered Gold (2) Annual Average | 463 koz/yr | 297 koz/yr |
| Cash Costs(2) (Net of by-product credits) | $328/oz | $538/oz |
| All-in Sustaining Costs (2) (Net of by-product credits) | $438/oz | $636/oz |
| Initial Capital – including contingency | $1,263 million | |
| Case B at US$1,600/oz gold (Base Case) (1) | | |
| After-Tax Net Present Value 5% | $1,320 million | |
| Annual Average EBITDA | $566 million | $292 million |
| Annual Average After Tax Free Cash Flow | $500 million | $242 million |
| Internal Rate of Return (After-tax) | 22.3% | |
| Payback Period in Years (After-tax) | 2.9 years | |
| Case C at US$1,850/oz gold (1) | | |
| After-Tax Net Present Value 5% | $1,864 million | |
| Annual Average EBITDA | $678 million | $360 million |
| Annual Average After Tax Free Cash Flow | $584 million | $295 million |
| Internal Rate of Return (After-tax) | 27.7% | |
| Payback Period in Years (After-tax) | 2.5 years | |

Notes:

(1) Base case prices US$1,600/oz gold, $20/oz silver and $3.50/lb antimony, Case C price based on metal selling prices of US$1,850/oz gold, $24/oz silver and $3.50/lb antimony, Post-Tax NPV at 5% discount rate.

(2) In this release, "M" = million, "k" = thousand, all amounts in US$, gold and silver reported in troy ounces ("oz").

(3) See non-International Financial Reporting Standards ("IFRS") measures below.

(4) All numbers have been rounded in above table and may not sum correctly.

(5) The FS assumes 100% equity financing of the Project.

The FS affirms that the Project can address legacy impacts left behind by previous mining operators including the recovery, reprocessing and safe storage of historical tailings, restoration of fish passage, stream restoration, and reforestation. The FS verifies a positive local economic benefit to Idaho communities bringing more than $1 billion in initial capital investment, approximately 550 direct jobs during operations, and hundreds of indirect and induced jobs, while generating significant taxes and other benefits to the local, state and national economies.

### 1.4 Regulatory Information

This Report has been prepared based on the results of a FS completed for the Project, which is located in the Stibnite-Yellow Pine mining district (**District**), Idaho. The Project is wholly owned by direct or indirect subsidiaries of Midas Gold Corp. (" **MGC**"), a TSX-listed British Columbia company. Unless the context indicates otherwise, references to "**Midas Gold**" throughout this Report include one or more of the aforementioned subsidiaries of MGC.

The FS was compiled by M3 Engineering & Technology Corp. ( **M3**) which was engaged by Midas Gold, through its subsidiary Midas Gold Idaho, Inc. (**MGII**), to evaluate the development of the Stibnite Gold Project based on information available up to the date of the FS. The FS was prepared under the direction of Independent Qualified Persons (**QP**s) and in compliance with National Instrument 43-101 the Canadian Securities Administrators (**NI 43-101**) standards for reporting mineral properties. Additional details of the qualifications and responsibilities of preparers are provided in Appendix I.

**The FS supersedes and replaces the technical report entitled "Amended Preliminary Feasibility Study Technical Report for the Stibnite Gold Project, Idaho" prepared by M3 and dated March 28, 2019 and that report should no longer be relied upon. Mineral Resource Statements in the FS supersede and replace the Mineral Resources disclosed publicly on February 15, 2018, which should no longer be relied upon.**

### 1.5 Property Description and Location

The Project is located in central Idaho, USA approximately 100 miles ( **mi**) northeast of Boise, Idaho, 38 mi east of McCall, Idaho, and approximately 10 mi east of Yellow Pine, Idaho (see Figure 0.1). Mineral rights controlled by Midas Gold include patented lode claims, patented mill sites, unpatented federal lode claims, and unpatented federal mill sites and encompass approximately 27,104 acres or 42 square miles. The claims are 100% owned, except for 27 patented lode claims that are held under an option to purchase. The Project is subject to a 1.7% NSR Royalty on gold only; there is no royalty on silver or antimony.

### 1.6 Accessibility, Climate, Local Resources, Infrastructure and Physiography

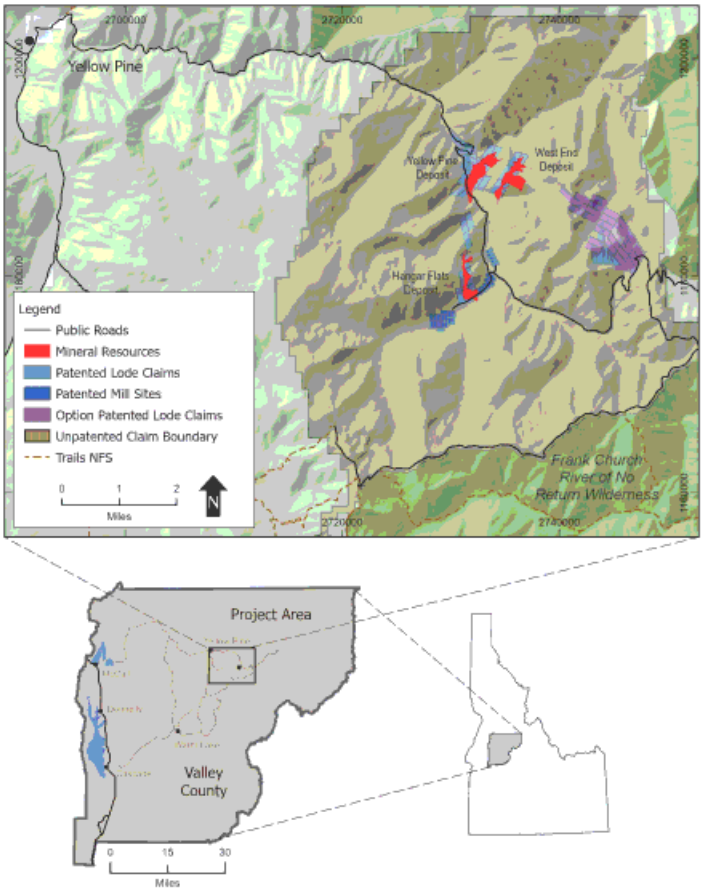
The Project site is located approximately 152 road-miles northeast of Boise, Idaho within the East Fork of the South Fork of the Salmon River (**EFSFSR**) watershed at an elevation of ~ 6,500 feet ( **ft**); nearby mountain peak elevations range from approximately 7,800 to 8,900 ft.

The climate is characterized by moderately cold winters and mild summers. Most precipitation occurs as snowfall in the winter and rain during the spring. The local climate allows for year-round operations, as evidenced by historical production over extended periods, and climate information.

Ground access to the Property is currently available by road from the nearby towns of Cascade, Idaho, an 84-mile drive and, during the snow free months, from McCall, Idaho, which is a 63-mi drive. Powerlines would need to be installed/upgraded from the main regional Idaho Power Corporation (**IPCo**) substation at Lake Fork to the Project site, a distance of 42 mi.



**Figure 0.1: Location of the Stibnite Gold Project**






### 1.7 Site History

Two major periods of mineral exploration, development and operations have occurred in the District, leaving substantial environmental impacts that remain to this day. The first period of activity commenced in the mid-1920s and continued into the 1950s; it involved the mining of gold, silver, antimony, and tungsten mineralized materials by both underground and, later, open pit mining methods. During World War II and the Korean War, this District is estimated to have produced more than 90% of the U.S.' antimony and approximately 50% of the U.S.' tungsten; materials that were used in munitions, steelmaking, flame retardants and for other purposes. Mining of these strategic minerals was considered so critical that the U.S. federal government subsidized the mining activity, managed site operations and military time could be served at the mine site. Estimated production during this period totaled an estimated 0.53 Moz Au, 88 Mlbs of antimony and 13.6 Mlbs of contained tungsten.

The second period of major activity in the District started with exploration activities in the early 1970s and was followed by open pit mining and heap leaching from 1982 to 1997, with ore provided by multiple operators from a number of locations and processed in one-time and seasonal on-off heap leach facilities in Meadow Creek Valley. Gold production during this period totaled an estimated 0.45 Moz Au.

Both the East Fork of the South Fork of the Salmon River and its tributary Meadow Creek have been severely impacted by past mining activity. Additional impacts related to extensive forest fires and the failure of an earthen dam on "Blowout Creek", a tributary of Meadow Creek, have compounded the mining-related impacts and have increased soil erosion and impacted water quality.

### 1.8 Geological Setting and Mineralization

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

Large, north-south striking, steeply dipping structures exhibiting pronounced gouge and multiple stages of brecciation occur in the District and are often associated with east-west and northeast-southwest trending splays and dilatant structures. The Yellow Pine and Hangar Flats deposits are hosted primarily by intrusive phases of the Idaho Batholith along the Meadow Creek Fault Zone. The West End Deposit is hosted primarily by Neoproterozoic to Paleozoic metasedimentary rocks of the Stibnite roof pendant along the West End Fault Zone.

Mineralization and alteration in the District are associated with multiple hydrothermal alteration events occurring through the Paleocene and early Eocene epochs. Main-stage gold mineralization and associated potassic alteration typically occurs in structurally prepared zones in association with very fine-grained disseminated arsenical pyrite ($FeS_2$) and, to a lesser extent, arsenopyrite (FeAsS), with gold almost exclusively in solid solution in these minerals. Antimony mineralization occurs primarily associated with the mineral stibnite ($Sb_2S_3$). Additional gold mineralization

effecting rocks of the Stibnite roof pendant is associated with epithermal quartz-adularia-carbonate veins.

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

### 1.9 Exploration

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



This newer data has been integrated with datasets from previous operators and provides a comprehensive toolkit for future exploration. These efforts have led to the identification of over 75 prospects with varying levels of target support. These prospective areas include targets within, under and adjacent to existing deposits; bulk mineable prospects along known or newly identified mineralized trends; high grade underground targets and early-stage greenfield prospects and conceptual targets based on geophysics or geologic inference. Details of some of the more promising targets are summarized in Section 9 of this Report.

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

### 1.10 Drilling

The Project area, including the three main deposits, has been drilled by numerous operators, totaling 793,769 ft in 2,723 drill holes, of which Midas Gold drilled 637 holes totaling over 344,465 ft since 2009. Pre-Midas Gold drilling was undertaken by a wide variety of methods and operators while Midas Gold employed a variety of drilling methods including core, Reverse Circulation, auger, and sonic throughout the District, but with the primary method being core.

### 1.11 Data Verification

It is the opinion of the Independent QP responsible for the Mineral Resource estimates that the data used for estimating the Mineral Resources and Mineral Reserves for the Hanger Flats, West End, Yellow Pine and Historical Tailings deposits is adequate for this purpose and may be relied upon to report the Mineral Resources and Mineral Reserves contained in this Report.

### 1.12 Mineral Processing and Metallurgical Testing

#### *1.12.1 Process Flowsheet Development*

Process mineralogical studies supporting the 2012 PEA and 2014 PFS indicate that gold in all three deposits is hosted in pyrite and arsenopyrite and is predominantly refractory to direct cyanidation; however, discrete free gold is present in oxidized portions of the West End Deposit. Antimony in the Yellow Pine and Hangar Flats Deposits occurs almost entirely as stibnite and is typically coarse-grained when occurring at head grades above 0.1% antimony, and stibnite becomes sufficiently liberated for recovery via selective antimony flotation.

Considerable testing supporting the 2012 PEA and 2014 PFS studies were conducted on samples from the Yellow Pine, Hangar Flats and West End deposits that supported a process flowsheet entailing bulk sulfide flotation to maximize recovery of gold to a sulfide concentrate amenable to treatment by pressure oxidation for materials assaying less than 0.1% antimony. Based on this work, high antimony materials would be subject to a selective antimony flotation process, thereby producing a shippable antimony concentrate, with a gold-bearing bulk sulfide rougher concentrate to be floated from the antimony flotation tailings. Some of the oxidized West End ores are more transitional or free milling in nature, and an ore leaching process was developed to treat these materials. Testing was also conducted on samples of the historical (Bradley) tailings. This work showed the historical tailings could be processed using the same flowsheet most likely as a blend with fresh sulfide ores.



#### *1.12.2 Comminution and Flotation Studies*

Comminution testing, including 31 JK Drop Weight and SMC tests, 36 Bond Ball Mill Work Indices, 21 Bond Rod Mill Work Indices, 19 Crusher Work Indices and 14 Abrasion Indices have been conducted on samples from the project. These data show the ores to be amenable to SAG milling and the Bond Ball Mill work index to a closing size of 150 microns, averages 13.5 kWh/tonne.

The majority of flotation testwork conducted since the PFS focused on optimizing bulk sulfide rougher flotation and concentrate upgrading. Five master composites were subjected to different treatment schemes varying the selection and dosage of activators, depressants, collectors and frothers to economically optimize the dosage of each of the key flotation reagents. Concentrate upgrading was deemed necessary to reduce

slurry viscosity and achieve autothermic conditions in the autoclave through reduction of potassium jarosite formation. Cleaner flotation testing of the rougher concentrate successfully upgrades sulfur concentration from 5% to 7.5% with gold losses of 1-2%. An extensive trade-off testing program identified the optimal grind size as 80% passing 85 microns based on replicate batch testing and locked cycle tests on a suite of master composites.

Flotation pilot plant runs on 3,600 kg of early production sulfide material from Yellow Pine were conducted to generate material for autoclave testwork and included rougher flotation and concentrate upgrading achieving the target 7.5% sulfur grade. Additional flotation pilot plant work was conducted to create a bulk antimony concentrate. Additional testwork focused on cyanide leaching of West End transitional flotation concentrates and flotation tailings, whole ore leaching of West End oxides, and the use of POX CCD overflow to liberate gold from cleaner tailings.

A variability study was conducted to assess performance of the mineral processing circuit on different ore sub-types and to support predictions of overall metallurgical recoveries. Forty-four variability composites were developed to represent the major lithological and alteration material blends to be processed from the three deposits during different project periods. Lithological controls were not found to impart significant variability on gold recoveries with the exception of clay rich fault gouge and transitional materials.

Projected gold flotation recoveries for low-antimony materials to a concentrate assaying 6.5% sulfur are estimated at 93.8% for Yellow Pine and 92.1% for Hangar Flats. Silver recoveries are estimated as 90.1% for Yellow Pine and 89.1% for Hangar Flats. Gold and silver flotation recoveries are independent of gold or sulfur grade. For high-antimony materials from the Yellow Pine deposit, gold misplacement to the antimony concentrate and overall gold recoveries to POX are functions of pyritic sulfur grade and are estimated to range from 83.6% to 95.5%. Constant gold and silver recoveries are projected for Hangar Flats high-antimony material at 89.7% for gold and 43.2% for silver.

West End sulfide material is highly refractory while transition material has a significant free milling gold content. Sulfide material will be processed by flotation, concentrate POX and cyanide leaching of the concentrate; transition material will be treated similarly, however the flotation tailings will also be leached; oxide materials will just be leached. Metallurgical predictions for West End are based on cyanide leachability and on a target concentrate carbonate to sulfur ratio of 1.3:1 $CO_3$/S, as the presence of excessive carbonate in the concentrate inhibits autothermic oxidation in the autoclave and associated gold recovery.

### *1.12.3 Hydrometallurgical Studies*

Batch and pilot plant testwork for the POX and neutralization processes were completed at AuTec (Vancouver, Canada), CESL (Vancouver, Canada) and SGS (Malaga, Perth). These tests were performed on various concentrates derived from ore samples that represent parts of the deposits and mill feed over the life of mine.



Batch and pilot tests at AuTec showed that Project gold concentrates were amenable to acid pressure oxidation at 220°C, 462 kPa (67 psi) oxygen partial pressure, and a retention time of approximately 60 minutes. The optimized POX feed density appeared to be in the range of 30-35% for all concentrates. After a hot acid cure and CIL, the gold recoveries were typically 95 to 98% of the gold in the concentrate feed. Mineralogical tests on POX residues generated at AuTec that were subjected to CIL confirmed the presence of potassium jarosite which in turn had some grains of occluded gold that had escaped extraction in CIL.

Oxidation tests were also undertaken at CESL and at SGS to investigate neutralization of acid inside the autoclave, or " *in-situ* acid neutralization" (**ISAN)**. Neutralization of acid inside the autoclave was accomplished by adding ground limestone in the POX feed to control free acid and sulfate concentrations and limit the formation of jarosites and basic iron sulfates. The objective would be higher ferric concentrations available for scorodite formation and lower sulfate concentrations that would inhibit pitticite (an unstable arsenic compound) formation. The SGS tests confirmed consistent gold recoveries in the 96.5-99.0% range.

The U.S. Environmental Protection Agency (**EPA**) Synthetic Precipitation Leaching Procedure (**SPLP**) results confirmed there were additional benefits from ISAN, with SPLP arsenic concentrations decreasing with increasing $CO_3$/S mass ratios to about 1.25 or higher. The $CO_3$/S ratio, which reflects the magnitude of limestone added, did not appear to affect the silver CIL recovery.

The continuous POX pilot plant was undertaken at SGS Malaga during the period of 20 $^{th}$ to 26$^{th}$ November 2017. The test feed concentrate was generated from low-antimony samples from the Yellow Pine and Hangar flat deposits. The testing was conducted in a 22-liter autoclave with four compartments at feed rate of 4-6 kg/h and a nominal residence time of 75 minutes. The operating parameters were the same as those established in previous batch tests, but with varying levels of limestone additions to the feed to achieve a range of gross $CO_3$/S ratios. The autoclave residue was treated by hot acid cure (**HAC**) and neutralized prior to cyanide leaching.

The results show increasing gold extraction at higher $CO_3$/S ratios up to a value of 1.2; further increases in $CO_3$/S ratio appeared to have minimal effect. Increasing the $CO_3$/S ratio also appears to favor lower arsenic SPLP values and hence improved arsenic stability in the leach residues. Quantitative mineralogy on the pilot autoclave solids suggested that iron was precipitated as iron (III) hydroxide (or ferrihydrite), and arsenic was precipitated predominantly as scorodite, a stable arsenic product.

Overall projected life-of-mine metallurgical recoveries are provided in Section 1.16.2.

### *1.12.4 Arsenic Stability Studies*

In the initial metallurgical pilot test work conducted at AuTec the arsenic in the pressure leach residues was unstable, possibly because of the preferential formation of pitticite over scorodite. In subsequent metallurgical testing at SGS the stability of arsenic improved with increases in the $CO_3$/S ratio to as high as 1.6. The alkalinity in the limestone was postulated to have reduced the propensity for hydroxy-sulfate compounds, such as basic ferric sulfate and potassium jarosite, to form and released iron to form ferrihydrite and to sequester arsenic as a more stable scorodite. However, subsequent environmental geochemical testing completed on commingled flotation and detoxified cyanide leach tailings from the SGS

pilot plant indicated that arsenic destabilized at some point downstream of the POX process; consequently, a testing program was initiated at SGS commencing April 2020 to establish how and where the destabilization occurred. This program included ISAN POX tests with a terminal free acid of 8 to 13 mg/L of $H_2SO_4$, atmospheric arsenic precipitation (**AAP**), and a two-step neutralization procedure. The AAP process precipitates iron and arsenic slowly at an elevated temperature (92°C) by progressively adding limestone to achieve a pH of approximately 2 with a retention time of 4 to 5 hours. Test results suggest that under these conditions, a stable scorodite precipitate ($FeAsO_42H_2O$) formed.



Batch neutralization tests were conducted at two discrete pH regions: neutralization to pH 5 with limestone followed by neutralization to pH 10 with lime. The results show that the slurry temperature during the pH 5 neutralization step has no impact on arsenic stability; however, during the pH 10 neutralization step for slurry temperatures greater than 45°C arsenic destabilization occurred. The destabilization was postulated to be related to the reaction between free hydroxyl ions and the remaining pitticite. SPLP testing confirmed that reducing the neutralization temperature of the pH 5 slurry to 45°C prior to raising the pH to 10 minimize this reaction. Consequently, the FS flowsheet includes a two-step neutralization circuit, with a cooling circuit between the neutralization steps.

### 1.13 Mineral Resource Estimates

The Mineral Resource estimates for the Project were estimated in conformity with generally accepted Canadian Institute of Mining and Metallurgy (**CIM**) "Estimation of Mineral Resources and Mineral Reserves Best Practices Guidelines" as adopted by CIM Council November 29, 2019 and are reported in accordance with NI 43-101 requirements. The Mineral Resource estimates for each of the Hangar Flats, West End and Yellow Pine deposits, and the Historical Tailings, were prepared using commercial mine-modeling and geostatistical software, take into account relevant modifying factors, and have been verified by an Independent QP. The consolidated Mineral Resource statement for the Project in metric tonnes (t) is shown in Table 0-2 based on a gold selling price of US$1,250/troy ounce limiting pit shell.



**Table 0-2: Stibnite Gold Project Consolidated Mineral Resource Statement**

| Classification | Tonnage (000s) | Gold Grade (g/t) | Contained Gold (000s oz) | Silver Grade (g/t) | Contained Silver (000s oz) | Antimony Grade (%) | Contained Antimony (000s lbs) |
|---|---|---|---|---|---|---|---|
| Measured ("M") | | | | | | | |
| Yellow Pine | 4,902 | 2.42 | 382 | 3.75 | 590 | 0.24 | 25,831 |
| Indicated ("I") | | | | | | | |
| Yellow Pine | 45,350 | 1.72 | 2,509 | 2.07 | 3,020 | 0.09 | 85,774 |
| Hangar Flats | 25,861 | 1.44 | 1,194 | 3.24 | 2,697 | 0.15 | 84,463 |
| West End | 53,469 | 1.08 | 1,849 | 1.31 | 2,259 | 0.00 | 0 |
| Historical Tailings | 2,687 | 1.16 | 100 | 2.86 | 247 | 0.17 | 9,817 |
| Total M & I | 132,269 | 1.42 | 6,034 | 2.07 | 8,814 | 0.07 | 205,885 |
| Inferred | | | | | | | |
| Yellow Pine | 3,214 | 0.96 | 99 | 0.60 | 62 | 0.00 | 50 |
| Hangar Flats | 12,224 | 1.12 | 440 | 2.64 | 1,037 | 0.11 | 28,560 |
| West End | 20,540 | 1.06 | 700 | 1.11 | 733 | 0.00 | 0 |
| Historical Tailings | 191 | 1.13 | 7 | 2.64 | 16 | 0.16 | 662 |
| Total Inferred | 36,168 | 1.07 | 1,246 | 1.59 | 1,849 | 0.04 | 29,272 |

*Notes:*

*(1) All Mineral Resources have been estimated in accordance with CIM definitions, as required under NI 43-101.*

*(2) Mineral Resources are reported in relation to a conceptual pit shell to demonstrate potential for economic viability, as required under NI 43-101; mineralization lying outside of these pit shells is not reported as a Mineral Resource.* ***Mineral resources are not mineral reserves and do not have demonstrated economic viability. These mineral resource estimates include inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. It is reasonably expected that the majority of inferred mineral resources could be upgraded to Indicated.*** *All figures are rounded to reflect the relative accuracy of the estimate and therefore numbers may not appear to add precisely.*

*(3) Open pit sulfide mineral resources are reported at an effective cut-off grade of 0.45 g/t Au and open pit oxide Mineral Resources are reported at an effective cut-off grade of 0.40 g/t Au.*

*(4) The Yellow Pine and Hangar Flats deposits contain zones with substantially elevated antimony-silver mineralization, defined as containing greater than 0.1% antimony. These higher-grade antimony zones comprise 18,477 kt grading 0.48% antimony of measured and indicated gold mineral resource estimates and 1,387 kt grading 0.93% antimony of inferred gold mineral resource estimates. Antimony mineralization is not classified separately from gold and is reported only if it lies within gold Mineral Resource estimates, and only if blocks meet gold cut-off grade criteria.*

The Yellow Pine and Hangar Flats deposits contain zones with substantially elevated antimony-silver mineralization, defined as containing greater than 0.1% antimony, relative to the overall Mineral Resource. The existing Historical Tailings Mineral Resource also contains elevated concentrations of antimony. These higher-grade antimony zones are reported separately in Table 0-3. Antimony Mineral Resources are reported only if they lie within gold Mineral Resource estimates.

**Table 0-3: Antimony Sub-Domains within the Consolidated Mineral Resource Statement**

| Classification | Tonnage (000s) | Gold Grade (g/t) | Contained Gold (000s oz) | Silver Grade (g/t) | Contained Silver (000s oz) | Antimony Grade (%) | Contained Antimony (000s lbs) |
|---|---|---|---|---|---|---|---|
| Measured | | | | | | | |
| Yellow Pine | 2,142 | 2.76 | 190 | 5.79 | 399 | 0.52 | 24,429 |
| Indicated | | | | | | | |
| Yellow Pine | 7,086 | 2.17 | 495 | 5.28 | 1,204 | 0.52 | 80,606 |
| Hangar Flats | 6,562 | 2.10 | 443 | 7.89 | 1,664 | 0.55 | 79,179 |
| Historical Tailings | 2,687 | 1.16 | 100 | 2.86 | 247 | 0.17 | 9,817 |
| Total M & I | 18,477 | 2.07 | 1,228 | 5.91 | 3,513 | 0.48 | 194,031 |
| Inferred | | | | | | | |
| Yellow Pine | 10 | 1.21 | 0 | 2.78 | 1 | 0.18 | 41 |
| Hangar Flats | 1,185 | 2.40 | 92 | 15.27 | 582 | 1.07 | 27,829 |
| Historical Tailings | 191 | 1.13 | 7 | 2.64 | 16 | 0.16 | 662 |
| Total Inferred | 1,387 | 2.22 | 99 | 13.43 | 599 | 0.93 | 28,532 |

*Notes:*

*(1) Antimony mineral resources are reported as a subset of the total mineral resource within the conceptual pit shells used to constrain the total mineral resource in order to demonstrate potential for economic viability, as required under NI 43-101; mineralization outside of these pit shells is not reported as a mineral resource.* ***Mineral resources are not mineral reserves and do not have demonstrated economic viability. These Mineral Resource estimates include inferred Mineral Resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated.*** *All figures are rounded to reflect the relative accuracy of the estimate.*

*(2) Open pit antimony sulfide mineral resources are reported at a cutoff grade 0.1% antimony within the overall 0.45 g/t Au cutoff.*

### 1.14 Mineral Reserve Estimates

The Mineral Reserve Estimates for the Project were estimated in conformity with generally accepted CIM "Estimation of Mineral Resources and Mineral Reserves Best Practices Guidelines" and are reported in accordance with NI 43-101. The Mineral Reserve estimates for each of the Yellow Pine, Hangar Flats, and West End deposits, and the Historical Tailings, were prepared to industry standards and best practices and take into consideration modifying factors including mining, processing, metallurgical, environmental, location and infrastructure, market factors, legal, economic, social, and governmental factors. The Mineral Reserve estimates are based on a mine plan and pit design developed using modifying parameters including metal price, metal recovery based on performance of the processing plant, and operating cost estimates.

The Mineral Reserve was developed by allowing only Measured and Indicated Mineral Resource blocks to contribute positive economic value and is a subset of the Mineral Resource comprised of the Probable Mineral Reserve that is planned for processing over the life-of-mine plan, with assumptions summarized in Sections 15 and 16. No economic credit has been applied to Inferred mineralization in the development of the Mineral Reserve, even if they lie within the Mineral Reserve pit.



The general mine planning sequence to produce the SGP Mineral Reserves estimate and associated mill feed schedule consisted of an ultimate pit limit analysis, pit shell selection, ultimate pit designs, internal pit phase design, mining sequence schedule, and mill feed optimization. A suite of nested pit shells for each deposit was generated using Geovia Whittle™ and a gold selling price ranging from $100 to $2,000 per troy ounce in $50 increments. The pit limit analysis was performed based on gold recovery only, to ensure the ultimate pit geometries would not be dependent on silver or antimony values. Mining costs used for the pit limit analysis are based on a first principal cost buildup for equipment requirements, labor estimates, and consumables price quotes. Selection of the optimal pit shells for each deposit was based on discounted cash flow analysis. For Yellow Pine and West End, the incremental change in discounted pit value **(NPV)** and strip ratio between potentially optimal pit shells is gradual, and pit shells representing gold selling prices of $1,250/oz and $1,300/oz respectively were selected. For Hangar Flats, the pit limit analysis suggested selecting the $1,150/oz pit shell but, due to additional technical considerations, the $750/oz pit shell was selected.

The ultimate pit designs were based on the selected pit shells, design parameters for 150-ton haul trucks, geotechnical design criteria, and additional mine sequencing and haulage considerations. Cut-off determination utilized a Net Smelter Return (**NSR**) methodology to account for varying ore types and separate process streams with unique process costs. The cut-off strategy applies elevated cut-off values to ensure the highest-grade ore available in the mine plan is processed preferentially and lower grade ore is stored in ore stockpiles for processing later in the Project life.

Cutoff grades for Mineral Reserves were developed assuming long term metal prices of $1,600/oz gold, $20.00/oz silver, and $3.50/lb antimony for material lying within the pit designs based on the pit shells selected above ($1,250, $750 and $1,300/oz Au for Yellow Pine, Hangar Flats and West End, respectively). This results in a Life-of-Mine (**LOM**) average gold cut-off grade of 0.48 g/t for open-pit mining. The Mineral Reserves are summarized in Table 0-4.

**Table 0-4: Stibnite Gold Project Consolidated Mineral Reserve Summary**

| Deposit | Tonnage (000s) | Gold Grade (g/t) | Contained Gold (000s oz) | Silver Grade (g/t) | Contained Silver (000s oz) | Antimony Grade (%) | Contained Antimony (000s lbs) |
|---|---|---|---|---|---|---|---|
| Yellow Pine | | | | | | | |
| Low Sb Sulfide – Proven & Probable | 37,615 | 1.69 | 2,047 | 1.56 | 1,881 | 0.009 | 7,859 |
| High Sb Sulfide – Proven & Probable | 10,232 | 2.04 | 671 | 4.69 | 1,543 | 0.460 | 103,758 |
| **Yellow Pine Proven & Probable Mineral Reserves** | **47,847** | **1.77** | **2,718** | **2.23** | **3,423** | **0.106** | **111,617** |
| Hangar Flats | | | | | | | |
| Low Sb Sulfide – Probable | 5,167 | 1.34 | 223 | 1.65 | 273 | 0.018 | 2,104 |
| High Sb Sulfide – Probable | 3,095 | 1.92 | 191 | 4.85 | 483 | 0.369 | 25,148 |
| **Hangar Flats Probable Mineral Reserves** | **8,262** | **1.56** | **414** | **2.85** | **756** | **0.150** | **27,252** |
| West End | | | | | | | |
| Oxide – Probable | 4,749 | 0.54 | 83 | 0.87 | 133 | - | - |
| Low Sb Sulfide – Probable | 15,242 | 1.33 | 649 | 1.30 | 635 | - | - |
| Transitional – Probable | 25,839 | 1.03 | 855 | 1.49 | 1,236 | - | - |
| **West End Probable Mineral Reserves** | **45,830** | **1.08** | **1,587** | **1.36** | **2,004** | **-** | **-** |
| Historical Tailings [1] | | | | | | | |
| Low Sb Sulfide – Probable | 1,839 | 1.16 | 68 | 2.86 | 169 | 0.166 | 6,692 |
| High Sb Sulfide – Probable | 855 | 1.16 | 32 | 2.86 | 79 | 0.166 | 3,125 |
| **Historical Tailings Probable Mineral Reserves** | **2,687** | **1.16** | **100** | **2.86** | **247** | **0.166** | **9,817** |
| **Project Proven & Probable Mineral Reserves** | | | | | | | |
| Oxide – Probable | 4,749 | 0.54 | 83 | 0.87 | 133 | - | - |
| Low Sb Sulfide – Proven & Probable | 59,856 | 1.55 | 2,988 | 1.54 | 2,958 | 0.013 | 16,656 |
| High Sb Sulfide – Proven & Probable | 14,181 | 1.96 | 894 | 4.61 | 2,104 | 0.422 | 132,031 |
| Transitional – Probable | 25,839 | 1.03 | 855 | 1.49 | 1,236 | - | - |
| **Total Proven & Probable Mineral Reserves [2] [3]** | **104,625** | **1.43** | **4,819** | **1.91** | **6,431** | **0.064** | **148,686** |

*Notes:*

*(1) Historical Tailings ore type classification is proportional to the pit-sourced mill feed during Historical Tailings processing.*

*(2) Metal prices used for Mineral Reserves: $1,600/oz Au, $20.00/oz Ag, $3.50/lb Sb.*

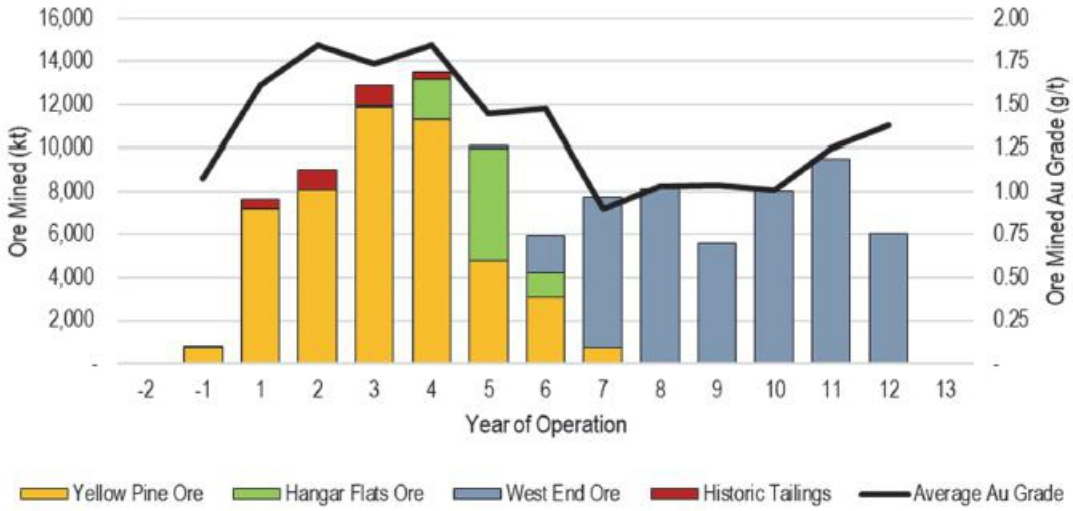
*(3) Antimony recovery is expected from High Sb Sulfide ore only, which contains 132,031 klbs of Sb.*



## 1.15 Mining Methods

The mine plan developed for the Project incorporates the mining of the three *in situ* deposits: Yellow Pine, Hangar Flats, and West End and their related development rock; and the re-mining of Historical Tailings along with its cap of spent heap leach ore. The general sequence of open pit mining would be Yellow Pine deposit first, Hangar Flats deposit second, and West End deposit last, as shown on Figure 0.2. This sequence generally progresses from mining highest value ore to lowest value ore and accommodates the sequential backfilling the Yellow Pine and Hangar Flats open pits with material mined from West End open pit. Lower grade ore extracted during mining of the three pits is stockpiled and then processed during the operating life of the mill. The spent ore that overlies the Historical Tailings would be used as tailings storage facility ("TSF") construction material and is treated as stripping in the FS. Most development rock would be sent to one of five destinations: the TSF embankment, the TSF buttress, the Yellow Pine pit as backfill, the Hangar Flats pit as backfill, or the Midnight area within the West End pit as backfill. The Historical Tailings would be hydraulically transferred to the process plant during the first four years of operation, concurrent with mining ore from the Yellow Pine open pit.

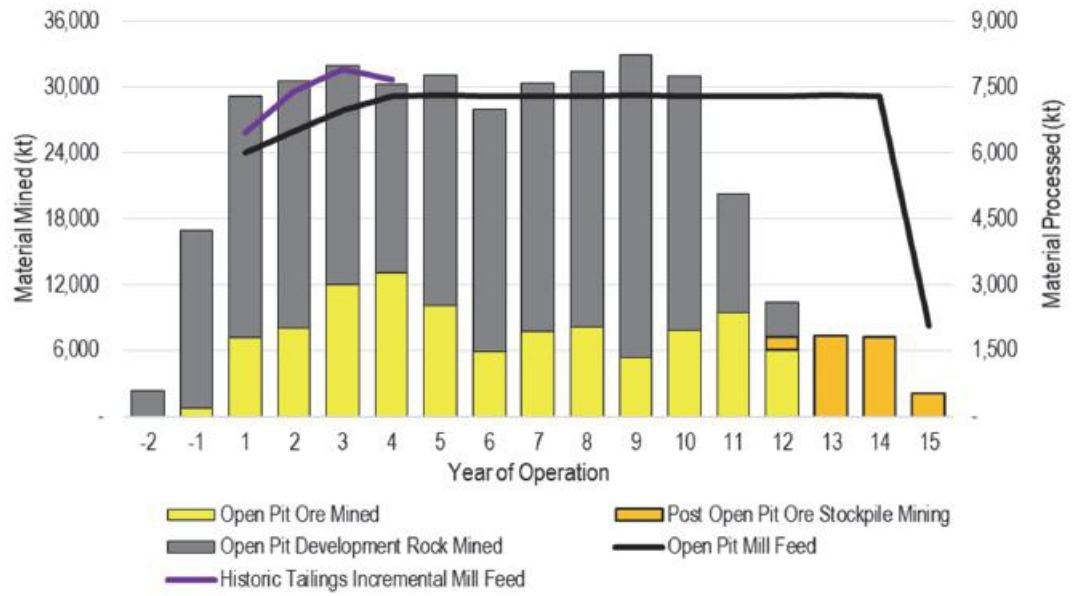
**Figure 0.2: Ore Mined by Deposit and Year**




Mining at the SGP would be accomplished using conventional open pit hard rock mining methods with a production fleet consisting of two 28-yd$^3$ hydraulic shovels, one 28-yd$^3$ wheel loader, and a fleet of approximately eighteen 150-ton haul trucks. Mining is planned to deliver 7.30 Mt of ore to the crusher per year (nominally 20 kt per day) and approximately 22.1 Mt of development rock per year to DRSFs. Pre-stripping the open pits would begin two years prior to ore processing and open pit mining would continue until year 12 of operation. Once open pit mining is completed, the mining fleet will continue to provide ore to the mill from ore stockpiles until approximately the end of the first quarter in year 15 (Figure 0.3). A total of 102 Mt of ore would be mined from the three open pits and an additional 2.7 Mt of historic tailings would be mined. Approximately 254 Mt of development rock would be mined from the three open pits for a total of 356 Mt mined from the open pits and an average strip ratio (waste:ore) of 2.5.



**Figure 0.3: Ore and Development Rock Mined by Year and Source**




Long-term lower-grade ore stockpiles have been incorporated into the FS mine plan located for the most part within the footprint of the TSF buttress, thereby minimizing their incremental disturbance. The primary benefits to adding ore stockpile capacity is increased potential to optimize process ore feed value throughout the mine life, improved utilization of the Mineral Resource, reduced peak water treatment needs, reduced development rock tonnage and associated mining impacted water management. The stockpiling strategy is particularly significant during the first half of the mine life when Yellow Pine high value ore is mined at a rate greater than process plant throughput capacity. If stockpile capacity is not available, either the period-based cut-off value must increase resulting in ore converted to waste, or the mining rate reduced to align with process plant throughput capacity resulting in deferred access to high-value ore deeper in the open pit. The addition of long-term ore stockpiles allows for relatively high value ore mined from Yellow Pine open pit to be stockpiled and made available to process when lower value ore is being mined in West End open pit (Figure 0.4 and Figure 0.5).

**Figure 0.4: Ore Stockpile Balance**

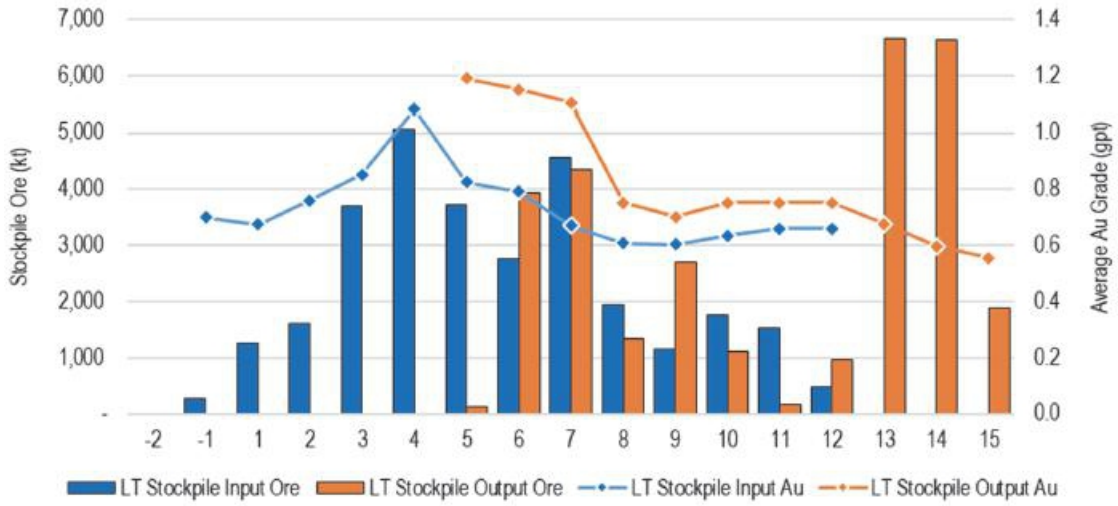
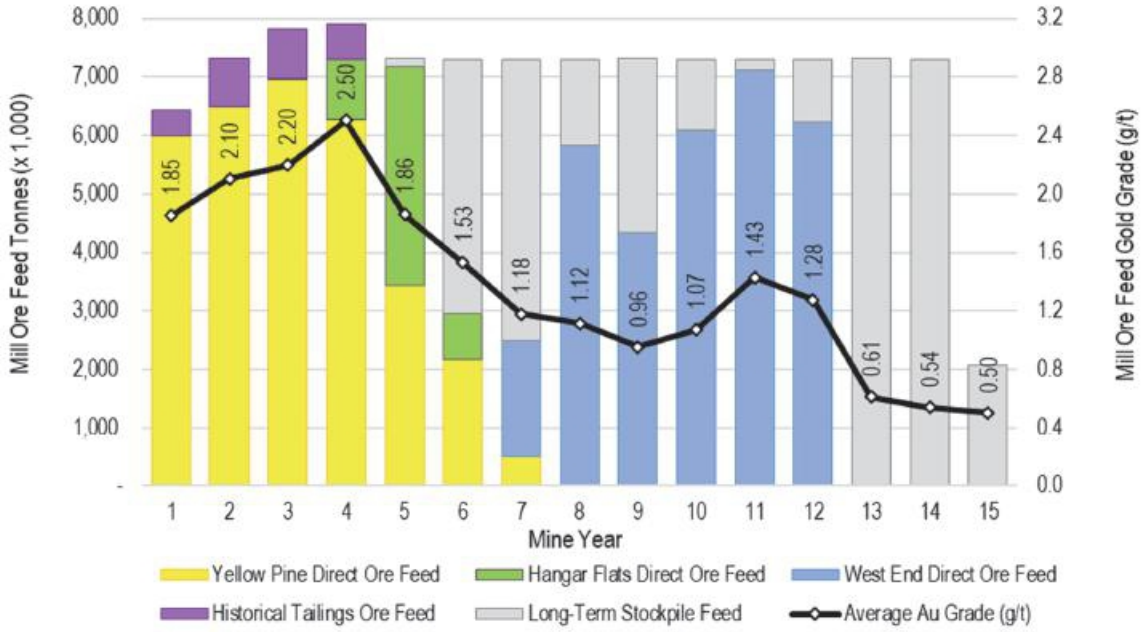



**Figure 0.5: Mill Feed and Gold Head Grade by Deposit and Year**






A summary of the mining statistics by ore type is provided in Table 0-5

**Table 0-5: Life-of-Mine Mining Statistics**

| General Life-of-Mine Production | Unit | Value |
|---|---|---|
| Open Pit Development Rock Mined | Mt | 254 |
| Open Pit Ore Mined | Mt | 102 |
| Open Pit Strip Ratio | waste:ore | 2.5 |
| Historical Tailings Mined | Mt | 2.7 |
| Mining Cost | $/t | 2.47 |
| Daily Mill Throughput | kt/day | 20.0 |
| Annual Mill Throughput | Mt/yr | 7.30 |
| Mine Life | years | 12 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Mill Life | years | 14.3 | | | | |
| **Life-of-Mine Average** | **Unit** | **Total Ore** | **Oxide Ore** | **High Sb Ore** | **Low Sb Ore** | **Transition Ore** |
| Tonnage Milled | Mt | 104.6 | 4.7 | 14.2 | 59.9 | 25.8 |
| Contained Au Mined | koz | 4,819 | 83 | 894 | 2,988 | 855 |
| Contained Ag Mined | koz | 6,431 | 133 | 2,104 | 2,958 | 1,236 |
| Contained Sb Mined | klb | 148,686 | - | 132,031 | 16,656 | - |
| Contained Au Grade Mined | g/t | 1.43 | 0.54 | 1.96 | 1.55 | 1.03 |
| Contained Ag Grade Mined | g/t | 1.91 | 0.87 | 4.61 | 1.54 | 1.49 |
| Contained Sb Grade Mined | % | 0.064 | - | 0.422 | 0.013 | - |

## 1.16 Recovery Methods

### *1.16.1 Ore Processing*

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

The process operations include the following components:

- **Crushing Circuit** – ROM material would be dumped onto a grizzly screen and into the crusher dump hopper feeding a jaw crusher operating at an average utilization of 75% yielding an instantaneous design-throughput of 1,111 tonnes per hour (**t/h**).
- **Grinding Circuit** – The grinding circuit incorporates a single semi-autogenous (**SAG**) mill, single ball mill design with an average utilization of 90%, yielding an instantaneous design-throughput of 926 t/h. When Historical Tailings are processed during early years of the operation, the slurry from the plant would also flow to the cyclone feed pump box. Cyclone underflow flows by gravity to the ball mill; cyclone overflow, at 33% solids with a target size of 80% passing ($\mathbf{P_{80}}$) 85 microns, would be screened to remove tramp oversize and flow through a feed sample system and on to the antimony or gold rougher flotation circuit, depending on the antimony concentration of the material.
- **Flotation Circuit (Antimony and Gold)** – The flotation circuit consists of up to two sequential flotation stages to produce two different concentrates; the first stage of the circuit was designed to produce an antimony concentrate when the antimony grade is high enough, or bypassed if not, and the second stage was designed to produce a gold-rich sulfide concentrate. The antimony concentrate will be packaged and sold. The gold-rich sulfide concentrate will be stored in three surge tanks.



- **Pressure Oxidation Circuit** – Concentrate from the surge tanks would be pumped to the autoclave feed tank, which would feed the autoclave. The autoclave is designed to provide 75 minutes of retention time at 220 degrees Celsius (428 degrees Fahrenheit) to oxidize the sulfides and liberate the precious metals. Autoclave discharge would be processed through flash vessels and gas discharge would be condensed and the remaining gas cleaned through a scrubber.
- **Oxygen Plant** – An oxygen plant producing 607 t/d of gas at 95 percent oxygen and a gauge pressure of 40 bars is planned. The oxygen would be from a vendor-owned oxygen plant located near the autoclave building providing the autoclave with an "over the fence" supply.
- **Lime Plant** – Limestone quarried from the West End pit would be hauled to an area south of the primary crusher pad. The material would be crushed and screened to feed the limestone grinding mill and the lime kiln. Ground limestone slurry and milk of lime are used to control acid in the autoclave, neutralize solutions and slurries coming out of the POX process, and control pH for leaching.
- **Oxidized Sulfide Processing** – After pressure oxidation, slurry discharge from the flash vessels would be neutralized and cooled prior to leaching. The slurry would then be leached in cyanide solution, followed by a seven-stage pump-cell carbon-in-pulp (**CIP**) circuit for precious metal recovery from this high-grade stream. The sulfide CIP tailings would be detoxified and discharged to the flotation tailings thickener. Alternatively, the sulfide leach tailings would be combined with flotation tailings when the latter undergoes cyanide leaching, as described in the next bullet point.
- **Oxide Carbon-in-Leach and Tailings Detoxification** – A future oxide leach circuit is included in the design of the process plant to be running in Year 7 of mill operations. This circuit would recover gold from non-refractory material in the flotation tailings when the mill is processing transition ore from the West End deposit. This circuit would also directly process oxide material from the West End deposit as a whole-ore leach process, that is, without undergoing flotation.
- **Carbon Handling** – Loaded carbon from the CIP circuit would be processed through a conventional carbon handling circuit, using the hot pressure-stripping of loaded carbon.
- **Gold Room** – Precious metals would be recovered from the strip solution by electrowinning.
- **Tailings** – Neutralized and thickened tailings would be pumped from the process plant to the TSF in a HDPE-lined carbon steel pipe.
- **Process Control Systems** – The process plant design includes an integrated process control system.

The two finished products from the Stibnite Gold Project ore processing facility will be: gold/silver bars, known as doré; and antimony-silver concentrate.

*1.16.2 Projected Metallurgical Recoveries*

Based on the metallurgical studies presented in Section 1.12, the mine plan provided in Section 1.15, and the process flowsheet included in Section 1.16, Figure 0.6 and Figure 0.7 summarize the projected LOM metallurgical recoveries to gold and siver-rich dore, and antimony concentrate, respectively.



**Figure 0.6: Projected LOM Metallurgical Recoveries to Doré**

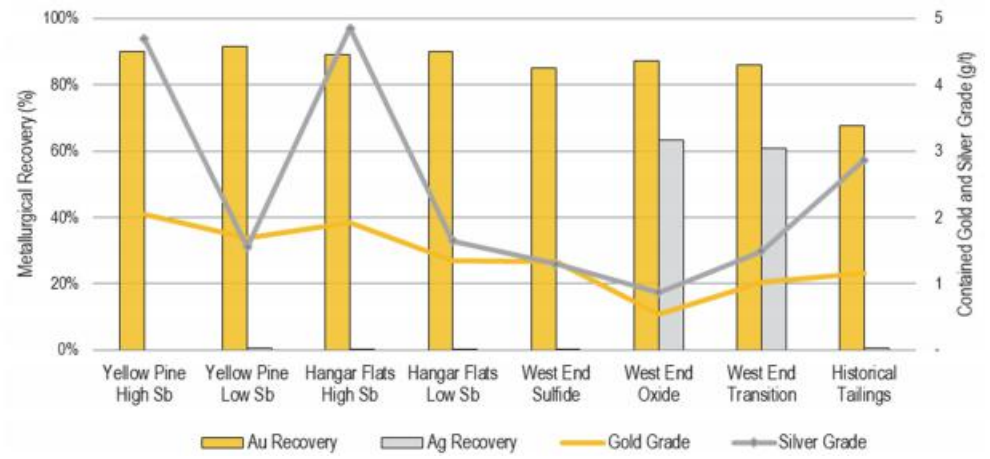
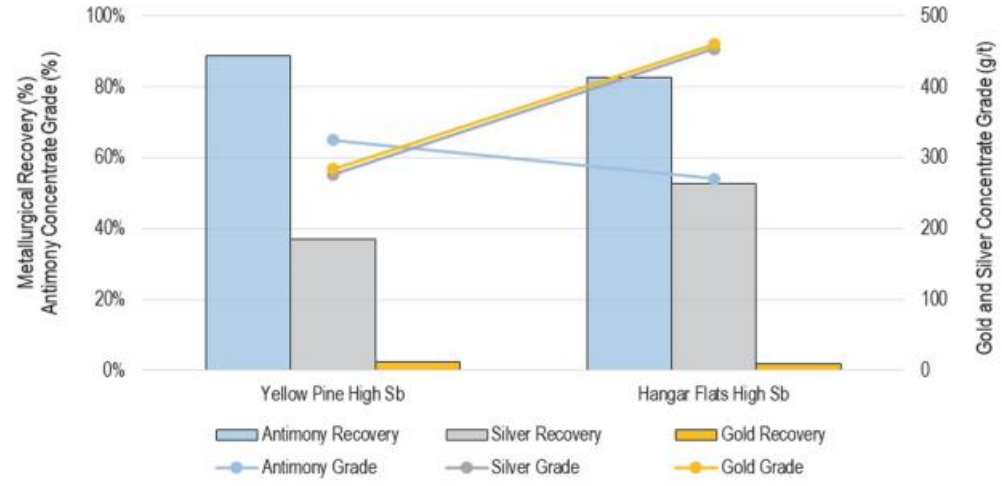



**Figure 0.7: Projected LOM Metallurgical Recoveries to Antimony Concentrate**

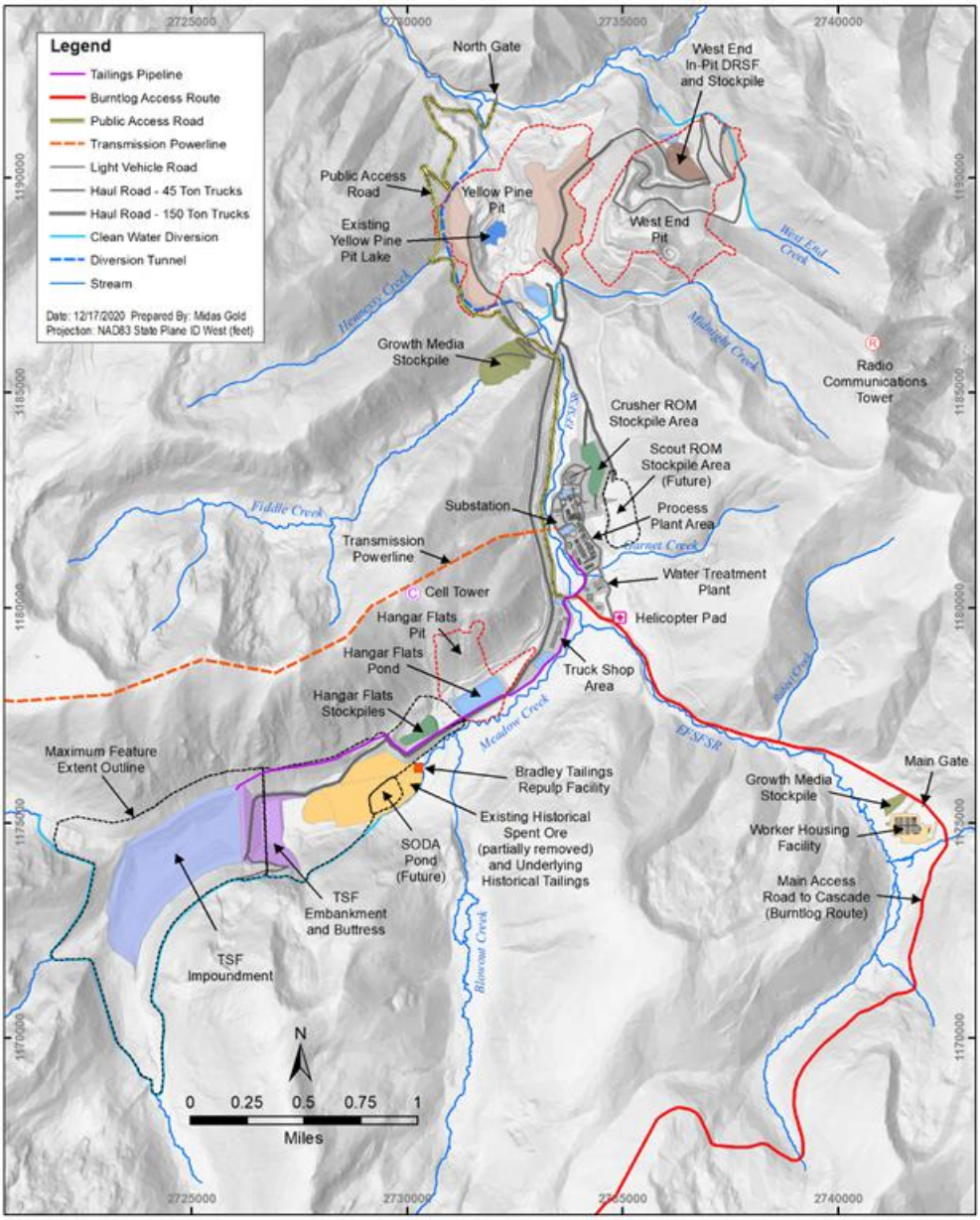



## 1.17 Infrastructure

The Project will require upgrades to existing offsite infrastructure such as roads and power supply, as well as onsite and offsite infrastructure additions such as worker accommodations, water management systems, and tailings management systems. Section 18 provides a complete list and detailed descriptions of the infrastructure upgrades and additions required for the Project; provided below are summaries of some select key infrastructure. Figure 0.8 provides a general overview of the mine site at the beginning of the mine life.



**Figure 0.8: Site Layout at the Beginning of Mine Life**






### *1.17.1 Site Access*

The site is currently accessed by the Stibnite Road, National Forest (NF-412), from the village of Yellow Pine, with three alternative routes up to that point. To address a number of shortcomings related to these routes, alternative access via the Burntlog Route was selected over several other possible alternatives because it provides safer year-round access for mining operations, reducing the proximity of roads to major fish-bearing streams, and this route respects the advice and privacy of community members close to the Project location. The route originates from the intersection of Highway 55 and Warm Lake Road and would be approximately 71 miles long. The route consists of 34 miles of existing highway (Warm Lake Road), 23 miles of upgraded road, and 14 miles of new road. The 37 miles of new and upgraded road would have a design speed of 20 mph, max 10% grade, a 21-foot width and intermediate-sized tractor trailer loading criteria. A maintenance facility would be constructed along the route. Additional details on the Burntlog Route and maintenance facility are provided in Section 18.

Midas Gold will provide buses and vans as the primary means of employee and contractor transportation to the site, reducing Project-related traffic along the access roads to site, thereby reducing risks to the safety of workers and the general public from traffic incidents, as well as minimizing the environmental impacts associated with vehicle traffic (particularly dust generation and sediment run-off, and also greenhouse gas and particulate emissions from vehicle use).

A through-site public access route will replace the current access through the SGP site during mine operations. During construction of the SGP, a new 12-foot-wide gravel road would be constructed to provide public access from Stibnite Road to Thunder Mountain Road through the mine site. A small segment of the road would be constructed on a widened bench within the Yellow Pine pit. South of the Yellow Pine pit, this road would parallel a mine haul road and use a partially revegetated historical mine road west of the EFSFSR.

### *1.17.2 Logistics Facility*

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

### *1.17.3 Power Supply and Transmission*

Grid power was selected as the preferred primary power supply for the Project based on its low operating cost, low unit prices, and Idaho Power Company's existing clean energy portfolio. To provide the necessary power, the existing grid network would need to be upgraded to support the 50 to 60-megawatt (**MW**) load. This includes upgrading approximately 63 mi of existing powerlines to 138 kV, and approximately 9 miles of new 138 kV line. Additionally, new or upgraded 138 kV substations at Lake Fork, Cascade, Scott Valley, Warm Lake, Thunderbolt Drop, Johnson Creek, and Stibnite, as well as measures to strengthen the voltages on the IPCo system, are required. The 138-kV line would be routed to the Project's main electrical substation where transformers would step the voltage down to the distribution voltage of 34.5 kV.

### *1.17.4 Worker Accommodations*

Midas Gold has an existing on-site worker housing facility with a capacity for approximately 60 workers. The existing facility would be expanded to provide accommodations during the initial year of construction and a new worker housing facility would be constructed approximately 2 miles south of the ore processing plant area to provide accommodations for the balance of the construction workforce and for the operations workforce. Since the peak construction accommodation requirements for approximately 1,000 workers is well in excess of the operations requirements of approximately 350 workers on site at any one time, leased accommodation units would be used during peak construction activity then demobilized following construction.



### *1.17.5 Water Management*

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

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

Meteoric and tailings consolidation water will be reclaimed from the TSF and would supply the majority of the water needed for ore processing. Additional water needs would be supplied from: pit dewatering, reuse of stored contact water, groundwater wells, and a surface intake near the upstream portal of the EFSFSR diversion tunnel.

Active dewatering will be required at the Yellow Pine and Hangar Flats pits, generally from alluvium and fractured bedrock wells, with total pumping ranging from zero to up to approximately 2,100 gpm over the life of mine. Excess dewatering water not used for ore processing would be treated, if required, and discharged to a surface outfall.

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

Contact water from the pits, stockpiles, TSF buttress, truck shop, ore processing facilities, and legacy materials exposed during construction would be collected in lined ponds or in-pit sumps for later use in ore processing, dust control, or treatment for discharge. Water management features would be phased in and out as mining progresses and the amount of surface area generating contact increases as pits and DRSFs expand and removed as backfilling and reclamation is completed. Aggregate contact water pond storage varies according to mine phase and is roughly 300 to 400 ac-ft over the mine life (excluding storage in pits), and approximately 200 ac-ft at the TSF in closure.

Three water types will require treatment over the life of the Project: contact water, including dewatering water, from mine facilities (construction through closure); process water from the TSF (closure); and sanitary wastewater (construction through early closure). Iron coprecipitation was selected for contact and process water treatment, as arsenic and antimony are the key constituents of concern in mine-impacted water at the site. During operations, treating and releasing contact water is generally limited to periods when a significant amount of dewatering water is being produced, or seasonally in wet years. During construction and at closure, absent a water demand for ore processing, less contact water can be consumed and proportionally more must be disposed of through evaporation or treatment and discharge. The variability in water excess is met with a phased water treatment approach, with approximately 300 gpm of treatment capacity during construction, 1,000 gpm early in operations, ramping up to 2,000 gpm during the peak of dewatering excess, and returning to 1,000 gpm through post-closure. Throughout the mine life, treatment would be augmented by forced evaporation when seasonal water storage and weather allows. Contact water volumes decline rapidly at closure as facilities are covered and reclaimed, but post-closure treatment is anticipated for the TSF until approximately 25 years after tailings deposition ceases, when tailing consolidation water is predicted to be minimal.

*1.17.6 Tailings Management*

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

The TSF would consist of a rockfill embankment, a fully lined impoundment, and appurtenant water management features including a surface diversion of Meadow Creek and its tributaries around the facility. A rockfill buttress abutting the TSF embankment would substantially enhance embankment stability. Historical spent heap leach ore would be reused in TSF construction, in locations isolated from interaction with water, but the majority of the rockfill would be development rock sourced from the open pits. Design criteria were established based on the facility size and risk using applicable dam safety and water quality regulations and industry best practice for the TSF embankment on a standalone basis; the addition of the buttress substantially increases the safety factor for the design to approximately double the minimum requirements. The TSF impoundment, embankment, and associated water diversions would occupy approximately 420 acres at final buildout, with an approximately 465-foot ultimate height. The TSF location relative to other Project features is shown on Figure 0.8. Table 0-6 summarizes TSF design features.

**Table 0-6: TSF Design Summary**

| Design Aspect | Description |
|---|---|
| Underdrains | Mains: perforated pipe and gravel in geotextile-wrapped trenches. Laterals: geo-composite drains. |
| Subgrade | Reworked and compacted in situ materials, or minimum 12 inches of liner bedding fill. |
| Liner Subbase | Geosynthetic clay liner. |
| Primary Liner | 60-mil LLDPE, single-side textured. |
| Overliner drains | Geosynthetic strip drains. |
| Leak Detection | Sampling of underdrains and downgradient monitoring wells. |
| Deposition Strategy | Subaerial; depositing from perimeter of impoundment and embankment with pool on east side near, but not normally in contact with, embankment. |
| Reclaim | Pumped from barge (vertical turbine pumps). |
| Excess Water Disposal | Consumption in process (operations), mechanical evaporators (operations and closure), water treatment and discharge (closure). |
| Diversions | Surface channels, in rock cut or lined with geosynthetics, concrete cloth, or riprap and GCL. Parallel or embedded pipe for low flows (stream temperature mitigation measure). |

## 1.18 Metal Prices

The economic analysis completed for this FS assumed that gold and silver production in the form of doré with appropriate deductions for payabilities, refining and transport charges. The metal prices selected for the five economic cases in this Report are shown in Table 0-7.



**Table 0-7: Assumed Metal Prices by Case**

| Case | Metal Prices | | | Basis |
|---|---|---|---|---|
| | Gold ($/oz) | Silver[(1)] ($/oz) | Antimony[(2)] ($/lb) | |
| Case A | 1,350 | 16.00 | 3.50 | Lower bound case defined by the approximate 5-year trailing average gold price and consistent with the gold price used in the PFS (M3, 2014). |
| Case B (Base Case) | 1,600 | 20.00 | 3.50 | Base case derived from the weighted average of the 3-year trailing gold price (60%) and the 2-year gold futures price (40%). |
| Case C | 1,850 | 24.00 | 3.50 | Case corresponds to the approximate spot gold price at the effective date of this report. |
| Case D | 2,100 | 28.00 | 3.50 | Case corresponds with a gold price at approximately the peak 2020 spot price. |
| Case E | 2,350 | 32.00 | 3.50 | Upper bound case provides investors with insight into the revenues generated by the Project at a sustained elevated long term gold price. |

*Notes:*

*(1) The base case silver price was set at a gold:silver ratio ($/oz:$/oz) of 80:1 or $20/oz. The base case price was then varied similar to the way the gold price was varied (in this case by $4/oz Ag versus $250/oz Au) for the other cases.*

*(2) Antimony prices were assumed to be constant at $3.50/lb for all cases as antimony does not historically vary proportional to the gold and silver prices and is not expected to do so in the future. The $3.50/lb price was derived from a market study undertaken by an independent expert in antimony markets.*

## 1.19 ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL/COMMUNITY IMPACT

Midas Gold has a long-established environment, social and governance ( **ESG**) approach, focused on a "net-benefit" goal, that is detailed in Chapters 2 and 6 of the PRO (Midas Gold, 2016), Section 20 of this Feasibility Study, and various corporate documents. In establishing the goal of net benefit to the environment and, as central principles to the proposed Project development, operations and closure, early in the design process, Midas Gold focused on a number of key restoration and mitigation principles. These principles included: conduct activities in an environmentally responsible manner; utilize previously disturbed areas; improve fish passage and habitat; remove, reprocess, or reuse legacy mine wastes to protect and improve water quality; revegetate disturbed or burned areas to improve wildlife habitat and reduce sediment loads; and restore or enhance wetlands and streams. By achieving this net benefit goal, Midas Gold will have provided Project restoration and mitigation projects that are both durable and additive; that is to say the mitigation outcomes will be above and beyond that which would have occurred in the absence of the Project (for additional details, see PRO Chapter 6, (Midas Gold, 2016)). The following provides a brief overview of each component of the goal as it intersects with the FS.

### *1.19.1 Environmental Legacies and Past Cleanup Efforts*

The District has been mined extensively for tungsten, antimony, mercury, gold, and silver since the early 1900s, which left significant legacy environmental impacts that persist to this day, although multiple cleanup efforts undertaken by federal and state agencies and private entities have partially mitigated some of those historical impacts. Historical mining impacts have been compounded by extensive forest fires and subsequent damage from soil erosion, landslides and debris flows and resultant sediment transport.

Foremost remaining legacy issues include the presence of spent heap leach ore, tailings, abandoned surface and underground workings, and development rock dumps that interact with water, all leading to elevated arsenic and antimony in surface and groundwater at the site; and physical remnants of past mining disturbance such as the pit lake and fish passage barriers at the Yellow Pine pit and upstream, ongoing erosion of Blowout Creek, and deforestation and degraded stream habitat sitewide. Solutions for the most significant of these legacy issues are integrated with the SGP mine plan and associated restoration plans.



### *1.19.2 Environmental Studies*

An extensive dataset demonstrating historical and existing conditions exists for the Project site, including data collected by contractors for the US Forest Service (**USFS**) and EPA, the US Geological Survey ( **USGS**), prior mine operators, and Midas Gold and its contractors.

Assessments by several Midas Gold and Federal agency contractors determined that there were a number of pre-existing significant and moderate recognized environmental conditions and overall water quality in all drainages was impaired due to naturally occurring mineralization and impacts associated with historical mining.

Midas Gold's environmental resource baseline data collection program was initiated in 2011, and baseline monitoring reports were submitted in 2017 to regulators, but certain studies are ongoing to provide monitoring data, and additional supplementary studies have been prepared per agency requests. Baseline data from all sources informed environmental modeling and Project design.

### *1.19.3 Environmental Modeling*

Midas Gold and its contractors developed predictive models for use in environmental evaluation and feasibility level engineering studies. Environmental models include air emissions modeling, a regional hydrogeologic/groundwater flow model and meteoric water balance, stream and pit lake network temperature model (**SPLNT**), geochemistry / site-wide water chemistry ( **SWWC**) loading model, and site-wide water balance (**SWWB**). The modeling process involved development of conceptual models, work plan approval by the regulatory agencies, development and calibration of existing conditions models, and development of predictive models for the proposed action and alternatives to the proposed action. The suite of models facilitated environmental analysis, evaluation of alternate design scenarios, and design trade-offs. Environmental modeling has been a key tool for advanced engineering and identification of Project modifications (Section 1.2) and appropriate mitigation measures to reduce cost and environmental impact. Key Project changes and mitigation measures incorporated into the FS to address results of analyses in the DEIS, and comments received from stakeholders before and during the DEIS comment period, include: contact water treatment; a low-permeability cover on the TSF buttress; mine plan changes to eliminate some facilities, reduce facility size, backfill pits, and reduce the acreage of concurrent disturbance; and modifying water diversion designs to reduce summer stream temperatures.

### *1.19.4 Mine-Impacted Water Treatment*

The seasonal water balance excess and predicted leaching of arsenic and antimony from mined materials lead to a need to dispose of water which would not meet discharge water quality standards absent treatment. Based on measured and predicted water quality and anticipated discharge water quality standards (typically either the acute cold-water biota or drinking water standards, depending on

constituent), dewatering water, seepage, and contact stormwater would require treatment before discharge during operations. In closure, once other facilities are reclaimed, TSF water would require treatment. Mechanical evaporation would be used along with active, and potentially passive, water treatment to manage excess water at site. Due to the need to remove arsenic and antimony, iron coprecipitation was selected as the primary technology for active treatment. Required water treatment capacity varies from construction through closure, according to the site water balance changes and storage capacity, peaking in the middle of operations at approximately 2,000 gpm when both Hangar Flats and Yellow Pine pits are being mined, declining to approximately 1,000 gpm later in operations as facilities are concurrently reclaimed, and continuing until after the TSF is covered to manage tailings consolidation water. Post-closure water treatment will continue until approximately year 40 (approximately 25 years after the end of ore processing operations).



### *1.19.5 Permitting*

Approval of the Project requires completion of the Environmental Impact Statement ( **EIS**) in compliance with the National Environmental Policy Act (**NEPA**), which requires federal agencies to study and consider the probable environmental impacts of a proposed federal action before making a decision on that action. For the Project to proceed, there are multiple federal actions required as described in the Draft EIS (**DEIS**) for the Project which is available at https://www.fs.usda.gov/project/?project=50516. In addition to federal permits, the Project requires multiple state and local permits, which also are described in the DEIS. The DEIS was issued by the USFS for public review in August 2020, and the public comment period concluded in October 2020. State and local permitting processes are integrated through the Idaho Joint Review Process (**IJRP**) in progress concurrent with preparation of the EIS, and include water discharge ( **IPDES**), air quality, cyanidation, groundwater, water rights, dam safety, mine and reclamation, building permits, sewer and water systems, among others. Once the USFS completes revisions to the DEIS, a Final EIS will be issued which will support the Records of Decision to be issued by the federal authorities.

Refinements to the Project reflected in the FS present opportunities to reduce the Project footprint and improve environmental outcomes. These refinements are responsive to comments received from stakeholders before the DEIS was published, comments received during the comment period and Midas Gold's own review of the environmental analysis. As such, the FS contemplates a Project that includes: contact water treatment; low-permeability cover on the TSF buttress; mine plan adjustments to reduce Project footprint; elimination of certain facilities; backfilling pits; and piping summer low flows to reduce stream temperatures.

Section 20 provides detailed descriptions and the status of each of the permits required prior to construction and operation of the Stibnite Gold Project.

### *1.19.6 Social and Community Impacts*

Midas Gold's objective is to make the Project a fully integrated, sustainable, and socially and environmentally responsible operation through open communications and accessibility.

The Project would create approximately 550 direct jobs in Idaho during the almost 15 years of operations and would result in at least a similar number of indirect and induced jobs while generating significant taxes and other benefits to the local, state and national economies. The Project is also estimated to create substantial tax revenues from business, property, and individual taxes on Midas Gold, its employees, suppliers and contractors and their employees, and from induced economic activity. Midas Gold has committed to look to Idaho first, and particularly Valley County and neighboring Adams and Idaho counties, for its workforce and for the materials needed for the Stibnite Gold Project, encouraging local hiring, training, contracting, provision of supplies and services within the local communities and Valley County, and in expanding circles that include adjacent counties, the State and the balance of the U.S. (PRO Chapter 3 (Midas Gold 2016)).

Midas Gold has strived to develop a Project that respects and responds to the needs of all Project stakeholders, including local communities, tribes, and regional interests. In addition to board adoption of a formal Environmental Social and Governance commitment, Midas Gold has proactively implemented an iterative process of community engagement involving communicating with and listening to stakeholders through all aspects and phases of Project planning and design. These activities include interaction with potentially affected communities regarding potential Project economic impacts and opportunities, working with local communities to identify community needs and to plan for potential expansion of public services and infrastructure, engaging with tribal governments, and sponsoring and participating in community programs and educational events. Midas Gold's commitments also included entering into community agreements to ensure communication, coordination and transparency throughout the life of the Project and that financial benefits to local communities continue beyond the Project lifespan.



The public scoping and DEIS public comment phases of the NEPA process have also provided important feedback from communities and stakeholders that will be affected by the Project. It is notable that significant comment-driven Project changes, including modification of proposed public access through the Project site, backfilling of Hangar Flats pit, and additional fisheries and water quality mitigation measures were incorporated into Midas Gold's modifications of the Proposed Action, either previously incorporated as alternatives in the DEIS or proposed herein to further reduce Project environmental impacts, for adoption in the FEIS.

In order to better integrate the Project into the local communities and coordinate with them, in 2018 Midas Gold entered into a Community Agreement (**CA**) with the Village of Yellow Pine, the cities of Cascade, Donnelly, New Meadows, Riggins and Council, and Adams and Idaho counties (Midas Gold, 2018). As a regulator for the Project, Valley County determined it was not in a position to enter

into the CA. The CA established the Stibnite Advisory Council, which brings communities together to discuss the challenges and opportunities presented by the Project; and the Stibnite Foundation, which distributes funds to projects from milestone and future share of profits contributions by Midas Gold.

Midas Gold respects the sovereign treaty rights of Native American tribes and has engaged them in good faith through all phases of Project exploration, development and planning. Through early engagement with the Nez Perce Tribe (**NPT**) commencing in 2012, Midas Gold has undertaken measures to mitigate potential impacts of its exploration activities identified by the NPT and has allowed the NPT full access to the Site and shared baseline environmental data. More recently, Midas Gold has been engaged with the Shoshone-Bannock Tribes (**SBT**) and has been undertaking efforts to educate Tribal representatives on its proposed plans to improve water quality, address legacy issues caused by prior mining companies and to collaborate on fisheries.

### *1.19.7 Avoidance and Minimization*

Designing the site restoration for a net benefit was guided by a hierarchy of priorities: avoidance, minimization, then mitigation. Midas Gold sought to conserve existing natural resources and avoid and minimize environmental impacts in selection of Project facility locations, responsible operating plans, and facility design features. Avoidance and minimization measures reduced Project footprint, impacts to aquatic habitat, and the potential for water quality impacts.

### *1.19.8 Legacy Material Cleanup*

Midas Gold will remove, reuse, reprocess, or isolate a variety of legacy materials from prior mining operations, in the course of re-mining this brownfield site. In addition to removals that will improve water quality, Midas Gold will repair a number of physical legacies that degrade fish habitat and limit fish migration.

### *1.19.9 Compensatory Mitigation*

While Project facilities and infrastructure would be located in areas of previous disturbance wherever practicable, in some cases disturbance of wetlands and streams would be unavoidable. Under Section 404 of the Clean Water Act, unavoidable impacts to waters of the U.S. require compensatory mitigation – that is, replacement of their lost function – generally in advance of the disturbance taking place, either by the use of a mitigation bank or construction of replacement wetlands, generally in the same drainage basin.



Owing to the combined effects of the Project sequence, limited valley-bottom land available, and lack of established mitigation banks in the basin, complete compensatory mitigation via a single means is impractical for the Project. Midas Gold is pursuing a comprehensive approach to wetland and stream compensatory mitigation that entails on-site enhancement and restoration of both streams and wetlands, banking, and off-site projects such as stream habitat enhancements and replacement of culverts that presently impede fish passage. Many of the compensatory mitigation measures are also closure and restoration projects. The U.S. Army Corps of Engineers (**USACE**) is evaluating the mitigation proposal concurrent to the NEPA process.

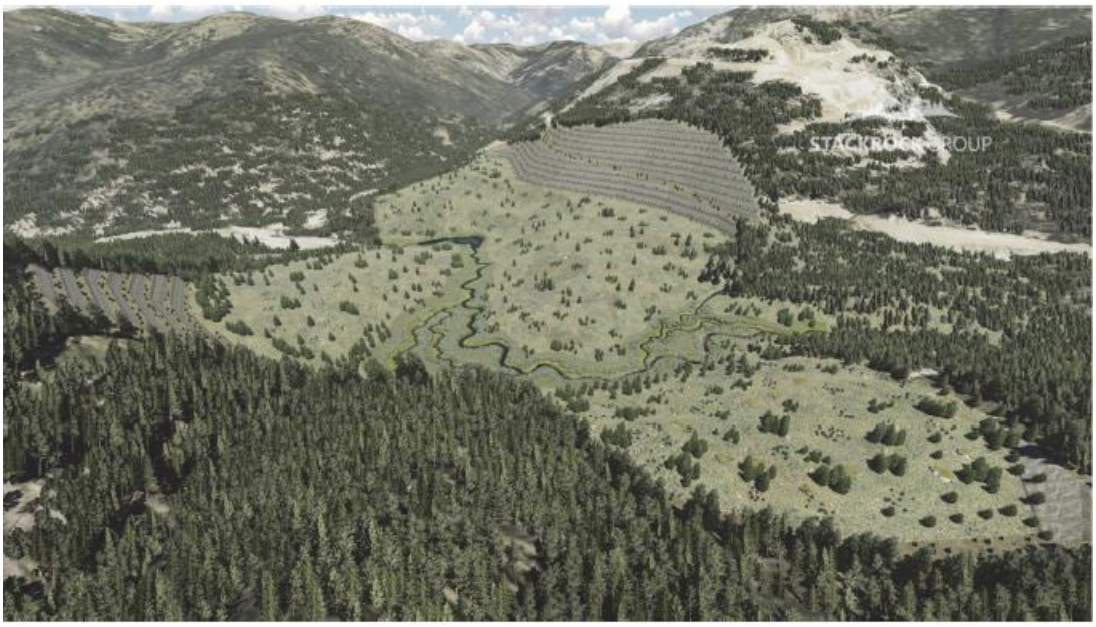
### *1.19.10 Closure and Restoration*

Midas Gold developed closure and restoration plans with the objectives to establish a sustainable fishery with enhanced habitat to support natural populations of salmon, steelhead, and bull trout; improve water quality; establish vegetation; and enhance wildlife habitat, all contributing to a self-sustaining and productive ecosystem. Closure, reclamation and restoration activities would achieve post-mining land uses of wildlife and fisheries habitat and dispersed recreation at the mine site.

Significant components of reclamation and restoration occur concurrently with operations, including: removing and reprocessing and/or reusing historical tailings, development rock and spent ore; enhancing existing streams; improving water quality; backfilling and reclaiming the Hangar Flats and Yellow Pine (Figure 0.9) pits; stream restoration; and establishing permanent fish passage to the headwaters of the EFSFSR. The remaining closure activities occur in the first 10 years after operations cease: further improvements to water quality; restoring additional streams, wetlands, and riparian habitat throughout the site; decommissioning onsite infrastructure and facilities; replacing growth media; re-contouring artificial landforms to blend into the landscape; and replanting Project and historical disturbance areas. Closure maintenance, water treatment, and long-term monitoring are anticipated to continue longer to protect water quality gains and ensure that closure features are performing as intended.



**Figure 0.9: Post Closure Isometric View of Yellow Pine Pit Area**



### *1.19.11 Environmental Monitoring and Reporting*

Midas Gold will employ environmental monitoring measures that will be part of permits and other approvals from the USFS, USACE, EPA, Idaho Department of Environmental Quality (**IDEQ**), Idaho Department of Lands (**IDL**), Valley County, and other appropriate agencies. The Project will operate under federal, state and local permit approvals that will mandate practices and procedures to mitigate environmental impacts, reclaim disturbed areas, and monitor restoration success and water quality. These agencies will conduct routine inspections to ensure compliance with applicable monitoring and reporting regulations.

## 1.20 CAPITAL & OPERATING COSTS

Capital expenditures or capital costs (**CAPEX**) and operating expenditures or operating costs (**OPEX**) estimates were developed based on Q3 2020, un-escalated U.S. dollars. Vendor quotes were obtained for all major equipment. Most costs were developed from first principles, although some were estimated based on factored references and experience with similar projects elsewhere. Vendor quotes were obtaining for all major equipment and operating consumables. Reclamation financial assurance costs are not included in the capital costs.

### *1.20.1 Capital Costs*

The Project CAPEX estimate includes four components: (1) the initial CAPEX to design, permit, pre-strip, construct, and commission the mine, plant facilities, ancillary facilities, utilities, operations camp, and pre-production on and off site restoration and environmental mitigation; (2) the sustaining CAPEX for facilities expansions, mining equipment replacements, expected replacements of process equipment and ongoing concurrent restoration and environmental mitigation activities during the operating period; (3) working capital to cover delays in the receipts from sales and payments for accounts payable and financial resources tied up in inventory, and (4) closure CAPEX to cover post operations reclamation and restoration and water treatment costs. Initial and working capital are the two main categories that need to be available to construct the Project. Table 0-8 provides a CAPEX summary for the Project.



**Table 0-8: Capital Cost Summary**

| Area | Detail | Initial CAPEX ($000s) | Sustaining CAPEX ($000s) | Closure CAPEX ($000s)[1] | Total CAPEX ($000s) |
|---|---|---|---|---|---|
| Direct Costs | Mine Costs | 84,019 | 118,968 | - | 202,987 |
| | Processing Plant | 433,464 | 49,041 | - | 482,505 |
| | On-Site Infrastructure | 190,910 | 83,892 | - | 274,802 |
| | Off-Site Infrastructure | 115,940 | - | - | 115,940 |
| Indirect Costs | | 232,684 | - | - | 232,684 |
| Owner's Costs, First Fills, & Light Vehicles | | 38,351 | - | - | 38,351 |

| | | | | |
|---|---|---|---|---|
| Offsite Environmental Mitigation Costs | 14,397 | - | - | 14,397 |
| Onsite Mitigation, Monitoring, and Closure Costs | 3,474 | 23,484 | 98,052 | 125,010 |
| **Total CAPEX without Contingency** | **1,113,239** | **275,385** | **98,052** | **1,486,677** |
| Contingency | 149,708 | 20,354 | 1,244 | 171,306 |
| **Total CAPEX with Contingency** | **1,262,948** | **295,739** | **99,296** | **1,657,982** |

*Notes:*

*(1) Closure assumes self-performed closure costs, which will differ for those assumed for financial assurance calculations required by regulators.*

*1.20.2 Operating and All-In Costs*

The Project OPEX estimate includes mine operating costs, process plant operating costs, and general and administrative ( **G&A**) costs. Cash costs, expressed in dollars per short ton ($/st) milled or dollars per troy ounce of gold ($/oz Au) produced, are typically expressed before and after by-product credits (from antimony concentrate sales). Total cash costs include smelting and refining charges, transportation charges, and royalties. The All-In Sustaining Costs (**AISC**) and the All-In Costs ( **AIC**) include non-sustaining CAPEX, and closure and reclamation CAPEX, respectively. A summary of these Project costs is presented in Table 0-9. The details that comprise the OPEX are provided Section 21.

**Table 0-9: Operating Cost, AISC and AIC Summary**

| Total Production Cost Item | Years 1-4 | | LOM | |
|---|---|---|---|---|
| | ($/st milled) | ($/oz Au) | ($/st milled) | ($/oz Au) |
| Mining | 9.71 | 156 | 8.22 | 205 |
| Processing | 13.13 | 211 | 12.76 | 318 |
| G&A | 3.54 | 57 | 3.43 | 85 |
| **Cash Costs Before By-Product Credits** | **26.38** | **424** | **24.41** | **608** |
| By-Product Credits | (5.99) | (96) | (2.81) | (70) |
| **Cash Costs After By-Product Credits** | **20.40** | **328** | **21.60** | **538** |
| Royalties | 1.69 | 27 | 1.09 | 27 |
| Refining and Transportation | 0.46 | 7 | 0.24 | 6 |
| **Total Cash Costs** | **22.54** | **362** | **22.94** | **571** |
| Sustaining CAPEX | 4.64 | 75 | 2.83 | 70 |
| Salvage | - | - | (0.26) | (6) |
| Property Taxes | 0.05 | 1 | 0.04 | 1 |
| **All-In Sustaining Costs** | **27.23** | **438** | **25.54** | **636** |
| Reclamation and Closure[(1)] | - | - | 0.95 | 24 |
| Initial (non-sustaining) CAPEX[(2)] | - | - | 11.65 | 290 |
| **All-In Costs** | **-** | **-** | **38.14** | **950** |

*Notes:*

*(1) Defined as non-sustaining reclamation and closure costs in the post-operations period.*

*(2) Initial Capital includes capitalized preproduction.*

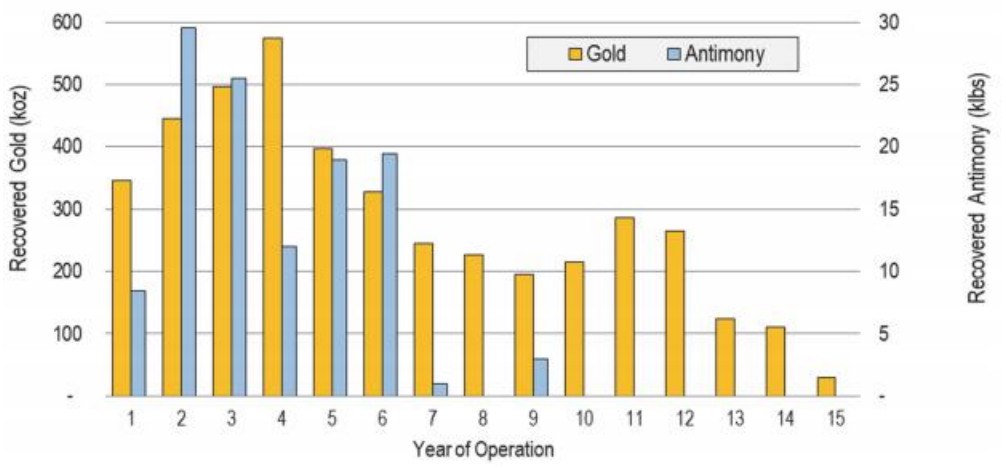
*1.20.3 Metal Production*

Recovered metal production by deposit is summarized in Table 0-10 and illustrated on an annual basis on Figure 0.10.

**Table 0-10: Recovered Metal Production**

| Product by Deposit | Gold (koz) | Silver (koz) | Antimony (klbs) |
|---|---|---|---|
| **Doré Bullion** | | | |
| Yellow Pine | 2,453 | 11 | - |
| Hangar Flats | 364 | 1 | - |
| West End | 1,333 | 839 | - |
| Historical Tailings | 68 | 0 | - |
| **Doré Bullion Recovered Metal Totals** | **4,217** | **852** | **-** |
| **Antimony Concentrate** | | | |
| Yellow Pine | 17 | 573 | 92,065 |
| Hangar Flats | 4 | 255 | 20,822 |
| Historical Tailings | 1 | 31 | 2,454 |
| **Antimony Concentrate Recovered Metal Totals** | **21** | **858** | **115,342** |
| **Total Recovered Metals** | **4,238** | **1,710** | **115,342** |

**Figure 0.10: Annual Recovered Gold and Antimony**




## 1.21 Economic Analysis

The economic model described in this FS is not a true cash flow model as defined by financial accounting standards but rather a representation of Project economics at a level of detail appropriate for a FS level of engineering and design. The first year of analysis starts with the decision point of the Project, the completion of the EIS, and preliminary permit approval (Year -3 or three years before the start of commercial production). Taxation was taken into account using current federal, state, and county rates but the overall tax calculation is approximate and uses rudimentary depletion and depreciation estimates.



Four cases were run in the economic model to present a range of economic outcomes using varying metal prices. The metal prices used in the economic model are shown in Table 0-7. There is no guarantee that any of the metal prices used in the five cases are representative of future metals prices. The constant parameters for all cases are shown in Table 0-11.

**Table 0-11: Financial Assumptions used in the Economic Analyses**

| Item | Unit | Value |
|---|---|---|
| Net Present Value Discount Rate | % | 5 |
| Federal Income Tax Rate | % | 21 |
| Idaho Income Tax Rate | % | 6.9 |
| Idaho Mine License Tax | % | 1.0 |
| Valley County Rural Property Tax Rate ($/$1,000 market value) | % | 0.063 |
| Percentage Depletion Rate for Gold and Silver | % | 15 |
| Percentage Depletion Rate for Antimony | % | 22 |
| Depreciation Term | Years | 7 |
| Equity Finance Assumption | % | 100 |

The results of the pre- and after-tax economic analyses are provided in Table 0-12.

**Table 0-12: Pre- and After-Tax Economic Results by Case**

| Parameter | Unit | Pre-tax Results | After-tax Results |
|---|---|---|---|
| **Case A ($1,350/oz Au, $16.00/oz Ag, $3.50/lb Sb)** | | | |
| $NPV_{0\%}$ | M$ | 1,637 | 1,434 |
| $NPV_{5\%}$ | M$ | 896 | 771 |
| Annual Average EBITDA | M$ | 223 | - |
| Annual Average After-Tax Free Cash Flow | M$ | - | 189 |
| IRR | % | 17.3 | 16.2 |
| Payback Period | Production Years | 3.4 | 3.4 |
| **Case B ($1,600/oz Au, $20.00/oz Ag, $3.50/lb Sb)** | | | |
| $NPV_{0\%}$ | M$ | 2,667 | 2,232 |
| $NPV_{5\%}$ | M$ | 1,599 | 1,320 |
| Annual Average EBITDA | M$ | 292 | - |
| Annual Average After-Tax Free Cash Flow | M$ | - | 242 |
| IRR | % | 24.3 | 22.3 |
| Payback Period | Production Years | 2.9 | 2.9 |
| **Case C ($1,850/oz Au, $24.00/oz Ag, $3.50/lb Sb)** | | | |
| $NPV_{0\%}$ | M$ | 3,697 | 3,026 |
| $NPV_{5\%}$ | M$ | 2,301 | 1,864 |
| Annual Average EBITDA | M$ | 360 | - |
| Annual Average After-Tax Free Cash Flow | M$ | - | 295 |
| IRR | % | 30.4 | 27.7 |
| Payback Period | Production Years | 2.4 | 2.5 |
| **Case D ($2,100/oz Au, $28.00/oz Ag, $3.50/lb Sb)** | | | |
| $NPV_{0\%}$ | M$ | 4,726 | 3,815 |
| $NPV_{5\%}$ | M$ | 3,002 | 2,404 |
| Annual Average EBITDA | M$ | 429 | - |
| Annual Average After-Tax Free Cash Flow | M$ | - | 348 |
| IRR | % | 35.9 | 32.4 |
| Payback Period | Production Years | 2.2 | 2.2 |
| **Case E ($2,350/oz Au, $32.00/oz Ag, $3.50/lb Sb)** | | | |
| $NPV_{0\%}$ | M$ | 5,755 | 4,603 |
| $NPV_{5\%}$ | M$ | 3,704 | 2,943 |
| Annual Average EBITDA | M$ | 498 | - |
| Annual Average After-Tax Free Cash Flow | M$ | - | 400 |
| IRR | % | 41.0 | 36.9 |
| Payback Period | Production Years | 1.9 | 1.9 |



The contribution to the Project economics, by metal, is approximately 96% from gold, 4% from antimony, and less than 1% from silver.

The undiscounted after-tax cash flow for Case B is presented on Figure 0.11. The payable metal value by year for Case B is summarized on Figure 0.12.

**Figure 0.11: Undiscounted After-Tax Cash Flow for Base Case B**

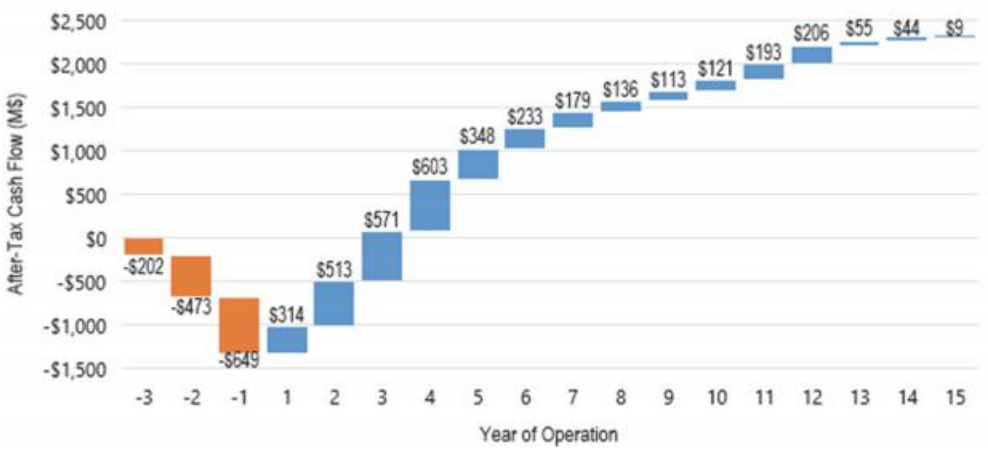
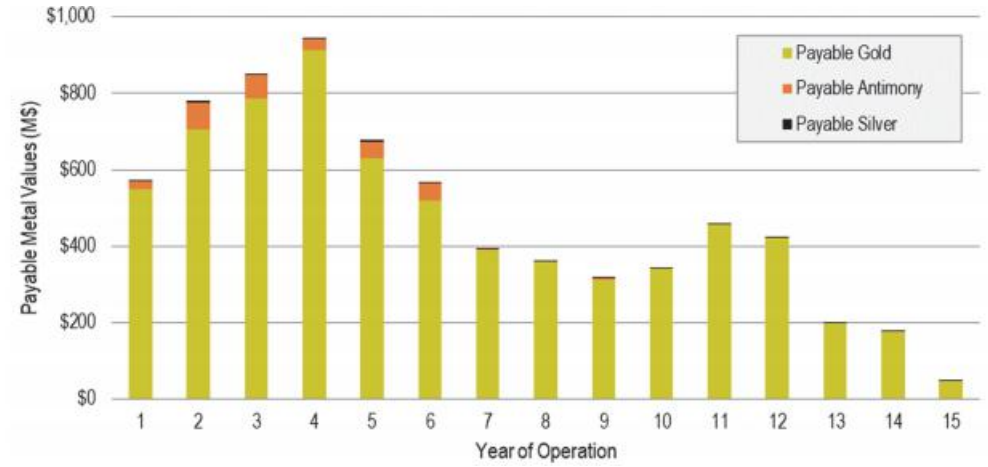





**Figure 0.12: Payable Metal Value by Year for Case B**




## 1.22 Risks and Opportunities

A number of risks and opportunities have been identified in respect of the Project; aside from industry-wide risks and opportunities (such as changes in capital and operating costs related to inputs like steel and fuel, metal prices, permitting timelines, etc.), high impact Project specific risks and opportunities are summarized below.

**Risks**, which additional information could eliminate or mitigate include:

- Delay in permitting or necessary project changes resulting from permitting;
- Legal challenges to ROD or environmental complications associated with legacy mining impacts;
- Delays related to the Clean Water Act litigation initiated by NPT;
- Water management and chemistry that could affect diversion and closure designs and/or the duration of long-term water treatment;
- Geological uncertainties which may affect Mineral Resources and Mineral Reserves;
- Increases to estimated capital and operating costs; and
- Construction schedule.

**Opportunities** that could improve the economics, and/or permitting schedule of the Project, including a number with potential to increase the $NPV_{5\%}$ by more than $100 million include:

- In-pit conversion of approximately 9.8 Mt of Inferred Mineral Resources grading 1.02 g/t Au occurring within the Mineral Reserve Pits containing approximately 321 koz of gold, to Mineral Reserves, increasing Mineral Reserves and reducing the strip ratio;
- Out-of-pit conversion of approximately 26.2 Mt of Inferred Mineral Resources grading 1.09 g/t Au occurring outside the current Mineral Reserve Pits containing approximately 917 koz of gold, to Mineral Reserves;

- Out-of-pit conversion of approximately 27.1 Mt of Measured and Indicated Mineral Resources grading 1.26 g/t occurring outside the current Mineral Reserve Pits containing approximately 1,098 koz of gold, to Mineral Reserves;
- In-pit conversion of unclassified material currently treated as development rock to Mineral Reserves, increasing Mineral Reserves and reducing strip ratios;
- Definition of additional Mineral Reserves within the West End deposit through infill and resource definition drilling;
- Potential for the definition of higher grade, higher margin underground Mineral Reserves at Scout, Garnet or Hangar Flats; and,
- Discovery of other new deposits with attractive operating margins.

**Mineral resources exclusive of mineral reserves are reported based on a fixed gold cut-off grade of 0.45 g/t for sulfide and 0.40 g/t for oxide, and in relation to conceptual Mineral Resource pit shells and Mineral Reserve pits to demonstrate potential economic viability as required under NI 43-101. Indicated mineral resources exclusive of mineral reserves are reported to demonstrate potential for future expansion should economic conditions warrant. Inferred mineral resources exclusive of mineral reserves are reported to demonstrate potential to increase in-pit production should inferred mineral resources be successfully converted to mineral reserves; mineralization lying outside of Mineral Resource pit shells is not reported as a mineral resource. Mineral resources are not mineral reserves and do not have demonstrated economic viability. These mineral resource estimates include inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. It is reasonably expected that the majority of inferred mineral resources could be upgraded to indicated.**

Opportunities with a medium impact ($10 to $100 million increase in Project NPV $_{5\%}$) include improved metallurgical recoveries, secondary processing of antimony concentrates, steeper pit slopes, and government funding of off-site infrastructure. A number of lesser impact opportunities also exist.

### 1.23 Other Relevant Data and Information

The Project would become the only domestic producer of antimony (stibnite) concentrate. Antimony was designated as a critical mineral in the U.S. Department of Interior's final list of 35 critical minerals published in 2018 (U.S. Dept. of Interior, 2018) as a result of zero domestic production in the U.S. and reliance on imports, directly or indirectly, from non-aligned countries such as China, Russia and Tajikistan which produce 92% of the world's antimony, according to the U.S. Geological Survey.

### 1.24 Interpretation and Conclusions

Industry standard mining, processing, construction methods, and economic evaluation practices were used to assess the Project. There was adequate geological and other pertinent data available to generate the FS.

The financial analysis presented in Section 22 of the FS demonstrates that the Project is financially viable and has the potential to generate positive economic returns based on the assumptions and conditions set out in this Report, while other sections of the FS demonstrate that the Project is technically and environmentally viable.

The FS has achieved its original objective of optimizing the PFS design, increasing the level of detail of the Project design and cost estimating resulting in decreased technical and financial risk, and strengthening the potential economic viability of the Project to standards appropriate for a FS.



The QPs of this Report are not aware of any unusual, significant risks or uncertainties that could be expected to affect the reliability or confidence in the Project based on the data and information available to date.

### 1.25 Recommendations

After many years of study, discussion, analysis, planning, and community and stakeholder input, Midas Gold prepared a comprehensive plan for the restoration and redevelopment of Stibnite, known as the PRO (Alternative 1 in the DEIS) and that plan was modified to form the ModPRO (Alternative 2 in the DEIS). This Feasibility Study lays out a safe, technically feasible, economically viable, environmentally sound and socially responsible path forward for the redevelopment and restoration of the Site. This path forward will comply with applicable laws and regulations and incorporates environmental improvements that were developed in response to comments received during the regulatory process, including the comment period for the DEIS, being undertaken under NEPA.

It is recommended that Midas Gold proceed with the NEPA process noted above in anticipation of a positive record of decision under NEPA. The estimated costs associated with this recommendation, and other ancillary recommendations included in Section 26, are approximately $14 million. Once a positive record of decision is in hand a construction decision would be the next logical step.

Restore the Site.

### 1.26 References

Brown and Caldwell (2019). SGP Environmental Impact Statement (DEIS) Modified Proposed Action – Chapter 2. May 3, 2019.

M3 Engineering & Technology (2014). Stibnite Gold Project Prefeasibility Study Technical Report, prepared for Midas Gold, December 8, 2014, amended March 28, 2019.

Midas Gold Corp. News release #2018-15, Dec. 4, 2018.

Midas Gold Idaho, Inc. (2016). Stibnite Gold Project Plan of Restoration and Operations, prepared for approval by the USFS and other federal and state agencies, September 2016.

SRK (2012). Preliminary Economic Assessment Technical Report for the Golden Meadows Project Idaho, prepared for Midas Gold, September 21, 2012.

U.S. Department of Agriculture, Forest Service (2020). Stibnite Gold Project Draft Environmental Impact Statement, Forest Service, Region 4, Payette and Boise National Forests, Valley County, Idaho, August 14, 2020.

U.S. Department of Interior's final list of 35 critical minerals published in May 18, 2018

https://www.federalregister.gov/documents/2018/05/18/2018-10667/final-list-of-critical-minerals-2018#:~:text=The%20final%20list%20includes%3A%20Aluminum,elements%20group%2C%20rhenium%2C%20rubidium%2C"

**Exhibit 99.2**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**INTRODUCTION**

The following is Management's Discussion and Analysis ("MD&A") of the consolidated financial condition and results of operations of Perpetua Resources Corp. ("Perpetua Resources" or the "Corporation") for the year ended December 31, 2020 compared to the year ended December 31, 2019. This MD&A should be read in conjunction with Perpetua Resources' consolidated financial statements ("Financial Statements") for the year ended December 31, 2020 prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Additional corporate information, including Perpetua Resources' most recent Annual Information Form ("AIF") and other continuous disclosure documents can be accessed through the System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com and the Corporation's website at www.PerpetuaResources.com.

To the extent applicable, updated information contained in this MD&A supersedes older information contained in previously filed continuous disclosure documents. Information contained on the Corporation's website that is not incorporated by reference does not form part of this MD&A. This MD&A contains forward-looking statements that are based on certain estimates and assumptions and involve risks and uncertainties. Actual results may vary materially from management's expectations. See the "Forward-Looking Statements" and "Risks and Uncertainties" sections in this MD&A for further information. All "$" dollars in this MD&A are United States Dollars, unless specifically stated as "C$" which are Canadian Dollars.

The information in this MD&A is provided as at March 15, 2021.

**OVERVIEW**

Perpetua Resources (formerly Midas Gold Corp) was incorporated on February 22, 2011 under the Business Corporations Act of British Columbia. 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 ("Stibnite Gold Project" or the "Project"). The Corporation currently operates in one segment, mineral exploration in the United States. The registered office of the Perpetua Resources is 400-725 Granville St, Vancouver, BC, V7Y 1G5, Canada and the corporate office is located at 201-405 S 8th St, Boise, ID 83702, USA.

**HIGHLIGHTS**

On January 27, 2020, the Corporation announced the United States Forest Service ("USFS") and other regulators working on the Stibnite Gold Project ("Project") had, following internal reviews, identified a number of recommended improvements to the draft environmental impact statement ("Draft EIS") that was being prepared by the USFS as the lead agency. These recommended improvements to the Draft EIS would ultimately support a complete Record of Decision ("ROD") at the conclusion of the permitting process.



On March 17, 2020, the Corporation announced that it had completed a financing for gross proceeds of US$35.0 million (C$47.6 million), with proceeds to be used for continued work on the Stibnite Gold Project and for general working capital purposes. The financing was completed with Paulson & Co. Inc. ("Paulson"), on behalf of the several investment funds and accounts managed by Paulson, whereby Paulson purchased Canadian Dollar denominated 0.05% senior unsecured convertible notes (the "2020 Notes") issued by a wholly owned subsidiary of the Corporation on a private placement basis. The 2020 Notes are convertible into common shares of the Corporation at a price of C$4.655. Aside from the conversion price, the 2020 Notes have identical features to convertible notes issued on March 17, 2016 (the "2016 Notes" and collectively the "Convertible Notes") which bear interest at a rate of 0.05% per annum, payable annually in cash or common shares (at the Corporation's election) or added to the principal and payable on maturity. The 2016 Notes are convertible into common shares of the Corporation at a price of C$3.541. In accordance with TSX regulations, the 2020 Notes would have required shareholder approval, however the Corporation applied to the Toronto Stock Exchange ("TSX") for a "financial hardship" exemption under Section 604(e) of the TSX Company Manual. The application was authorised by the independent members of the board of directors on the basis of their determination that the Corporation would have been in a serious financial difficulty without the issuance of the 2020 Notes and with the issuance of the 2020 Notes the Corporation's financial situation would be significantly improved. As a consequence of relying upon the financial hardship exemption, the Corporation was subjected to a remedial de-listing review by the TSX, which is normal practice when a listed Company seeks to rely on this exemption. Subsequent to the end of the quarter, on April 14, 2020, the TSX advised the Corporation that it had completed its remedial de-listing review and has determined that the Corporation has met the requirements for continued listing.

On April 1, 2020, the Corporation announced the USFS and other regulators working on the Project had released an updated permitting schedule and committed to releasing the Draft EIS for public review in Q3, 2020. The updated schedule came after a comprehensive internal review by federal and state regulators of the preliminary Draft EIS that identified areas for improvement and refinement resulting in a more user-accessible document. The USFS also pledged to provide additional resources to undertake the final review and release of the Draft EIS. On July

2, 2020, the Corporation announced that the USFS and other regulators working on the review of the Project under the National Environmental Policy Act ("NEPA"), had released their quarterly Schedule of Proposed Actions ("SOPA"), which updates the NEPA permitting schedule for the Project. The updated schedule indicated that the USFS expected to release the Draft Environmental Impact Statement ("Draft EIS") for public review in August 2020, the same as the SOPA released April 2, 2020. Subsequently, the USFS released the Draft EIS for the Project on August 14, 2020 for public comment. Individuals ultimately had 75 days to comment on the proposed redevelopment and restoration of the former Stibnite gold, silver, antimony and tungsten mine. The comment period is legally required to be 45 days and the USFS initially decided to grant a 15-day extension, and on September 29, 2020 announced an additional 15-day extension to October 28, 2020.

On August 26, 2020, Paulson & Co., Inc., on behalf of the several investment funds and accounts managed by it ("Paulson"), exercised the conversion feature on the convertible notes they held in the aggregate principal amount of C$82,102,500 (the "Notes") for a total of 19,969,280 common shares of Perpetua Resources, resulting in Paulson holding approximately 44.12% of the Corporation's outstanding common shares. The Notes were purchased by Paulson in two separate financings completed on March 17, 2016 and March 17, 2020 with conversion prices of $3.541 and $4.655, respectively.

On September 10, 2020, the Corporation announced that the Project had received a federal 'Permitting Dashboard' to bring improved coordination, transparency and accountability to projects under the NEPA permitting process. Published on the Council on Environmental Quality ("CEQ") website, the Stibnite Gold Project Permitting Dashboard maintains the same permitting schedule as that published by the USFS in July 2020. Projects that receive a Permitting Dashboard are afforded enhanced coordination between federal agencies but must still move through the strict protocols of study and review under, and meet the regulatory standards required by, NEPA. The Permitting Dashboard was granted as a result of infrastructure development, a domestic supply of critical minerals for national security, and the environmental restoration related to what has been a long abandoned and contaminated mine site.

On October 29, 2020, it was announced that the Corporation and regulators, led by the USFS, were entering the final phases of review of the Project under NEPA as the comment period on the Draft Environmental Impact Statement had completed. The comment period officially ended, after 75 days of public review, on October 28, 2020. Thousands of individuals meaningfully participated in the comment period and substantial numbers of the letters uploaded by the USFS are supportive of Perpetua Resources' plan to redevelop a brownfields mining site, providing significant economic, employment and environmental benefits needed to restore the site.

On November 20, 2020, the Corporation announced that it had been provided with a shareholder meeting requisition notice (the "Requisition") dated November 20, 2020 from Paulson, as manager of funds holding not less than 1/20th of the issued and outstanding shares of Perpetua Resources, requesting that the directors of the Corporation call a meeting of the shareholders of the Corporation for the purpose of (a) removing five directors; (b) fixing the number of directors at eight; and (c) electing five nominee directors of Paulson. Subsequently, on December 4, 2020, the Corporation announced the transition of five members of the Corporation's (then) current Board of Directors to five new, independent directors who will assist the Corporation in moving the Project through the remaining phase of permitting under NEPA and into construction and operations. The decision came as a part of a transition agreement between the Corporation and Paulson, which owns 44.1% of the outstanding common shares of the Corporation. As part of the agreement, Stephen Quin resigned as President, CEO, and a director of the Corporation and was succeeded by Ms. Laurel Sayer, previously President and CEO of the Corporation's wholly owned subsidiary, Perpetua Resources Idaho, Inc. ("Perpetua Resources Idaho").



On December 22, 2020, the Corporation announced the results of an independent Feasibility Study (the "FS" or "Feasibility Study") and technical report (the "Report") completed on its Stibnite Gold Project in Idaho. The Project, as envisioned in the FS, would become one of the largest and highest-grade open pit gold mines in the United States and the country's only primary producer of antimony, a critical and strategic mineral. The FS builds upon Perpetua Resources' Plan of Restoration and Operations ("PRO"), identifying a suite of operational improvements and environmental refinements to achieve the Corporation's key objective for the financially viable restoration and brownfields development of the Stibnite mining district.

***Subsequent events***

Subsequent to year end, on January 15, 2021, the Corporation announced, after three years of extensive and continuous discussions, that Federal agencies have authorized the Corporation pursuant to a voluntary agreement under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") to perform agreed, immediate clean up actions to address contaminated legacy conditions within Idaho's abandoned Stibnite Mining District that are negatively impacting water quality. Perpetua Resources did not cause the legacy environmental problems at Stibnite However, the recently signed voluntary agreement points to the need for timely environmental action and is a testament to the Corporation's willingness to take part in early environmental restoration in the District. The Agreement is necessary to allow the Corporation to voluntarily address environmental conditions at the abandoned mine site without inheriting the liability of the conditions left behind by past operators. As such, the Corporation may now provide the early clean up actions deemed necessary by the Federal government to improve water quality. Should the Project move forward with proposed mining and restoration activities, this Agreement will also allow for comprehensive site cleanup by affording the Corporation the opportunity to address legacy features, including millions of tons of legacy mine tailings that fall outside of the Project footprint and would otherwise not be addressed by Project operations. The Corporation intends to record an immediate exploration expense of $6.9 million and a corresponding Provision for ASAOC work in Q1 2021.

Subsequent to the execution of the CERCLA Agreement, Perpetua Resources has relocated its corporate headquarters from British Columbia, Canada to Boise, Idaho and is exploring the viability of redomiciling to the United States. The Corporation also approved a share consolidation in connection with its U.S. listing on the Nasdaq Stock Market ("Nasdaq").

On January 27, 2021, the Corporation announced that it had completed a one-for-ten (1:10) reverse share split of all of its issued and outstanding common shares ("Share Consolidation"), resulting in a reduction of the issued and outstanding shares from 474,811,340 to 47,481,134. Shares reserved under the Corporation's equity and incentive plans were adjusted to reflect the Share Consolidation. All share and per share data presented in the Corporation's consolidated financial statements and this MD&A have been retroactively adjusted to reflect the Share Consolidation unless otherwise noted. The Share Consolidation was made in connection with the Corporation's previously announced

application to list its common shares on the Nasdaq Stock Market (“Nasdaq”) and was necessary to meet the minimum share price requirements for trading on the Nasdaq.

On January 28, 2021, the Corporation announced that it had filed an independent technical report on SEDAR in accordance with National Instrument 43-101 (“NI 43-101”) that detailed the results of the recent Feasibility Study on the Corporation’s Stibnite Gold Project in Idaho (the “Technical Report”). Minor changes were made to the economic model in the process of finalizing the Technical Report that resulted in slightly lower initial capital costs and similar overall economic indicators relative to the estimates included in the December 22, 2020 news release. The fundamental results of the economic analyses remained unchanged.

On February 16, 2021, the Corporation announced that it had changed its name to “Perpetua Resources Corp.” effective February 15, 2021 and the Corporation’s common shares were approved for listing on Nasdaq. The Corporation’s common shares commenced trading on the Nasdaq on February 18, 2021 under the symbol “PPTA” and on the Toronto Stock Exchange (“TSX”) under the new name at market open on February 18, 2021 under the stock symbol “PPTA”. As the Project continues to advance through major milestones, the listing on a U.S. stock exchange is a strategic decision to focus the Corporation’s business in the United States and open additional opportunities for American investment.



On February 17, 2021, the Corporation announced that it had reached an agreement with the Nez Perce Tribe for a minimum three month stay of the Tribe’s Clean Water Act lawsuit while the parties pursue a Court-ordered alternative dispute resolution (“ADR”) process. The litigation stay will allow the parties to work with a neutral judge or mediator and determine if there are grounds to work out a resolution of the lawsuit.

On February 23, 2021, the Corporation announced the appointment of Endeavour Financial (“Endeavour”) as its financial advisor to assist in the evaluation of funding options to support the development of the Company’s world class Stibnite Gold Project, following the release of its Feasibility Study in December 2020. Endeavour is a leading independent advisor dealing exclusively with the natural resources sector. It specializes in the junior to mid-tier market, providing advice on financing projects from multiple funding sources. The Endeavour team offers more than 160 years of mining finance experience and specializes in arranging multi-sourced funding structures for single asset development companies.

Also subsequent to year end, the Corporation appointed Chris Foster as Chief Financial Officer of Perpetua Resources effective March 16, 2021, on a contract basis. Mr. Foster is a member of the Chartered Professional Accountants of Canada (CPA Canada) and will be responsible for providing the Corporation with financial management services. Mr. Foster will be replacing Darren Morgans who will resign from his current role as Chief Financial Officer effective March 15, 2021. Mr. Morgans has served as the Corporation’s Chief Financial Officer since April 2011.

**FORWARD-LOOKING STATEMENTS**

This MD&A and certain information incorporated by reference in this MD&A contain “forward-looking information” within the meaning of applicable Canadian securities legislation and “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, “forward-looking information”). Such forward-looking information and statements relate to, among other things, the Corporation’s strategy, projects, plans and future or operating performance, and the effects and potential effects of the global coronavirus (SARS- CoV-2) (“COVID-19”) pandemic on the Corporation’s business and operations.

All statements, other than statements of historical fact, contained or incorporated by reference in this MD&A including, but not limited to, any information as to the future financial or operating performance of Perpetua Resources, constitute ‘‘forward-looking information’’ or ‘‘forward-looking statements’’ within the meaning of certain securities laws, including the provisions of the Securities Act (British Columbia) and the provisions for ‘‘safe harbor’’ under the United States Private Securities Litigation Reform Act of 1995 and are based on expectations, estimates and projections as of the date of this MD&A. Certain forward-looking information may also be considered future-oriented financial information (“FOFI”) as that term is defined in National Instrument 51-102 of the Canadian Securities Administrators. The purpose of disclosing FOFI is to provide a general overview of management’s expectations regarding the anticipated results of operations and capital expenditures, and readers are cautioned that FOFI may not be appropriate for other purposes.

Forward-looking information can frequently, but not always, be identified by the use of words such as “plans”, “outlook”, “potential”, “expects", “estimates”, “intends”, “possible”, “goals”, “anticipate”, “determine” or “believes”, or variations or the negative of such words and phrases, or statements that certain actions, conditions, events or results “may”, “could”, “would”, “should” or “will”, “occur” or “be achieved” or the negative of these terms or comparable terminology. Such forward-looking information is set forth, among other places, under the headings “2021 Outlook and Goals”, “Capital Resources and Liquidity”, “Mineral Properties” and “Critical Accounting Estimates and Policies”, and elsewhere in the MD&A and may include, without limitation, statements regarding the perceived merits of properties; the timing and ability to complete or obtain, as applicable, feasibility studies and regulatory processes relating to permitting for site restoration and redevelopment of the Project; the Corporation’s guidance for redevelopment, redevelopment costs, all in cost, cash flow, free cash flow and capital expenditures; feasibility study results (including projected economic returns, operating costs and capital costs); success of exploration and development, including exploration results at the Corporation’s properties; identification of resources and reserves; budgets; work programs; permitting or other timelines, including the schedules and budgets for the Corporation’s development and redevelopment projects, and estimated timing for construction of, and production from, any new projects; currency fluctuations; capital requirements; project studies; government regulation permit applications; the Corporation’s engagement and consultation with regulators, communities, tribes and other stakeholders in respect of the Project and the Corporation’s Plan of Restoration and Operations (“PRO”); the ability of the Corporation to discharge its liabilities as they become due, to continue to advance the Project through 2021 and beyond, and to meet its administrative and overhead requirements for more than a year; strategic plans, including without limitation the Corporation’s strategy and plans in respect of environmental and social governance issues; the market price of gold and any other applicable metals; and expectations regarding future price assumptions, financial performance and other outlook or guidance or other statements that are not statements of historical fact.

Forward-looking information is necessarily based upon a number of estimates and assumptions, including material estimates and assumptions related to the factors set forth below that, while considered reasonable by the Corporation as at the date of this MD&A in light of management's experience and perception of current conditions and expected developments, are inherently subject to significant business, economic and competitive uncertainties and contingencies. With respect to forward-looking information contained herein, the Corporation has applied several material factors or assumptions including, but not limited to, certain assumptions as to production rates, operating costs, recovery and metal costs; that any additional capital and financing needed will be available on reasonable and acceptable terms; the exchange rates for the U.S. and Canadian currencies will be consistent with the Corporation's expectations; that the current exploration, development, environmental and other objectives concerning the Project can be achieved and that the Corporation's other corporate activities will proceed as expected; that the formal review process under the NEPA (including a joint review process involving the USFS, the State of Idaho and other applicable agencies and regulatory bodies), as well as the public comment period and environmental impact statement, will proceed in a timely manner and as expected; that litigation, regulatory proceedings and audits, and the potential ramifications thereof, being concluded in a manner consistent with the Corporation's expectations (including without limitation the litigation relating to the Nez Percé Tribe's complaint against Perpetua Resources under the Clean Water Act); that the current price and demand for gold and other metals will be sustained or will improve; the equipment and personnel required for permitting, construction and operations will be available on a continual basis; there will be no unforeseen delays, unexpected geological or other effects, equipment failures, or permitting or other delays, including without limitation the maintenance of existing permits and approvals and the timely receipt of all permits and authorizations necessary for the redevelopment of the Project; that all applicable labour and materials costs will continue or increase on a basis consistent with the Corporation's current expectations; that general business, economic and market conditions will not change in a materially adverse manner and that all necessary governmental approvals and authorization for the planned exploration, development and environmental protection activities relating to the Project will be obtained in a timely manner and on acceptable terms; the continuity of economic and political conditions and operations of the Corporation; and that the COVID-19 pandemic will continue to not have a significant impact on the Corporation's business, operations and performance and that the Corporation will continue to be able to effectively mitigate any impacts related to COVID-19.



The forward-looking information contained herein is subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events, results, performance and/or achievements of the Corporation to differ materially from any future events, results, performance and/or achievements expressed or implied by such forward-looking information. In addition to those discussed in the Corporation's public disclosure record and the risks and uncertainties set out in this MD&A under the heading "Risks and Uncertainties", such risks and other factors include, among others, risks involved in fluctuations in gold and other commodity prices and currency exchange rates; the speculative nature of mineral exploration and development; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and estimated economic return; changes in project parameters as plans continue to be refined; risks associated with projects in the early stages of evaluation and for which additional engineering and other analysis is required; the benefits expected from recent transactions being realized; failure to comply with environmental and health and safety laws and regulations; risks related to cooperation of government agencies and federally recognized tribes in the exploration and development of the Corporation's properties (especially in regards to the Project) and the issuance of required permits and licenses; risks related to the need to obtain additional financing to develop the Corporation's properties (especially in regards to the Project) and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs or in construction projects and uncertainty of meeting anticipated program milestones; increased costs, delays, suspensions and technical challenges associated with the construction of capital projects; operating or technical difficulties in connection with mining or development activities, including geotechnical challenges and disruptions in the maintenance or provision of required infrastructure and information technology systems; uncertainty as to timely availability of permits and other approvals; non-renewal of key licenses by governmental authorities; the impact of global liquidity and credit availability on the timing of cash flows and the values of assets and liabilities based on projected future cash flows; adverse changes in the Corporation's credit ratings; the impact of inflation; risks associated with illegal and artisanal mining; changes in national and local government legislation, taxation, controls or regulations and/or changes in the administration of laws, policies and practices, expropriation or nationalization of property and political or economic developments in Canada, the United States, tribal governments and other jurisdictions in which the Corporation or its affiliates do or may carry on business in the future, including in response to the COVID-19 outbreak; risks associated with new diseases, epidemics and pandemics, including any risks related to the uncertainties surrounding the duration and the direct or indirect impact of the COVID-19 pandemic on the business, operations and financial condition of the Corporation and its strategic partners and suppliers, as well as on the economy in general, including the Corporation's ability to purchase products and/or services at reasonable costs and to obtain sufficient financing, or financing on terms acceptable to Perpetua Resources; risks associated with the Corporation's ability to mitigate any impacts related to COVID-19, including the effectiveness of preventative actions and contingency plans put in place by the Corporation to respond to the COVID-19 pandemic, such as social distancing, travel restrictions, business continuity plans and efforts to mitigate supply chain or other disruptions; the possibility that future exploration results will not be consistent with the Corporation's expectations; risks that exploration data may be incomplete and considerable additional work may be required to complete further evaluation; risk of loss due to acts of war, terrorism, sabotage and civil disturbances; litigation and legal and administrative proceedings; enforcement actions and/or sanctions under any applicable anti-corruption, international sanctions and/or anti-money laundering laws and regulations in Canada, the United States or any other applicable jurisdiction; contests over title to properties, particularly title to undeveloped properties, or over access to water, power and other required infrastructure; business opportunities that may be presented to, or pursued by, the Corporation; the Corporation's ability to successfully integrate acquisitions or complete divestitures; employee relations including loss of key employees; increased costs and physical risks, including extreme weather events and resource shortages, related to climate change; and other risks inherent to the Corporation's business and/or factors beyond its control which could have a material adverse effect on the Corporation. In addition, there are risks and hazards associated with the business of exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins and flooding (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). The Corporation also cautions that its 2021 Outlook and Goals may be impacted by the unprecedented business and social disruption caused by the spread of COVID-19.

All of the forward-looking statements made in this MD&A are qualified by these cautionary statements and those made in the Corporation's other filings with the securities regulators of Canada and the United States including, but not limited to, the cautionary statements made in the "Risk

Factors" section of the Corporation's most recently filed AIF. Specific reference is made to the Corporation's most recent AIF (which is available on SEDAR at www.sedar.com) for a more detailed discussion of some of the factors underlying forward-looking statements and the risks that may affect the Corporation's ability to achieve the expectations set forth in the forward-looking statements contained in this MD&A.

The foregoing is not an exhaustive list of factors that may affect the Corporation's forward-looking information. Although the Corporation has attempted to identify important factors that could affect the Corporation and may cause actual actions, events or results to differ materially from those described in the forward-looking information, there may be other factors, risks and uncertainties not presently known to the Corporation that could cause actions, events or results not to be as anticipated, estimated or intended. Readers are cautioned to consider these and other factors, uncertainties and potential events carefully. There can be no assurance that forward-looking information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such forward-looking information. The forward-looking statements made relate only to events or information as of the date on which the statements are made in this MD&A. Accordingly, readers should not place undue reliance on such forward- looking information. Except as required by applicable law, Perpetua Resources does not assume any obligation to release publicly any revisions or updates to forward-looking information contained in this MD&A to reflect new information, future events or circumstances, or otherwise, after the date hereof or to reflect the occurrence of unanticipated events. Readers are cautioned that forward-looking statements are not guarantees of future performance.



## 2021 OUTLOOK AND GOALS

The forward-looking information contained in this section is subject to the risk factors and assumptions contained in the "Forward-Looking Statements" and "Risks and Uncertainties" sections in this MD&A.

Perpetua Resources' vision is to provide the United States with a domestic source of the critical mineral antimony, operate one of the [largest and] highest-grade open pit gold mines in the country and restore and redevelop an abandoned brownfield site. In 2021, Perpetua Resources continues to focus on advancing the permitting process for the Stibnite Gold Project under the National Environmental Protection Act ("NEPA"). Perpetua Resources will continue to engage and consult with regulators, communities, tribes and other stakeholders relating to the concepts for the Project set out in the Plan of Restoration and Operations ("PRO") to ensure that plans for the restoration and redevelopment of the Project address concerns and issues to the extent environmentally, technically and commercially feasible. As part of this ongoing process, Perpetua Resources submitted a modified version of the PRO to the regulators in Q2 2019 which included a number of refinements to the original PRO that were designed to reduce the Project footprint and improve environmental outcomes. This modified PRO is being considered alongside three other alternatives being assessed by the regulators under NEPA, as well as a required 'no action' alternative.

The next major permitting milestone for the Project is the final EIS, draft Record of Decision and Final Record of Decision which management expects to be completed in 2021. Over the last few years, Perpetua Resources advanced value engineering work and, where appropriate, included the results in the Feasibility Study. Perpetua Resources continues to evaluate potential optimization of various aspects of the Project, including mine planning, scheduling and stockpiling, plant layout and water management strategies. Perpetua Resources expects to begin hiring a senior construction team midway through 2021 and could award the Engineering, Procurement, Construction Management contract later this year to ensure the Company is well-positioned for a smooth transition from permitting to construction.

The Corporation continues to balance the timing and prioritization of expenditures with the intention of delivering the Corporation's major objectives in a timely and cost-effective manner.

## SELECTED ANNUAL INFORMATION

The following is a summary of certain selected consolidated financial information of the Corporation for the years ended December 31, 2020, 2019, and 2018:

| Year Ended (All amounts in $) | Revenue | Net Loss and Comprehensive Loss | Basic & Diluted Loss per Share | Total Assets | Long Term Liabilities | Cash Dividend |
|---|---|---|---|---|---|---|
| December 31, 2020 | - | (220,632,107) | (6.45) | 98,131,612 | 36,562,739 | - |
| December 31, 2019 | - | (11,299,887) | (0.44) | 90,504,860 | 53,354,871 | - |
| December 31, 2018 | - | (47,287,985) | (2.18) | 101,950,530 | 72,368,280 | - |



## RESULTS OF OPERATIONS

### Net Loss and Comprehensive Loss

| | Three Months Ended | | Year Ended | |
|---|---|---|---|---|
| | December 31, 2020 | December 31, 2019 | December 31, 2020 | December 31, 2019 |
| **EXPENSES** | | | | |
| Consulting | $ 51,802 | $ 101,205 | $ 76,149 | $ 199,628 |
| Corporate salaries and benefits | 571,059 | 186,380 | 1,177,488 | 779,803 |
| Depreciation | 68,800 | 63,780 | 284,414 | 249,300 |

| | | | | |
|---|---|---|---|---|
| Directors' fees | 28,939 | 34,427 | 154,688 | 131,217 |
| Exploration and evaluation | 6,409,058 | 7,779,233 | 25,258,032 | 26,877,306 |
| Office and administrative | 88,731 | 45,720 | 180,026 | 141,743 |
| Professional fees | 618,966 | 177,945 | 813,463 | 363,243 |
| Share based compensation | 287,949 | 434,322 | 1,593,539 | 1,935,681 |
| Shareholder and regulatory | 75,594 | 78,626 | 387,632 | 348,850 |
| Travel and related costs | 3,497 | 45,511 | 32,801 | 215,920 |
| **OPERATING LOSS** | $ 8,204,395 | $ 8,947,150 | $ 29,958,232 | $ 31,242,691 |
| | | | | |
| **OTHER (INCOME) / EXPENSES** | | | | |
| Change in fair value of warrant derivative | $ (141,146) | $ 172,142 | $ 600,141 | $ (180,096) |
| Change in fair value of Convertible Note derivative | (4,831,402) | 794,934 | 179,133,742 | (24,786,758) |
| Finance Costs | 250,385 | 709,151 | 3,387,700 | 2,707,277 |
| Foreign exchange loss | 1,517,115 | 990,736 | 7,838,610 | 2,883,315 |
| Gain on sale of building and equipment | (8,500) | - | (8,500) | (18,500) |
| Interest income | (44,416) | (104,791) | (277,818) | (548,042) |
| Total other (income)/expenses | $ (3,257,964) | $ 2,562,173 | $ 190,673,875 | $ (19,942,804) |
| | | | | |
| **NET LOSS AND COMPREHENSIVE LOSS** | $ 4,946,431 | $ 11,509,323 | $ 220,632,107 | $ 11,299,887 |

Net loss and comprehensive loss for Perpetua Resources for the three- months and year ended December 31, 2020 was $4.9 million and $220.6 million, respectively, compared with a loss of $11.5 million and $11.3 million for the corresponding periods of 2019. The $209.3 million change for the year was primarily attributable to a $203.9 million increase in non-cash losses related to the change in the fair value of the convertible note derivative, which is the result of an increase in share price over the previous year, a $5.0 million increase in foreign exchange losses, a $0.8 million increase in non-cash losses related to the change in fair value of the warrant derivative, a $0.7 million increase in finance costs, a $0.4 million increase in corporate salaries and benefits, a $0.5 million increase in professional fees and a $0.3 million decrease in interest income. These losses were partially offset by a $1.6 million decrease in exploration and evaluation expenses, a $0.3 million decrease in share-based compensation, a $0.2 million decrease in travel and meals and a $0.1 million decrease in consulting as compared to the prior year. As noted above, for the three- month period and year ended December 31, 2020, the Corporation's main focus was the continued evaluation and advancement of the Stibnite Gold Project. An analysis of each line item follows.

**Consulting**

This expense relates to consulting services provided to the Corporation that do not relate to the exploration and evaluation of the Stibnite Gold Project. The expense for the current quarter and year is lower than the comparable periods in the previous year primarily as a result of increased activity related to the strategic advancement of the Stibnite Gold Project during 2019.



**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 quarter and year ended December 31, 2020 are higher than the prior year due to changes in corporate management and related severance payments during the fourth quarter of 2020.

**Depreciation**

This expense relates to the depreciation of the Corporation's building and equipment. The expense for the current quarter is consistent with the comparable period in the previous year. The expense for the year ended December 31, 2020 is higher than the previous year due to office leases signed during the second half of 2019 that are now being depreciated under IFRS 16.

**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. Paulson nominee directors have agreed not to receive any compensation from the Corporation. This expense for the current quarter is consistent with the comparable period in the previous year. This expense for the year is higher than the previous year due to one additional paid director, a board approved increase in fees related to the increase in workload of the directors and the effective currency of fees paid converted to USD during the year.

**Exploration and Evaluation**

This expense relates to all exploration and evaluation expenditures related to the Stibnite Gold Project, including labour, drilling, field office costs, engineering, permitting, environmental and sustainability costs. The Corporation's exploration and evaluation expenses during the current quarter and year are lower than the same periods in the prior year primarily due to annual decreases in all categories except for consulting and labor costs, which had a slight increase. Additional details of expenditures incurred are as follows:

| | Three Months Ended | | Year Ended | |
|---|---|---|---|---|
| | December 31, 2020 | December 31, 2019 | December 31, 2020 | December 31, 2019 |
| Exploration and Evaluation Expenditures | | | | |

| | | | | |
|---|---|---|---|---|
| Consulting and labor cost | 1,142,629 | 1,235,975 | 4,926,726 | 4,805,971 |
| Field office and drilling support | 498,801 | 610,945 | 1,965,548 | 2,272,395 |
| Engineering | 540,293 | 439,335 | 1,551,112 | 2,151,586 |
| Permitting | 2,957,741 | 3,777,913 | 13,839,120 | 13,881,784 |
| Environmental and reclamation | 338,480 | 1,042,363 | 832,591 | 1,042,363 |
| Legal and sustainability | 931,114 | 672,702 | 2,142,935 | 2,723,207 |
| **EXPLORATION AND EVALUATION EXPENSE** | $ 6,409,058 | $ 7,779,233 | $ 25,258,032 | $ 26,877,306 |

**Office and Administrative**

This expense is predominantly the maintenance of an office in Vancouver, BC, and corporate insurance costs. The costs for the current quarter and year are higher than the comparative periods in the prior year due to insurance related to the US listing.

**Professional Fees**

This expense relates to the legal and accounting costs of the Corporation. The costs for the current quarter and year ended December 31, 2020 are higher than the comparative periods in the prior year primarily due to fees associated with regulatory filings prepared during the year as well as costs related to the shareholder requisitioned meeting.

**Share Based Compensation**

This expense is due to the compensation of directors, officers, employees and consultants that are share based. Share based compensation for the current quarter is lower than the comparable period in 2019 due to 130,000 options granted during the fourth quarter of 2019, with no options granted in the last quarter of the current year. Shared based compensation for the year is lower than the previous year due to 130,000 fewer options granted during the year and a lower average fair value on grants as compared to the previous year. The fair value of options granted is estimated at the time of the grant using the Black-Scholes option pricing model which uses various assumptions that are outlined in the Corporation's consolidated annual Financial Statements for the year ended December 31, 2020.



**Shareholder and Regulatory**

This expense is associated with marketing, licenses and fees, shareholder communications and regulatory expenses. The expense for the current quarter is consistent with the comparable period in the previous year. The expense for the year is higher than the previous year due to additional marketing activities, listing fees and fees related to option exercises during the year.

**Travel and Related Costs**

This expense is a result of travel and meal costs of the Corporation's directors, officers, employees and consultants while undertaking business on behalf of the Corporation. The expense for the current quarter and year is lower than the comparable periods in the previous year due to the impact of COVID-19 related restrictions currently in place throughout the world.

**Change in Fair Value of Warrant Derivative**

The Corporation issued 200,000 warrants in a financing transaction in May 2013, with an exercise price denominated in Canadian Dollars. The Corporation determined that warrants with an exercise price denominated in a currency that is different from the entity's functional currency should be classified as a derivative and carried at their fair value. Any changes in their fair value from period to period have been recorded as a gain or loss in the consolidated statement of net loss and comprehensive loss. There are no circumstances under which Perpetua Resources will be required to pay cash upon exercise or expiry of the warrants or finder's options (see Note 7 in the Financial Statements).

**Change in Fair Value of Convertible Note Derivative Liability**

The Corporation issued unsecured convertible notes with an interest rate of 0.05% per annum in March 2016 ("2016 Notes") and in March 2020 ("2020 Notes") with an exercise price denominated in Canadian Dollars. The Corporation determined that the convertible notes with an exercise price denominated in a currency that is different from the entity's functional currency should be classified as a derivative and carried at their fair value. Any changes in their fair value from inception to balance date have been recorded as a gain or loss in the consolidated statement of net loss and comprehensive loss. The convertible note derivative is valued at fair value in accordance with IFRS. The change in fair value is due to an increase in the Corporation's share price. There are no circumstances in which the Corporation would be required to pay cash upon conversion of the convertible notes (see Note 9 in the Financial Statements).

**Finance Costs**

Finance costs for the Corporation include accretion and interest expense related to the 2016 Notes and 2020 Notes described above, transaction costs related to the 2020 Notes issued in March 2020 and interest expense on lease liabilities. These costs are lower in the current quarter as compared to the same period in the prior year due to notes converted in August 2020. These costs are higher for the year as compared to the previous year due to the 2020 Notes issued in March 2020 and the corresponding interest expense prior to conversion.

**Foreign Exchange**

Changes in foreign exchange are driven by the change in value of the Canadian Dollar compared to the US Dollar. The current year loss is a result of the translation of the Corporation's Canadian Dollar denominated balances as at December 31, 2020, primarily on the Convertible Notes and the Convertible Note Derivative. Large increases in the value of the Convertible Note Derivatives during the year as a result of a much

higher stock price drove a significant increase in foreign exchange losses as the value was converted from CAD to USD.

**Interest Income**

This income results from interest received on the Corporation's cash balances. Interest income in the current quarter and year is lower than the comparable periods in the prior year as a result of lower interest rates being earned on cash investments.



**Statement of Financial Position**

An analysis of the December 31, 2020 and December 31, 2019 statements of financial position of the Corporation follows.

**Total Assets**

Total assets increased during the year ended December 31, 2020 from $90.5 million to $98.1 million primarily as a result of cash received during the March 2020 financing partially offset by cash used in operations to fund the Stibnite Gold Project.

**Equity**

Equity increased during the year ended December 31, 2020 from $32.7 million to $57.6 million primarily due to an increase in share capital related to the conversion of the convertible notes held by Paulson in August 2020, partially offset by an increase in deficit, primarily related to the change in fair value of the convertible note derivative.

**Total Liabilities**

Total liabilities decreased during the year ended December 31, 2020 from $57.8 million to $40.5 million, primarily as a result of the conversion of the convertible notes held by Paulson in August 2020 which resulted in a decrease in convertible note liabilities of $17.8 million. This was partially offset by a $0.6 million increase in the fair value of the convertible note derivative on remaining 2016 Notes and a $0.6 million increase in the fair value of the warrant derivative liability. The Convertible Note Derivative is valued at fair value in accordance with IFRS. There are no circumstances in which the Corporation would be required to pay cash upon conversion of the remaining convertible notes (see Note 9 in the Financial Statements).

Long term liabilities at December 31, 2020 include a Convertible Note, Convertible Note Derivative and warrant derivative balance of $9.6 million, $26.1 million and $0.9 million, respectively (2019 - $27.3 million, $25.5 million and $0.3 million, respectively).

**Cash Flows**

Perpetua Resources' net change in cash and cash equivalents for the year ended December 31, 2020 was an inflow of $7.5 million (2019 – $12.4 million outflow). The inflows from financing activities during the year were partially offset by outflows from operating activities, primarily related to exploration and evaluation expenses.

Operating cash outflows for the year ended December 31, 2020 were $28.6 million (2019 - $27.1 million). Financing cash inflows for the year ended December 31, 2020 were $36.3 million (2019 – $14.4 million) and investing cash outflows for the year ended December 31, 2020 were $0.2 million (2019 – $0.2 million inflows).

**QUARTERLY RESULTS**

The net loss and comprehensive loss of Perpetua Resources for the previous eight calendar quarterly periods is tabulated below.

| Quarter Ended | Revenue $ | Net (Loss)/Income & Comprehensive (Loss)/Income $ | Basic & Diluted (Loss)/Income per Share $ | Total Assets $ | Long Term Liabilities $ | Cash Dividend $ |
|---|---|---|---|---|---|---|
| December 31, 2020 | - | (4,946,431) | (0.10) | 98,131,612 | 36,562,739 | - |
| September 30, 2020 | - | (171,218,075) | (4.90) | 106,708,805 | 39,817,041 | - |
| June 30, 2020 | - | (43,872,194) | (1.62) | 111,456,823 | 118,296,123 | - |
| March 31, 2020 | - | (595,406) | (0.02) | 118,146,070 | 81,999,421 | - |
| December 31, 2019 | - | (11,509,323) | (0.43) | 90,504,860 | 53,354,871 | - |
| September 30, 2019 | - | (5,118,799) | (0.19) | 98,296,817 | 50,596,738 | - |
| June 30, 2019 | - | 5,351,590 | 0.22 | 105,180,331 | 53,530,212 | - |
| March 31, 2019 | - | (23,354) | 0.00 | 96,818,816 | 65,794,771 | - |

The Corporation has had relatively consistent operating losses over the past two years, with net income during Q2 of 2019.



The most significant variances to the net (loss)/income and comprehensive (loss)/income are the change in the fair value of the warrant

derivative, the convertible note derivatives and foreign exchange fluctuations on the convertible notes and convertible note derivatives. Exploration and evaluation expenditures create variances dependent on the nature of the work that is being completed in each quarter. The long-term liabilities include the convertible note derivatives, which are valued at fair value in accordance with IFRS. There are no circumstances in which the Corporation would be required to pay cash upon conversion of the remaining convertible notes (see Note 9 in the Financial Statements).

**CAPITAL RESOURCES AND LIQUIDITY**

Capital resources of Perpetua Resources consist primarily of cash and liquid short-term investments. As at December 31, 2020, Perpetua Resources had cash and equivalents totaling approximately $25.0 million, approximately $0.8 million in other current assets and $3.7 million in trade and other payables.

With its current capital resources, Perpetua Resources has sufficient funds to continue to advance the regulatory process related to permitting for mine development into 2021. During 2021 and beyond, Perpetua Resources plans to:

- Continue engaging with Project stakeholders to ensure all stakeholders have the opportunity to better understand the benefits and plans for the Project;
- Continue collecting environmental baseline data in support of the ongoing regulatory processes related to permitting for site restoration and redevelopment of the Project;
- Continue to advance the Project with the recommendations that were included in the Feasibility Study;
- Continue to advance the regulatory process for the restoration and redevelopment of the Project;

Perpetua Resources has long term liabilities of $35.6 million related to the 2016 Notes and the related embedded derivative, and $0.9 million related to the warrant derivative. The Convertible Note Derivative is valued at fair value in accordance with IFRS. There are no circumstances in which the Corporation would be required to pay cash related to the $26.0 million Convertible Note Derivative upon conversion of the 2016 Notes (see Notes 8 and 9 in the Financial Statements). There are also no circumstances under which Perpetua Resources will be required to pay any cash upon exercise or expiry of the warrants (see Note 7 in the Financial Statements).

Perpetua Resources does not anticipate the payment of dividends in the foreseeable future.

It is management's opinion, based on the Corporation's current capital resources and liquidity, that the Corporation will have sufficient assets to discharge its liabilities as they become due, to continue to advance the Stibnite Gold Project well into 2021, but will require additional funding to finalize Project permitting through 2021 and beyond. Expenditures post-2020 include discretionary items, so the Corporation could reprioritize objectives to meet its administrative and overhead requirements by deferring certain discretionary expenditures.

**Contractual Obligations**

**Mining Claim Assessments**

The Corporation currently holds mining claims on which it has an annual assessment obligation of $250,470 to maintain the claims in good standing. The Corporation is committed to these payments indefinitely. Related to the Mining Claim Assessments is a $335,000 bond related to the Corporation's exploration activities.

**Stibnite Foundation**

Upon formation of the Stibnite Foundation on February 26, 2019, the Corporation became contractually liable for certain future payments to the Stibnite Foundation based on several triggering events, including receipt of a positive Record of Decision issued by the USFS, receipt of all permits and approvals necessary for commencement of construction, commencement of construction, commencement of commercial production, and commencement of the final reclamation phase. These payments could begin as early as Q3 2021 based on the current permitting schedule and range from $0.1 million to $1 million (upon commencement of final reclamation phase) in cash and 150,000 million in shares. During commercial production, the Corporation will make payments to the Stibnite Foundation equal to 1% of Total Comprehensive Income less debt repayments or a minimum of $0.5 million.



**Option Payments on Mineral Properties**

The Corporation is obligated to make option payments on mineral properties in order to maintain an option to purchase these properties. As at December 31, 2020, the remaining option payments due on these properties are $190,000, which will be paid in the next year. The agreements include options to extend.

**OFF BALANCE SHEET ARRANGEMENTS**

The Corporation has no off balance sheet arrangements as of December 31, 2020 and the date of this MD&A.

**RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION**

During the year ended December 31, 2020, compensation of directors and officers and other key management personnel who have the authority and responsibility for planning, directing and controlling the activities of the Corporation was:

| | December 31, 2020 | December 31, 2019 |
|---|---|---|

| | | |
|---|---|---|
| Salaries and benefits | $ 767,053 | $ 753,203 |
| Termination benefits | 577,057 | - |
| Share based compensation | 410,273 | 616,104 |
| | $ 1,754,383 | $ 1,369,307 |

Termination benefits were paid during December 2020 and relate to the resignation of former President and CEO, Stephen Quin, on December 4, 2020. No additional post-employment benefits, termination benefits, or other long-term benefits were paid to or recorded for key management personnel during the years ended December 31, 2020 and 2019.

There were no balances outstanding with related parties at December 31, 2020.

**MINERAL PROPERTIES**

**Stibnite Gold Project**

The Corporation's subsidiaries' property holdings at the Stibnite Gold Project are comprised of a contiguous package of unpatented federal lode claims, unpatented federal mill site claims, patented federal lode claims and patented mill site claims. As of December 31, 2020, this land position encompassed approximately 11,548 hectares held in 1,518 unpatented lode and mill site claims and patented land holdings. The Corporation's subsidiaries acquired these rights through a combination of purchases and transactions and staking under the 1872 Mining Law and holds a portion under an option agreement. Bureau of Land Management claim rental payments and filings are current as of the date of this filing and the claims are all held in good standing. Normal maintenance and upkeep of the Project infrastructure continued during the quarter.

**Permitting for Redevelopment & Restoration**

On December 13, 2016, the USFS reported that it had determined that the Plan of Restoration and Operations ("PRO") filed by Midas Gold Idaho, Inc. (now Perpetua Resources Idaho, Inc. or "PRII") on September 21, 2016 for the restoration, re-development and operation of the Stibnite Gold Project in Valley County, Idaho met the requirements for a plan of operations under USFS regulations, thus allowing the USFS to commence the formal review of the Project under National Environmental Policy Act ("NEPA"). The USFS completed public scoping under NEPA during the third quarter of 2017. The NEPA review is being undertaken in a coordinated process by a total of seven federal, state and local agencies under a memorandum of understanding entered into in September 2017. The NEPA process is ongoing, and the Draft Environmental Impact Statement was released for public comment on August 14, 2020 with an original termination date for public comments set for October 13, 2020. On October 2, 2020, subsequent to the end of the reporting period, an extension of the comment period was announced in the Federal Register and was extended to close on October 28, 2020. The comment period in fact closed on October 28, 2020, in accordance with the revised schedule for a total of 75 days for the comment period. The USFS is continuing its review of public comments and information while it undertakes its analyses of alternatives as required under NEPA, and a Final Environmental Impact Statement and draft Record of Decision ("ROD") is anticipated by the Corporation to be released Q3 of 2021 with a final ROD in Q4.



Also during the quarter, work on other required ancillary permits continued. On September 9, 2020, the Idaho Department of Environmental Quality ("IDEQ") issued a revised Draft Air Permit to Construct with a public comment period that originally concluded on October 13, 2020 and which was extended to November 11, 2020. IDEQ recently announced a public comment period on an addendum to the permit application submitted by PRII on December 18, 2020 that will close March 19, 2021. Additionally, on October 5, 2020, the Valley County Commission unanimously approved a conditional use permit for the Stibnite Gold Project Logistics Facility.

**District Exploration**

No drilling was completed during the reporting period. Other activities continued with efforts directed at updating geological, alteration and structural modelling of the mineral resources ("Mineral Resources") to support value engineering design, metallurgical programs and environmental studies for the feasibility study and permitting.

**Environmental and Other Matters Pertaining to the Stibnite Gold Project**

The Project is located in a historic mining district with extensive and widespread exploration and mining activity with related environmental legacy effects spanning nearly 100 years from the late 1800s until today. Actions by prior operators and government agencies have addressed some of the historic environmental issues, but extensive disturbance and legacy effects remain.

For additional disclosure on Environmental and Other Matters refer to the Corporation's Annual Information Form for the years ended December 31, 2019 and December 31, 2018, the prospectus dated June 30, 2011, the short form prospectus dated March 8, 2012 and the final shelf prospectus dated April 4, 2019, respectively. The Corporation is, and in the future will continue to be, subject to federal, state and local statutes, rules and regulations related to environmental protection, site access and construction activities, among others. The environmental effects, if any, of current and future activities will be monitored and, where appropriate, mitigated, reclaimed and restored by the Corporation's subsidiaries.

A number of environmental studies and regulatory investigations in the District identified numerous areas of potential environmental degradation related to past mining. In the past, regulatory actions under CERCLA, the *Resource Conservation and Recovery Act* ("RCRA") and state law have been taken by the U.S. Environmental Protection Agency ("EPA"), the USFS and the IDEQ against historic mining operators.

All of these regulatory activities and related clean-up actions pre-date any ownership or activity by the Corporation's subsidiaries and neither the Corporation nor its subsidiaries have ever been previous operators of the site. Prior to its acquisitions in the District, the Corporation's subsidiaries conducted due diligence and all appropriate inquiry, comprised of formal phased assessments of the properties comprising the Project in order to avoid potential owner/operator liability related to past hazardous substance releases and to maintain its status as a bona fide

prospective purchaser (“BFPP”) under CERCLA. The Corporation’s subsidiaries are discharging its continuing CERCLA obligations in the District in order to maintain their landowner liability protection. The Corporation itself has never had any ownership in the mineral properties comprising the Project.

Several of the patented lode mining claims and mill sites acquired by subsidiaries of Perpetua Resources in the areas of the former West End mine patented lode mining claims and patented mill sites previously used for processing operations are subject to an existing judicial consent decree, which covers certain environmental liability and remediation responsibilities with respect to such claim holdings. The consent decree provides the regulatory agencies (that were party to the agreement) access and the right to conduct remediation activities under their respective CERCLA and RCRA authorities as necessary and to prevent the release or potential release of hazardous substances. The consent decree also requires that heirs, successors and assigns refrain from activities that would interfere with or adversely affect the integrity of any remedial measures implemented by government agencies. Several of the patented claims in the Hangar Flats and Yellow Pine properties acquired by subsidiaries of Perpetua Resources are also subject to a consent decree between the previous owner of those claims and the United States. That consent decree imposes certain obligations on that previous owner, including that the previous owner will cooperate with the EPA and USFS in those agencies’ efforts to secure any government controls necessary to implement response activities.



On June 6, 2019, the Corporation announced that it and its subsidiaries were advised by Idaho’s Nez Percé Tribe that it intended to initiate legal action against the Corporation and its subsidiaries related to water quality impacts due to historical mining activity prior to involvement by Perpetua Resources and its subsidiaries with the site. The Tribe subsequently filed the legal action in the U.S. District Court of Idaho on August 8, 2019. The Corporation and its subsidiaries are presently defending against the litigation. The suit includes allegations that the Corporation and its subsidiaries have violated the Clean Water Act on lands owned by the United States government and administered by the Forest Service. As the Corporation and its subsidiaries previously advised the Federal court in October 2019 in its motion to dismiss the case, Perpetua Resources Corp. and its subsidiaries have no authority to remedy plaintiff’s claims due to Federal regulatory requirements requiring permission by the United States government to significantly disturb the Forest Service lands in the manner requested by the Tribe.

Because the Corporation and its subsidiaries do not have control or responsibility over alleged Clean Water Act violations claimed by the Tribe to be occurring on lands owned and administered by the Federal government, on June 11, 2020, they notified the Forest Service that they may seek to join them in the case, and on August 18, 2020 they filed the complaint per previous notice of intent. On September 8, 2020, the Federal court granted the stipulation allowing Perpetua Resources to file an amended answer, allowing the Corporation to file the third-party complaint against the Forest Service, and declining to consolidate the cases. Subsequently, on September 9, 2020, the court held a status conference and the prospect emerged of scheduling a mandatory alternative dispute resolution (“ADR”) to engage in settlement discussions. On February 17, 2021, the Corporation and the Tribe filed a joint motion to suspend the litigation and to enter into ADR until June 1, 2021. Pursuant to a voluntary CERCLA agreement discussed below, the Companies agreed to dismiss its pending complaints against the Forest Service, which occurred on January 29, 2021. Also, the parties agreed to stay to the litigation until June 1 in order to explore an alternative dispute resolution process was agreed by the parties on February 17, 2021 and ordered by the court on February 19, 2021.

Neither Perpetua Resources nor its subsidiaries caused the alleged current water quality or alleged water pollution issues at the site. Neither Perpetua Resources nor its subsidiaries have ever conducted any mining operations at site and therefore have no control or responsibility for any alleged pollutant discharges on the site. The Corporation's subsidiaries’ actions on the Project site have been limited to studying current mineral resource potential and environmental conditions in the Stibnite Mining District, evaluating the optimal solutions for remediation and restoration and presenting those solutions to the government agencies with appropriate regulatory authority as part of an integrated redevelopment plan for the site. Perpetua Resources’ subsidiaries have routinely and continually communicated with environmental regulators on the issue of the site's water quality as required under CERCLA. The Corporation’s subsidiaries have regularly reported to the federal and state regulators current information on the condition of surface and groundwater and are working closely with the IDEQ and the EPA to seek authority to learn more about the specific causes of degraded water quality. Finally, the Corporation and its subsidiaries have engaged in appropriate natural resources restoration through the planting of over sixty thousand trees on site and other restoration activities.

**Plans for the Environmental Issues**

The Corporation expects that issues related to existing environmental concern will be addressed as part of the currently ongoing permitting process for future mining operations. Over the past three years, the Corporation’s subsidiary, Perpetua Resources Idaho, Inc., has been working with regulators to develop a framework under CERCLA to address historical legacy impacts at the site. Such early actions will take place under a voluntary administrative settlement and order on consent (“ASAOC”) under CERCLA that was finalized January 15, 2021 that would afford legal certainty for Perpetua Resources Idaho, Inc. in performing any response actions authorized by the Federal government. The ASAOC was executed by the Environmental Protection Agency (“EPA”) and the United States Department of Agriculture with the concurrence of the United States Department of Justice. Perpetua Resources Idaho, Inc. will be undertaking early cleanup actions (known as “time critical removal actions”) that, upon work plan approval, will begin taking place as early as this year and are designed to immediately improve water quality in a number of areas on the site while longer-term actions are being evaluated through the NEPA process.

An ancillary outcome of the ASAOC would be the opportunity to request the court for a stay, and/or to dismiss, the Clean Water Act litigation (see news release dated December 4, 2019). As noted above, a stay to the litigation was agreed to on February 17, 2021 and ordered by the court on February 19. Under CERCLA and case law precedent, a Federal court has no jurisdiction over a collateral Clean Water Act case where an ASAOC addresses both the same site and the same goals of the pending lawsuit. Perpetua Resources Idaho, Inc. believes that the optimum solution for the site is for all stakeholders to work together to implement the comprehensive and permanent reclamation and restoration of the numerous legacy issues around the site, funded through cash flow from the redevelopment of the site as a modern mining operation. The proposed early actions by the Corporation and its subsidiaries agreed to in the ASAOC offer a concrete example of what such collaborative discussions can yield.

## CRITICAL ACCOUNTING ESTIMATES AND POLICIES

### Critical Accounting Estimates and Judgments

The preparation of financial statements requires management to make estimates and judgments about the future. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results.

Accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical estimates used in the preparation of the Financial Statements include, among others, the useful lives of buildings and equipment, valuation of assets, valuation of share-based compensation, warrant and Convertible Note Derivatives, mineral resource estimates and the recoverable amount of exploration and evaluation expenditures.

Accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. Critical accounting judgments include the accounting for its exploration and evaluation assets, recognition of deferred tax assets or liabilities, functional currency, fair value of the Convertible Note Derivative and warrant derivative, expected economic lives of and the estimated future operating results and net cash flows from buildings and equipment and exploration and evaluation assets.

## FINANCIAL INSTRUMENTS

The Corporation's cash balance increased from $17,504,622 at December 31, 2019 to $25,037,766 at December 31, 2020. During the current year, as discussed above in the Highlights section, Paulson exercised the conversion feature on the convertible notes held by Paulson in the aggregate principal amount of C$82,105,500, which resulted in a decrease of the related Convertible Note Derivative of $203,468,010. There have been no other significant changes in the Corporation's financial instruments since December 31, 2019, with the exception of the change in fair value of the Convertible Note Derivative on the remaining 2016 Notes, which is discussed in Results of Operations.

## OUTSTANDING SHARE DATA

| | March 15, 2021 | December 31, 2020 |
|---|---|---|
| Common shares issued and outstanding | 47,561,444 | 47,481,134 |
| Options outstanding | 2,746,877 | 1,959,588 |
| Warrants outstanding | 200,000 | 200,000 |
| Shares issuable on conversion of Convertible Note | 4,351,850 | 4,351,850 |
| Total | 54,860,171 | 53,992,572 |

## DISCLOSURE CONTROL AND PROCEDURES AND INTERNAL CONTROL OF FINANCIAL REPORTING

The Corporation's management, under the supervision of the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), has designed disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in National Instrument 52-109, *Certification of Disclosure in Issuers' Annual and Interim Filings* , based on the *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

DC&P are designed to provide reasonable assurance that material information relating to the Corporation is made known to the CEO and CFO during the reporting period and the information required to be disclosed by the Corporation is recorded, processed, summarized and reported in a timely and appropriate manner. ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting for external purposes in accordance with international financial reporting standards. Due to the inherent limitations associated with any such controls and procedures, management recognizes that, no matter how well designed and operated, they may not prevent or detect misstatements on a timely basis.



The Corporation's management, under the supervision of the CEO and CFO, has evaluated both the design and operating effectiveness of its DC&P and ICFR and concluded that, as of December 31, 2020, they are effective in providing reasonable assurance regarding required disclosures and the reliability of external financial reporting.

## CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

National Instrument 52-109 also requires Canadian public companies to disclose any changes in ICFR during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, ICFR. No changes were made to the Corporation's ICFR in the three months ended December 31, 2020 which have materially affected, or are reasonably likely to materially affect, ICFR.

## EXTRACTIVE SECTOR TRANSPARENCY MEASURE ACT – REPORTING

In accordance with Canada's Extractive Sector Transparency Measures Act (the "Act") that was enacted on December 16, 2014 and brought into force on June 1, 2015, that is intended to contribute to global efforts to increase transparency and deter corruption in the extractive sector, Perpetua Resources reports that for the year ended December 31, 2020, it has made payments of fees and taxes, as defined by the Act, of US$925,690 (2019: US$1,280,729), to government entities listed below. The Act only requires payments greater

than C$100,000 to be reported and the Corporation will follow these requirements, however the below is provided for additional transparency.

| Quarter | Payee | Details | Amount |
|---|---|---|---|
| 2020 Q1 | Idaho Department of Lands | Reimbursement of expenditures related to water quality testing at the Stibnite Gold Project | $ 48,365 |
| | Shoshone-Bannock Tribes | Shoshone-Bannock Tribes Ethnographic Study | $ 45,000 |
| | Idaho Department of Environmental Quality ("IDEQ") | Reimbursement of expenditures related to on going IDEQ permitting | $ 6,600 |
| 2020 Q2 | Idaho Department of Lands | Reimbursement of expenditures related to water quality testing at the Stibnite Gold Project | $ 48,365 |
| | Nez Percé Tribe | Nez Percé Tribe Ethnographic Study | $ 25,000 |
| | Village of Yellow Pine | Community Agreement Payment – road repairs | $ 10,000 |
| 2020 Q3 | Bureau of Land Management | Mineral Claim Fees | $ 250,470 |
| | Idaho Department of Lands | Reimbursement of expenditures related to water quality testing at the Stibnite Gold Project | $ 48,365 |
| | Shoshone-Bannock Tribes | CERCLA future response costs | $ 32,000 |
| | Idaho Department of Lands | Reimbursement of expenditures related to water quality testing at the Stibnite Gold Project | $ 16,000 |
| | Idaho Department of Environmental Quality | Air Permit to Construct Application Fee | $ 7,500 |
| | Village of Yellow Pine | Sponsorship for Harmonica Festival and partial reimbursement of dust abatement expenditures | $ 4,000 |
| 2020 Q4 | US Forest Service | Reimbursement of salary and operating expenses for the USFS to oversee the EIS process for the Stibnite Gold Project | $ 351,207 |
| | Valley County Tax Collector | Property taxes | $ 22,818 |
| | Adams County Parks and Recreation | Sponsorship of community bleachers | $ 10,000 |
| | **Total** | | **$ 925,690** |



**USE OF PROCEEDS**

The Corporation's news release dated March 17, 2020 stated that the US$35.0 million proceeds raised in the issuance of the 2020 Notes would be used for permitting and feasibility studies for the Stibnite Gold Project and for working capital and general corporate purposes. Since the issuance of the 2020 Notes until December 31, 2020, the Corporation used the proceeds from the 2020 Notes and working capital that was previously available primarily to advance permitting and a feasibility study for the Project.

**RISKS AND UNCERTAINTIES**

Perpetua Resources is subject to a number of significant risks due to the nature of its business and the present stage of its business development. Only those persons who can bear risk of the entire loss of their investment should invest in the Corporation's common shares, convertible debentures, warrants, options or other securities.

Perpetua Resources' failure to successfully anticipate and address such risks and uncertainties could have a material adverse effect on its business, financial condition and/or results of operations, and the future trading price of its common shares may decline and investors may lose all or part of their investment. Such risks and uncertainties could cause the Corporation's future business, operations and financial condition to differ materially from the forward-looking statements and information contained in this MD&A and as described in the cautionary statements on forward-looking information found in this document. The Corporation is subject to various risks, known and unknown, arising from factors within or outside of its control.

Perpetua Resources cannot give assurance that it will successfully address these risks or other unknown risks that may affect its business. Estimates of Mineral Resources and mineral reserves ("Mineral Reserves") are inherently forward-looking statements subject to error. Although mineral resource and mineral reserve estimates require a high degree of assurance in the underlying data when the estimates are made, unforeseen events and uncontrollable factors can have significant adverse or positive impacts on the estimates. Actual results will inherently differ from estimates. The unforeseen events and uncontrollable factors include, without limitation: geologic uncertainties including inherent sample variability, metal price fluctuations, variations in mining and processing parameters, and adverse changes in environmental or mining laws and regulations. The timing and effects of variances from estimated values cannot be accurately predicted.

Below is a brief summary of some of Perpetua Resources' risks and uncertainties. The business of the Corporation involves significant risk due to the nature of mining, exploration and development activities. Certain risk factors, including but not limited to those listed below, are related to the mining industry in general while others are specific to Perpetua Resources. These risk factors are not a definitive list of all risk factors associated with an investment in the common shares of Perpetua Resources or in connection with the Corporation's operations.

**Industry Risks**

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

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

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

- international economic and political conditions;
- central bank purchases and sales;
- expectations of inflation or deflation;
- international currency exchange rates;
- interest rates;



- global or regional consumptive patterns;
- speculative activities;
- levels of supply and demand;
- increased production due to new mine developments;
- decreased production due to mine closures;
- improved mining and production methods;
- availability and costs of metal substitutes;
- metal stock levels maintained by producers and others; and
- inventory carrying costs.

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

While the price of gold has recently been strong, there can be no assurance that gold prices will remain at such levels or be such that the Project, and any future operations in which Perpetua Resources has a direct or indirect interest, will be mined at a profit. Some credible industry experts are predicting that gold will continue to increase in price during 2021 and the next several years. However, other credible industry experts expect that the price of gold has generally peaked during the recent pandemic and resulting economic crisis, and that as economies slowly recover over the next few years, the price of gold will decrease and be worth much less per ounce than it is today.

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

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

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

**Mineral exploration and development in the United States is subject to numerous regulatory requirements on land use.**

Mineral exploration and development in the United States is subject to Federal, State and local regulatory processes and evolving application of environmental and other regulations can and has affected the ability to advance mineral projects as effectively as in prior years. A number of mineral projects in the United States have been subjected to regulatory delays or actions that have impeded the progress of these projects towards production. Such delays can increase the funding requirements of the Corporation as expenditures

continue for a longer period of time.

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

A changing legal environment and court rulings related to the use of unpatented lode mining claims now being overturned and re-examined may cause the Corporation to make modifications to its current claims management program and strategy.

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



An appeal of the District Court decision in Rosemont Mine was heard February 1, 2021 in the United States Court of Appeals for the Ninth Circuit where the United States defended the decision of the Forest Service. The Corporation believes that the Arizona court's conclusion squarely conflicts with applicable Mining Law statutes, regulations, case law, and the strong congressional policy favoring mineral development and multiple uses of Federal lands.

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

Resource exploration and development is a speculative business, characterized by a high number of failures. Substantial expenditures are required to discover new deposits and to develop the infrastructure, mining and processing facilities at any site chosen for mining. Resource exploration and development also involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate. Few properties that are explored are ultimately developed into producing mines, and there is no assurance that commercial quantities of ore will be discovered on any of Perpetua Resources' exploration properties. There is also no assurance that, even if commercial quantities of ore are discovered, a mineral property will be brought into commercial production, or if brought into production, that it will be profitable. The discovery of mineral deposits is dependent upon a number of factors, including the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit is also dependent upon, among a number of other factors, its size, grade, proximity to infrastructure, current metal prices, and government regulations, including regulations relating to required permits, royalties, allowable production, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but any one of these factors, or the combination of any of these factors, may prevent Perpetua Resources from receiving an adequate return on invested capital. In addition, depending on the type of mining operation involved, several years can elapse from the initial phase of drilling until commercial operations are commenced. Some ore reserves may become unprofitable to develop if there are unfavourable long-term market price fluctuations in gold or other metals, or if there are significant increases in operating or capital costs. Most of the above factors are beyond the Corporation's control, and it is difficult to ensure that the exploration or development programs proposed by Perpetua Resources will result in a profitable commercial mining operation. Please also see, among other things, the risk factor found under the subheading "Perpetua Resources' future exploration and development efforts may be unsuccessful" below.

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

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

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

**Mineral exploration and development activities are subject to geologic uncertainty and inherent variability.**

There is inherent variability between duplicate samples taken adjacent to each other and between sampling points that cannot be reasonably eliminated. There may also be unknown geologic details that have not been identified or correctly appreciated at the current level of delineation. This results in uncertainties that cannot be reasonably eliminated from the estimation process. Some of the resulting variances can have a positive effect and others can have a negative effect on mining and processing operations.

**The quantification of Mineral Resources and Mineral Reserves is based on estimates and is subject to great uncertainty, and there can be no assurance about the quantity and grade of minerals until Mineral Resources are actually mined.**

The calculations of amounts of mineralized material within Mineral Resources and Mineral Reserves are estimates only. Actual recoveries of gold and other potential by-products from Mineral Resources and Mineral Reserves may be lower than those indicated by test work. Any material change in the quantity of mineralization, grade, tonnage or stripping ratio, or the price of gold and other potential by-products, may affect the economic viability of a mineral property. In addition, there can be no assurance that the recoveries of gold and other potential by-products in small-scale laboratory tests will be duplicated in larger scale pilot plant tests under on-site conditions or during production. Notwithstanding the results of any metallurgical testing or pilot plant tests for metallurgy and other factors, there remains the possibility that the ore may not react in commercial production in the same manner as it did in testing.

Mining and metallurgy are an inexact science and, accordingly, there always remains an element of risk that a mine may not prove to be commercially viable. Until a deposit is actually mined and processed, the quantity of Mineral Reserves, Mineral Resources and grades must be considered as estimates only. In addition, the determination and valuation of Mineral Reserves and Mineral Resources is based on, among other things, assumed metal prices. Market fluctuations and metal prices may render Mineral Resources and Mineral Reserves uneconomic. Any material change in quantity of Mineral Reserves, Mineral Resources, grade, tonnage, percent extraction of those mineral reserves recoverable by underground mining techniques or stripping ratio for those Mineral Reserves recoverable by open pit mining techniques may affect the economic viability of a mining project, including the Project and any future operations in which Perpetua Resources has a direct or indirect interest. Please also see, among other things, the risk factor found under the subheading “Perpetua Resources’ mineral resource and mineral reserve estimates may not be indicative of the actual gold that can be mined” below.

**Increased operating and capital costs may adversely affect the viability of existing and proposed mining projects.**

The mining industry has at times been subjected to conditions that have resulted in significant increases in the cost of equipment, labour and materials. Perpetua Resources used benchmarked data for the operation and capital costs included in its PFS issued on December 15, 2014, and amended on March 28, 2019; however, there is no guarantee that development or operations of the Project will eventuate, and if it did, such operating or capital costs will prevail.

**The Corporation’s Risks**

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

Perpetua Resources does not generate any revenues and does not have sufficient financial resources to undertake by itself all of its planned exploration and permitting activities. Perpetua Resources has limited financial resources and has financed its activities primarily through the sale of Perpetua Resources’ securities, such as common shares and convertible notes. Perpetua Resources will need to continue its reliance on the sale of its securities for future financing, including that required to complete the permitting process, resulting in dilution to existing shareholders.

Specifically, the failure to obtain sufficient financing, or financing on terms acceptable to Perpetua Resources, may result in a delay or indefinite postponement of exploration, development or production on any or all of the Corporation’s properties or even a loss of an interest in a property, or an inability to pay any of the Corporation’s non-operating expenses which could also lead to late fees or penalties, depending on the nature of the expense.



If future financings involve the issuance of debt, the terms of the agreement governing such debt could impose restrictions on the Corporation’s operation of its business. Failure to raise capital when needed could have a materially adverse effect on the Corporation’s business, financial condition and results of operations. If adequate financing is not available, Perpetua Resources may not be able to commence or continue with its activities.

**Perpetua Resources has an obligation to repay the outstanding principal under the remaining 2016 Notes by the seventh anniversary of their issuance unless previously converted into common shares; on or before that date, Perpetua Resources either needs to have arranged sufficient funding to repay the outstanding principal or to have converted the notes into common shares in accordance with the terms of the Convertible Notes.**

Perpetua Resources does not generate revenue and previously announced a plan of how it intended to use the proceeds from the issuance of the Convertible Notes over the term of the Convertible Notes. In order to repay the outstanding principal on remaining 2016 Notes, Perpetua Resources either needs to arrange debt, equity or other forms of funding, to either develop the Stibnite Gold Project and repay the remaining 2016 Notes from operating cash flows, repay the remaining 2016 Notes in full, or convert the remaining 2016 Notes into common shares. The risks associated with the development of the Stibnite Gold Project as stated in this section are high. There are no circumstances in which the Corporation would be required to pay cash upon conversion of the remaining 2016 Notes.

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

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

**Perpetua Resources is subject to numerous government regulations which could cause delays in carrying out its operations, and increase costs related to its business.**

Perpetua Resources' mineral exploration and development activities are subject to various laws and regulations governing operations, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities, who may require operations to cease or be curtailed, or corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, development or production. Amendments to current laws and regulations governing operations, or more stringent implementation thereof could substantially increase the costs associated with Perpetua Resources' business or prevent it from exploring or developing its properties.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on Perpetua Resources and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

**Perpetua Resources is currently undertaking an extensive permitting process for the redevelopment and restoration of the Stibnite Gold Project and the timeframes for such processes are not fixed and can take significantly longer, and cost significantly more, than expected.**

The regulatory processes related to permitting of major mining projects in the US are subject to considerable uncertainty as to the information required by the permitting agencies and the timeframes to analyze information provided, and the outcomes of such analysis. The Stibnite Gold Project is more complex than greenfields sites due to the need to address the extensive legacy impacts related to historical mining activities which adds additional uncertainty. Since Perpetua Resources entered the permitting process for redevelopment and restoration, the proposed timeframe to get to a Final ROD has been extended by regulators several times and further extensions to the currently published timeframes can be expected.



**Perpetua Resources' current and future permits to conduct activities at the Stibnite Gold Project could be challenged during regulatory processes or in the courts by third parties and such challenges may delay or prevent the Corporation from meeting its objectives.**

Third parties commonly challenge permits related to exploration, development and mining projects and there is a possibility that such parties may challenge Perpetua Resources' permits for its activities. Such challenges would extend the timeframes anticipated for the Project advancement and increase funding requirements beyond those currently anticipated or block the approval of the Project.

**Perpetua Resources may be subject to litigation.**

All industries, including the mining industry, are subject to legal claims, with and without merit. The Corporation may become involved in legal disputes in the future. Defense and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material effect on the Corporation's financial position or results of operations.

Legal proceedings may be brought against Perpetua Resources, for example, litigation based on its business activities, environmental laws, tax matters, volatility in its stock price or failure to comply with its disclosure obligations, which could have a material adverse effect on Perpetua Resources' financial condition or prospects. Regulatory and government agencies may bring legal proceedings in connection with the enforcement of applicable laws and regulations, and as a result, Perpetua Resources may be subject to expenses of investigations and defense, fines or penalties for violations if proven, and potentially cost and expense to remediate, increased operating costs or changes to operations, and cessation of operations if ordered to do so or required in order to resolve such proceedings. The Corporation may become party to disputes governed by the rules of arbitration outside of Canada. Perpetua Resources may also be the subject of legal claims in Canada in respect of its activities in another jurisdiction such as the United States. In the event of a dispute arising at non-Canadian operations, Perpetua Resources may be subject to the exclusive jurisdiction of non-Canadian courts or may not be successful in subjecting non-Canadian persons to the jurisdiction of courts in Canada. The Corporation's inability to enforce its rights could have an adverse effect on its future cash flows, earnings, results of operations and financial condition.

**Perpetua Resources may face opposition from environmental non-governmental organizations ("ENGOs"), Indian tribes or other stakeholders that may delay or interfere with the regulatory process for the development of the Project.**

ENGOs, Indian tribes or other stakeholders commonly challenge permits related to exploration, development and mining projects and there is possibility that such parties may challenge Perpetua Resources' permits for its activities. Such challenges would extend the timeframes anticipated for the Project advancement and increase funding requirements beyond those currently anticipated or prevent the approval of the Project. As noted above, in 2018, the Nez Percé Tribe announced its opposition to the Project and certain NGOs campaigned against the community agreement. As discussed below, the Tribe brought judicial action against Perpetua Resources that it is presently defending and ultimately believes will be resolved in an acceptable manner.

**The Nez Percé Tribe has filed a complaint against Perpetua Resources under the Clean Water Act and the Corporation is vigorously defending the litigation. If successful, this litigation could act to delay the Project.**

On June 5, 2019, Perpetua Resources Corp., Perpetua Resources Idaho, Inc., Idaho Gold Resources Company, LLC and Stibnite Gold Company ("Companies") were served by Idaho's Nez Percé Tribe with a notice of intent (NOI) to sue under the Clean Water Act. The Tribe filed the complaint on August 8, 2019 in the United States District Court for the District of Idaho, which was later served on August 16, 2019. The complaint identified eight areas internal and external to the Stibnite Gold Project Site that the suit alleges violates the Clean Water Act, and the action seeks declaratory and injunctive relief.

The Companies filed a motion to dismiss and, in the alternative, a motion to stay the litigation pending conclusion of negotiations with the EPA on a CERCLA administrative order on consent, a process that was underway before the plaintiff filed suit. Argument was heard on December 16, 2019, where the motion to dismiss was denied. On January 7, 2020, the Companies filed its formal answer denying liability for the allegations contained in the complaint, and on January 8, 2020, the motion to stay the litigation was denied by the district court. On June 11, 2020, Perpetua Resources Idaho, Inc., Idaho Gold Resources Company, LLC and Stibnite Gold Company ("Perpetua Companies") notified the Forest Service that they may seek to join them in the case through a formal notice of intent ("NOI"). The Perpetua Companies filed the complaint against the Forest Service per previous NOI on August 18, 2020. In conjunction with the filing, the Perpetua Companies requested that the action be joined to the original action as a "third party complaint" or in the alternative, be consolidated with the original action. On September 8, 2020, the Federal court granted a stipulation allowing the Companies to file an amended answer and allowing the Perpetua Companies to file the third-party complaint against the Forest Service, in addition to declining to consolidate the cases. Subsequently, on September 9, 2020, the court held a status conference and the prospect emerged of scheduling a mandatory alternative dispute resolution ("ADR").



For over three years, the Companies have been working with EPA on a CERCLA agreement that will foster early clean up activity on the Stibnite Site. Under CERCLA section 113(h), citizen suits under the Clean Water Act are pre-empted from interfering in work covered under CERCLA administrative orders. On January 15, 2021 a voluntary administrative settlement and order on consent ("ASAOC") that that would afford legal certainty in performing any CERCLA response actions was executed by the Companies as well as the EPA and the United States Department of Agriculture with the concurrence of the United States Department of Justice. Such early CERCLA actions (known as "time critical removal actions"), upon work plan approval by the Federal agencies, will begin taking place in early 2021 and are designed to immediately improve water quality in a number of areas on the site while longer-term actions are being evaluated through the NEPA process.

Pursuant to the ASAOC, the Companies agreed to dismiss its pending complaints against the Forest Service, which occurred on January 29, 2021. Also upon execution of the ASAOC, the parties agreed on February 17, 2021 to stay to the litigation until June 1 in order to explore ADR process, which was ordered by the court on February 19.

Perpetua Resources cannot predict the potential ramifications of this litigation matter, nor can it provide any assurance that it will be concluded in a manner consistent with the Corporation's expectations.

**Perpetua Resources has not completed an environmental impact statement, nor has it received the necessary permits for water or explosives to conduct mining operations.**

The department responsible for environmental protection in the U.S. has broad authority to shut down and/or levy fines against facilities that do not comply with environmental regulations or standards. Failure to obtain the necessary permits would adversely affect progress of Perpetua Resources' activities and would delay or prevent the beginning of commercial operations.

**Perpetua Resources' activities are potentially subject to environmental liability.**

Perpetua Resources is not aware of any claims for damages related to any impact that its operations have had on the environment but it may become subject to such claims in the future, including potential claims related to legacy environmental impacts from prior operators. An environmental claim could adversely affect Perpetua Resources' business due to the high costs of defending against such claims and its impact on senior management's time and attention to addressing such claims. Also, environmental regulations may change in the future which could adversely affect Perpetua Resources' operations including the potential to curtail or cease exploration programs or to preclude entirely the economic development of a mineral property. The extent of any future changes to environmental regulations cannot be predicted or quantified, but it should be assumed that such regulations would become more stringent in the future. Generally, new regulations will result in increased compliance costs, including costs for obtaining permits, delays or fines resulting from loss of permits or failure to comply with the new regulations.

The Corporation's activities and ownership interests potentially expose the Corporation to liability under CERCLA and its state law equivalents. Under CERCLA and its state law equivalents, subject to certain defenses, any present or past owners or operators of a facility, and any parties that disposed or arranged for the disposal of hazardous substances at such a facility, could be held jointly and severally liable for cleanup costs and may be ordered to undertake remedial cleanup actions or to pay for the previous government cleanup efforts in response to actual or threatened releases of hazardous substances. Such parties may also be liable to government or tribal entities for the cost of damages to natural resources, which may be substantial. Additional regulations or requirements may also be imposed upon the

Corporation's operations, tailings and waste disposal areas, as well as upon mine closure under federal and state environmental laws and regulations, including, without limitation, the U.S. Clean Water Act and state law equivalents. Air emissions in the U.S. are subject to the Clean Air Act and its state equivalents as well.

On January 15, 2021 a voluntary ASAOC under CERCLA (see above) that that would afford legal certainty for Perpetua Resources in performing any response actions was executed by Perpetua Resources as well as the Environmental Protection Agency ("EPA") and the United States Department of Agriculture with the concurrence of the United States Department of Justice. With this agreement, it is not expected that any CERCLA enforcement actions will take place while the ASAOC remains in effect, which could be for the duration of the Project.



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

The mineral resource industry is intensively competitive in all of its phases, and Perpetua Resources competes with many companies possessing much greater financial and technical research resources. Competition is particularly intense with respect to the acquisition of desirable undeveloped gold properties. The principal competitive factors in the acquisition of such undeveloped properties include the staff and data necessary to identify, investigate and purchase such properties, and the financial resources necessary to acquire and develop such properties. Competition could adversely affect Perpetua Resources' ability to advance the Project or to acquire suitable prospects for exploration in the future on terms it considers acceptable. Increased competition could adversely affect the Corporation's ability to attract necessary capital funding or acquire an interest in additional properties.

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

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

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

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

Assays results from core drilling or reverse circulation drilling can be subject to errors at the laboratory analyzing the drill samples. In addition, reverse circulation or core drilling may lead to samples which may not be representative of the gold or other metals in the entire deposit. Mineral resource and mineral reserve estimates are based on interpretation of available facts and extrapolation or interpolation of data and may not be representative of the actual deposit. All of these factors may lead to mineral resource and/or mineral reserve estimates being overstated, the mineable gold that can be received from the Project being less than the mineral resource and mineral reserve estimates, and the Project not being a viable project.

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

**Perpetua Resources has a limited history as an exploration company and does not have any experience in putting a mining project into production.**

Perpetua Resources has only been actively engaged in exploration since 2009. Perpetua Resources does not generate any revenues from operations or production. Putting a mining project into production requires substantial planning and expenditures and, while several members of the management have mine construction experience, as a corporation, Perpetua Resources does not have any experience in taking a mining project to production. As a result of these factors, it is difficult to evaluate Perpetua Resources' prospects, and its future success is more uncertain than if it had a longer or more proven history.

**Perpetua Resources expects to continue to incur losses and may never achieve profitability, which in turn may harm the future operating performance and may cause the market price of Perpetua Resources' common shares to decline.**

Perpetua Resources has incurred net losses every year since inception. Perpetua Resources currently has no commercial production and has never recorded any revenues from mining operations. Perpetua Resources expects to continue to incur losses, and will continue to do so until such time, if ever, as its properties commence commercial production and generate sufficient revenues to fund continuing operations.



The proposed development of new mining operations will require the commitment of substantial resources for operating expenses and

capital expenditures, which may increase in subsequent years as Perpetua Resources adds, as needed, consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Project or any other properties. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture or other agreements with others in the future, its acquisition of additional properties, and other factors, many of which are unknown today and may be beyond the Corporation's control. Perpetua Resources may never generate any revenues or achieve profitability. If Perpetua Resources does not achieve profitability, it would have to raise additional financing or shut down its operations.

**Perpetua Resources has negative cash flow from operating activities.**

As indicated, the Corporation currently has no producing mines and has no source of operating cash flow other than through equity, joint ventures and/or debt financing. As such, the Corporation has, and is expected to continue to have, negative operating cash flow. To the extent the Corporation has negative cash flow in future periods, the Corporation may use a portion of its general working capital to fund such negative cash flow.

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

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

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

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

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

**Perpetua Resources' ability to explore and, if warranted, develop its mineral claims may be impacted by litigation or consent decrees entered into by previous owners of mineral rights that now comprise the Project, related to disturbance related to past mining and exploration activities.**

Several of the patented lode and mill site claims acquired by Perpetua Resources over the West End Deposit and the Cinnabar claim groups (the latter held under option) are subject to a consent decree under CERCLA, which covers certain environmental liability and remediation responsibilities with respect to such claims. The consent decree requires that heirs, successors and assigns refrain from activities that would interfere with or adversely affect the integrity of any remedial measures implemented by government agencies. Several of the patented claims in the Hangar Flats and Yellow Pine properties are subject to a consent decree under CERCLA between the original owner of those claims and the United States, which creates certain obligations on that owner, including that the owner will cooperate with the EPA and U.S. Forest Service in those agencies' efforts to secure any government controls necessary to implement response activities.



All industries, including mining, are subject to legal claims with or without merit. Defense and settlement costs can be substantial, even with respect to claims without merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular claim could have an effect on the Corporation's financial position. It is possible that any proposal to develop a mine on the Project, or any governmental approval for such a development, could be challenged in court by third parties, the effect of which would be to delay and possibly entirely impede the Corporation from developing the Project or commencing production.

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

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

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

Perpetua Resources has a relatively small staff and depends upon its ability to hire consultants with the appropriate background and expertise as such persons are required to carry out specific tasks. Perpetua Resources' inability to hire the appropriate consultants at the

appropriate time could adversely impact Perpetua Resources' ability to advance its exploration and permitting activities.

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

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

**Internal controls provide no absolute assurances as to reliability of financial reporting and financial statement preparation, and ongoing evaluation may identify areas in need of improvement.**

The Corporation has invested resources to document and assess its system of internal control over financial reporting and undertakes an evaluation process of such internal controls. Internal control over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, safeguards with respect to the reliability of financial reporting and financial statement preparation.

The Corporation currently believes that no material weakness exists in regard to its internal controls for financial reporting that result in a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented or detected on a timely basis. However, if the Corporation fails to maintain the adequacy of its internal control over financial reporting, as either the Corporation's or the applicable regulatory standards are modified, supplemented or amended from time to time, then the Corporation may not be able to ensure that it can conclude on an ongoing basis that it has effective internal controls over financial reporting. If in the future the Corporation is required to disclose a material weakness in its internal controls over financial reporting, then this could result in the loss of investor confidence in the reliability of the Corporation's financial statements, which in turn could harm the Corporation's business and negatively impact the trading price of its common shares. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Corporation's operating results or cause it to fail to meet its reporting obligations.



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

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

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

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

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

**A shortage of supplies and equipment could adversely affect Perpetua Resources' ability to operate its business.**

Perpetua Resources is dependent on various supplies and equipment to carry out its activities. The shortage of such supplies, equipment and parts could have a material adverse effect on Perpetua Resources' ability to carry out its activities and therefore have a material adverse effect on the cost of doing business.

**A cyber security incident could adversely affect Perpetua Resources' ability to operate its business.**

Information systems and other technologies, including those related to the Corporation's financial and operational management, and its technical and environmental data, are an integral part of the Corporation's business activities. Network and information systems related events, such as computer hacking, cyber-attacks, computer viruses, worms or other destructive or disruptive software, process breakdowns, denial of service attacks, or other malicious activities or any combination of the foregoing or power outages, natural disasters, terrorist attacks, or other similar events could result in damages to the Corporation's property, equipment and data. These events also could result in significant expenditures to repair or replace damaged property or information systems and/or to protect them from similar events in the future. Furthermore, any security breaches such as misappropriation, misuse, leakage, falsification, accidental release or loss of information contained in the Corporation's information technology systems including personnel and other data that could damage its reputation and require the Corporation to expend significant capital and other resources to remedy any such security breach. Insurance held by the

Corporation may mitigate losses however in any such events or security breaches may not be sufficient to cover any consequent losses or otherwise adequately compensate the Corporation for any disruptions to its business that may result and the occurrence of any such events or security breaches could have a material adverse effect on the business of the Corporation. There can be no assurance that these events and/or security breaches will not occur in the future or not have an adverse effect of the business of the Corporation.

**Counterparty and liquidity risk.**

Credit risk relates to cash and cash equivalents, accounts receivable, and derivative contracts and arises from the possibility that a counterparty to an instrument fails to perform. Counterparty risk is the risk that a third party might fail to fulfill its performance obligations under the terms of a financial instrument. The Corporation is subject to counterparty risk and may be affected, in the event that a counterparty becomes insolvent. To manage both counterparty and credit risk, the Corporation proactively manages its exposure to individual counterparties. The Corporation only transacts with highly rated counterparties. A limit on contingent exposure has been established for each counterparty based on the counterparty's credit rating, and the Corporation monitors the financial condition of each counterparty.



Liquidity risk is the risk that the Corporation may not have sufficient cash resources available to meet its payment obligations. To manage liquidity risk, the Corporation maintains cash positions and has financing in place that the Corporation expects will be sufficient to meet its operating and capital expenditure requirements. Potential sources for liquidity could include, but are not limited to: the Corporation's current cash position, existing credit facilities, future operating cash flow, and potential private and public financing. Additionally, the Corporation reviews its short-term operational forecasts regularly and long-term budgets to determine its cash requirements.

**Perpetua Resources may be negatively affected by an outbreak of infectious disease or pandemic.**

An outbreak of infectious disease, pandemic or a similar public health threat, such as the COVID-19 outbreak in 2020, and the response thereto, could adversely impact the Corporation, both operationally and financially. The global response to the COVID-19 outbreak has resulted in, among other things, border closures, severe travel restrictions and extreme fluctuations in financial and commodity markets. Additional measures may be implemented by one or more governments around the world in jurisdictions where the Corporation operates. Labour shortages due to illness, Corporation or government-imposed isolation programs, restrictions on the movement of personnel or possible supply chain or other disruptions could result in a reduction or interruption of the Corporation's operations and activities. An outbreak of infectious disease, pandemic or a similar public health threat may affect the Corporation's ability to purchase products and/or services at reasonable costs in the operation of its business and to stay on schedule due to the reliance on external parties in the permitting process. As well, as efforts are undertaken to slow the spread of the COVID-19 pandemic, the operation and development of mining projects may be impacted. To date, a number of mining projects have been suspended as cases of COVID-19 have been confirmed, for precautionary purposes or as governments have declared a state of emergency or taken other actions. If the operation or development of one or more of the properties of Perpetua Resources, or in which Perpetua Resources holds a royalty, stream or other interest, is suspended or the development is delayed for precautionary purposes or as governments declare states of emergency or other actions are taken in an effort to combat the spread of COVID-19, it may have a material adverse impact on the Corporation's profitability, results of operations, financial condition and the trading price of the Corporation's securities.

The adverse effects described above could be rapid and unexpected. These disruptions may severely impact the Corporation's ability to carry out its business plans for 2021 and beyond. While the Corporation's operations and activities have not been materially impacted to date (although Perpetua Resources has adjusted some of its internal procedures), there can be no assurance that Perpetua Resources will remain unaffected by the current COVID-19 crisis or potential future health crises. The actual and threatened spread of COVID-19 globally could adversely affect global economies and financial markets resulting in a prolonged economic downturn and a decline in the value of the Corporation's stock price.

In response to the COVID-19 pandemic, Perpetua Resources has implemented precautionary measures and management practices at its corporate offices, including introducing a "work from home" policy at its offices in Canada and Idaho, limiting visits to essential personnel, reducing travel for its personnel, transitioning to virtual meetings where feasible and ensuring proper protocols around sanitation and social distancing.

The Corporation's management will continue to monitor the situation regarding COVID-19 and may take actions under best management practices that alter the Corporation's business operations as may be required by federal, provincial or local authorities (including Health Canada and the US Center for Disease Control), or that management determines are in the best interests of the Corporation's employees, suppliers, shareholders and other stakeholders. Such alterations or modifications could cause substantial interruption to the Corporation's business, any of which could have a material adverse effect on, among other things, the Corporation's operations or financial results. The extent to which COVID-19 and any other pandemic or public health crisis impacts the Corporation's business, affairs, operations, financial condition (including the Corporation's ability to raise funds), liquidity, availability of credit and results of operations will depend on future developments that are highly uncertain and cannot be accurately predicted, including new information which may emerge concerning the severity of and the actions required to contain the COVID-19 pandemic or remedy its impact, among others. While vaccination programs have begun to be implemented throughout Canada and the United States, industries, including mining, continue to be affected by COVID-19 in varying degrees. It continues to be difficult to predict the duration and extent of the impact of COVID-19 on the Corporation's business and operations, both in the short and long-term.

In December 2020, several Canadian provinces declared a second provincial emergency requiring various restrictions, such as stay at home orders, mandatory closures of certain types of businesses and reduced limits on social gatherings. While these restrictions have not yet had a significant impact on the Corporation's operations, the Corporation cannot predict the extent to which these restrictions (and any other future restrictions imposed by governmental authorities in Canada or the United States) may affect the Corporation on a going-forward basis.

**CAUTIONARY NOTE IN RESPECT OF MINERAL RESOURCES AND MINERAL RESERVES**

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Mineral Resource estimates do not account for mineability, selectivity, mining loss and dilution. The Project mineral resource estimates include inferred Mineral Resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There is also no certainty that these inferred Mineral Resources will be converted to the measured and indicated categories through further drilling, or into Mineral Reserves, once economic considerations are applied.

The Mineral Resources and Mineral Reserves at the Project are contained within areas that have seen extensive disturbance resulting from prior mining activities. For Perpetua Resources to advance its interests at the Stibnite site, the Project will be subject to a number of Federal, State and local laws and regulations and will require permits to conduct its activities. However, Perpetua Resources is not aware of any environmental, permitting, legal or other reasons that would prevent it from advancing the Project.

This MD&A and the mineral resource and mineral reserve estimates referenced in this MD&A are reported in accordance with the requirements under Canadian securities laws, namely National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"), which differ from the requirements under U.S. securities laws. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. These standards differ significantly from the requirements under the U.S. Securities and Exchange Commission ("SEC") and thus the mineral resource and mineral reserve estimates referenced in this MD&A may not be comparable to disclosure provided by issuers subject to SEC disclosure requirements applicable to domestic issuers.

**Exhibit 99.3**



**CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**
**(expressed in US Dollars)**

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Deloitte.

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

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

**Opinion on the Financial Statements**

We have audited the accompanying consolidated statements of financial position of Perpetua Resources Corp. (formerly Midas Gold Corp.) and subsidiaries (the "Company") as of December 31, 2020 and 2019, the related consolidated statements of net loss and comprehensive loss, changes in equity, and cash flows for each of the two years in the period ended December 31, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and its financial performance and its cash flows for each of the two years in the period ended December 31, 2020, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

**Basis for Opinion**

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Vancouver, Canada
March 15, 2021

We have served as the Company's auditor since 2011.

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**Perpetua Resources Corp.**
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
**As at December 31, 2020 and December 31, 2019**
**(Expressed in US dollars)**

| | Notes | December 31, 2020 | December 31, 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | $ 25,037,766 | $ 17,504,622 |
| Receivables | | 107,727 | 123,576 |
| Prepaid expenses | | 646,996 | 782,416 |
| | | $ 25,792,489 | $ 18,410,614 |
| NON-CURRENT ASSETS | | | |
| Buildings and equipment | 5 | $ 189,294 | $ 247,103 |
| Right-of-use assets | 4 | 235,965 | 423,774 |
| Exploration and evaluation assets | 6 | 71,913,864 | 71,423,369 |
| | | $ 72,339,123 | $ 72,094,246 |
| **TOTAL ASSETS** | | $ 98,131,612 | $ 90,504,860 |
| | | | |
| **LIABILITIES AND EQUITY** | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | $ 3,736,222 | $ 4,228,719 |
| Lease liabilities | 4 | 201,825 | 178,294 |
| | | $ 3,938,047 | $ 4,407,013 |
| NON-CURRENT LIABILITIES | | | |
| Convertible notes | 8 | $ 9,562,293 | $ 27,336,373 |
| Convertible note derivative | 9 | 26,060,446 | 25,478,212 |
| Warrant derivative | 7 | 874,864 | 274,723 |
| Non-current lease liabilities | 4 | 65,136 | 265,563 |
| | | $ 36,562,739 | $ 53,354,871 |
| **TOTAL LIABILITIES** | | $ 40,500,786 | $ 57,761,884 |
| | | | |
| EQUITY | | | |
| Share capital | 10 | $ 528,715,788 | $ 283,489,579 |
| Equity reserve | 10 | 26,176,265 | 25,882,517 |
| Deficit | | (497,261,227) | (276,629,120) |
| **TOTAL EQUITY** | | $ 57,630,826 | $ 32,742,976 |
| **TOTAL LIABILITIES AND EQUITY** | | $ 98,131,612 | $ 90,504,860 |

**Approved on behalf of the Board of Directors:**

*/s/ Laurel Sayer*
Laurel Sayer - Director

*/s/ Bob Dean*
Bob Dean - Director

See accompanying notes to consolidated financial statements



**Perpetua Resources Corp.**
**CONSOLIDATED STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS**
**For the years ended December 31, 2020 and December 31, 2019**
**(expressed in US dollars)**

| | Notes | December 31, 2020 | December 31, 2019 |
|---|---|---|---|
| **EXPENSES** | | | |
| Consulting | | $ 76,149 | $ 199,628 |
| Corporate salaries and benefits | | 1,177,488 | 779,803 |
| Depreciation | 4,5 | 284,414 | 249,300 |
| Directors' fees | | 154,688 | 131,217 |
| Exploration and evaluation | 11 | 25,258,032 | 26,877,306 |
| Office and administrative | | 180,026 | 141,743 |
| Professional fees | | 813,463 | 363,243 |
| Share based compensation | 10 | 1,593,539 | 1,935,681 |
| Shareholder and regulatory | | 387,632 | 348,850 |
| Travel and related costs | | 32,801 | 215,920 |
| **OPERATING LOSS** | | $ 29,958,232 | $ 31,242,691 |

| | | | |
|---|---|---|---|
| **OTHER EXPENSES (INCOME)** | | | |
| Change in fair value of warrant derivative | 7 | $ 600,141 | $ (180,096) |
| Change in fair value of convertible note derivative | 9 | 179,133,742 | (24,786,758) |
| Finance costs | 12 | 3,387,700 | 2,707,277 |
| Foreign exchange loss | | 7,838,610 | 2,883,315 |
| Gain on sale of building and equipment | | (8,500) | (18,500) |
| Interest income | | (277,818) | (548,042) |
| Total other loss (income) | | $ 190,673,875 | $ (19,942,804) |
| **NET LOSS AND COMPREHENSIVE LOSS** | | $ 220,632,107 | $ 11,299,887 |
| **NET LOSS PER SHARE, BASIC AND DILUTED** | | $ 6.45 | $ 0.44 |
| **WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING, BASIC AND DILUTED** | 2b | 34,227,710 | 25,462,796 |

See accompanying notes to consolidated financial statements



**Perpetua Resources Corp.**
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**
**For the years ended December 31, 2020 and December 31, 2019**
**(expressed in US dollars except for number of shares)**

| | | Share Capital[(i)] | | | | |
|---|---|---|---|---|---|---|
| | Note | Shares | Amount | Equity Reserve | Deficit | Total |
| **BALANCE, January 1, 2019** | | 23,481,269 | $267,595,776 | $ 24,394,532 | $(265,329,233) | $ 26,661,075 |
| Share based compensation | 10 | - | - | 2,001,087 | - | 2,001,087 |
| Public offering | 10 | 3,320,000 | 14,929,176 | - | - | 14,929,176 |
| Share issue cost | 10 | - | (844,832) | - | - | (844,832) |
| Shares issued to Stibnite Foundation (or share based payments) | 10 | 150,000 | 877,500 | - | | 877,500 |
| Shares issued through Stock Appreciation Rights | 10 | 22,586 | 137,836 | (203,241) | | (65,405) |
| Exercise of options | 10 | 138,695 | 794,123 | (309,861) | - | 484,262 |
| Net loss and comprehensive loss for the year | | - | - | - | (11,299,887) | (11,299,887) |
| **BALANCE, December 31, 2019** | | 27,112,550 | $283,489,579 | $ 25,882,517 | $(276,629,120) | $ 32,742,976 |
| Share based compensation | 10 | - | - | 1,546,771 | - | 1,546,771 |
| Shares issued upon conversion of Convertible Notes | 10 | 19,969,280 | 242,142,800 | - | - | 242,142,800 |
| Share issue cost | 10 | - | (22,148) | - | - | (22,148) |
| Shares issued through Stock Appreciation Rights | 10 | 24,142 | 233,103 | (186,334) | | 46,769 |
| Exercise of options | 10 | 375,162 | 2,872,454 | (1,066,689) | - | 1,805,765 |
| Net loss and comprehensive loss for the year | | - | - | - | (220,632,107) | (220,632,107) |
| **BALANCE, December 31, 2020** | | 47,481,134 | $528,715,788 | $ 26,176,265 | $(497,261,227) | $ 57,630,826 |

**Footnotes:**

(i) *Common share amounts have been retrospectively restated for all prior periods to reflect the Share Consolidation effected on January 27, 2021. Refer to Note 2(b) – Basis of Presentation for more information.*

See accompanying notes to consolidated financial statements



**Perpetua Resources Corp.**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**For the years ended December 31, 2020 and December 31, 2019**
**(expressed in US dollars)**

| | Notes | December 31, 2020 | December 31, 2019 |
|---|---|---|---|
| **OPERATING ACTIVITIES:** | | | |
| Net loss | | $ (220,632,107) | $ (11,299,887) |
| Adjustments for: | | | |
| Share based compensation | 10 | 1,546,771 | 2,001,087 |
| Share based payments | | - | 877,500 |

| | | | |
|---|---|---|---|
| Depreciation | 4,5 | 284,414 | 249,300 |
| Accretion and interest expense | 8,12 | 3,163,490 | 2,707,277 |
| Gain on disposal of buildings and equipment | | (8,500) | (18,500) |
| Change in fair value of warrant derivative | 7 | 600,141 | (180,096) |
| Change in fair value of convertible note derivative | 9 | 179,133,742 | (24,786,758) |
| Unrealized foreign exchange loss | | 7,922,572 | 2,993,016 |
| Interest income | | (277,818) | (548,042) |
| Changes in: | | | |
| Receivables | | 18,383 | 149,925 |
| Prepaid expenses | | 135,420 | (512,255) |
| Trade and other payables | | (693,111) | 1,307,544 |
| Net cash used in operating activities | | $ (28,806,603) | $ (27,059,889) |
| **INVESTING ACTIVITIES:** | | | |
| Investment in exploration and evaluation assets | 6 | $ (490,495) | $ (290,486) |
| Purchase of buildings and equipment | 5 | (38,796) | (20,456) |
| Sale of buildings and equipment | | 8,500 | 18,500 |
| Interest received | | 275,284 | 538,588 |
| Net cash (used in)/provided by investing activities | | $ (245,507) | $ 246,146 |
| **FINANCING ACTIVITIES:** | | | |
| Proceeds from issuance of Convertible Notes | 8 | $ 35,000,000 | $ - |
| Payment of transaction costs on issuance of Convertible Notes | | (237,170) | - |
| Finance cost deducted as share issue cost | 12 | 224,210 | - |
| Proceeds from issuance of common shares through financing | | - | 14,929,176 |
| Payment of transaction costs on issuance of common shares through financing | 10 | (22,148) | (844,832) |
| Proceeds from issuance of common shares through exercise of options | | 1,852,534 | 418,856 |
| Interest paid on convertible notes | 8 | (32,521) | (18,727) |
| Payment of lease liabilities | | (211,230) | (81,803) |
| Net cash provided by financing activities | | $ 36,573,675 | $ 14,402,670 |
| | | | |
| Effect of foreign exchange on cash and cash equivalents | | 11,579 | 29,137 |
| Net increase (decrease) in cash and cash equivalents | | 7,533,144 | (12,381,936) |
| Cash and cash equivalents, beginning of year | | 17,504,622 | 29,886,558 |
| **Cash and cash equivalents, end of year** | | $ 25,037,766 | $ 17,504,622 |
| | | | |
| Cash | | $ 2,244,839 | $ 410,701 |
| Investment savings accounts | | 6,588,184 | 3,642,709 |
| GIC and term deposits | | 16,204,743 | 13,451,212 |
| **Total cash and cash equivalents** | | $ 25,037,766 | $ 17,504,622 |

See accompanying notes to consolidated financial statements



**Perpetua Resources Corp.**
**Notes to Consolidated Financial Statements**
**For the years ended December 31, 2020 and December 31, 2019**
**(expressed in US dollars)**

## 1. Nature of Operations

Perpetua Resources Corp. (the "Corporation" or "Perpetua Resources", formerly Midas Gold Corp.) was incorporated on February 22, 2011 under the Business Corporations Act of British Columbia. 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 ("Stibnite Gold Project" or the "Project"). The Corporation currently operates in one segment, mineral exploration in the United States. The registered office of the Perpetua Resources is 400-725 Granville St, Vancouver, BC, V7Y 1G5, Canada and the corporate office is located at 201-405 S 8$^{th}$ St, Boise ID 83702, USA.

## 2. Basis of Preparation

*a. Statement of Compliance*

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board as at December 31, 2020.

*b. Basis of Presentation*

These consolidated financial statements have been prepared on the historic cost basis except for certain financial instruments, which are measured at fair value as explained in the Summary of Significant Accounting Policies set out in Note 3.

On January 27, 2021, the Corporation completed a one-for-ten (1:10) reverse share split of all of its issued and outstanding common shares ("Share Consolidation"), resulting in a reduction of the issued and outstanding shares from 474,811,340 to 47,481,134. Shares reserved under the Corporation's equity and incentive plans were adjusted to reflect the Share Consolidation. All share and per share data presented in the Corporation's consolidated financial statements have been retroactively adjusted to reflect the Share Consolidation unless otherwise noted.

These consolidated financial statements for the years ended December 31, 2020 and December 31, 2019 were approved and authorized for issue by the board of directors on March 15, 2021.

*c. COVID-19 Estimation Uncertainty*

In March 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. Government measures to limit the spread of COVID-19, including the closure of non-essential businesses, did not materially disrupt the Corporation's operations during the year.

Due to the rapid developments and uncertainty surrounding COVID-19, it is not possible to predict the impact that COVID-19 will have on our business, financial position and operating results in the future. The Corporation is closely monitoring the impact of the pandemic on all aspects of its business.

## 3. Summary of Significant Accounting Policies

*a. Basis of Consolidation*

These consolidated financial statements include the financial statements of Perpetua Resources and its wholly owned subsidiary companies:





## 3. Summary of Significant Accounting Policies (continued)

Perpetua Resources Idaho, Inc.;
Idaho Gold Resource Company, LLC; and
Stibnite Gold Company.

All intercompany transactions, balances, income and expenses have been eliminated.

*b. Functional and Presentation Currency*

The functional and presentation currency of the Corporation and its subsidiaries is the US Dollar ("USD" or "$"). As the Perpetua Resources corporate office was previously located in Vancouver, BC, there are also certain transactions in Canadian Dollars (CAD or C$). All amounts in these consolidated financial statements are in USD, unless otherwise stated.

*c. Cash and Cash Equivalents*

For the purpose of the consolidated statements of financial position and consolidated statements of cash flows, the Corporation considers all highly liquid investments readily convertible to a known amount of cash with an original maturity of three months or less and subject to an insignificant risk of changes in value to be cash equivalents.

*d. Financial Assets*

Financial assets are classified into one of four categories, fair value through profit or loss ("FVTPL"), fair value through Other Comprehensive Income ("FVOCI") as a debt investment, FVOCI as an equity investment and amortized cost.

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset.

*(i) Amortized cost*

Financial assets are classified as amortized cost if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method.

*(ii) Effective interest method*

The effective interest method calculates the amortized cost of a financial asset and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.





**3. Summary of Significant Accounting Policies (continued)**

(iii) *Derecognition of financial assets*

A financial asset is derecognized when:

- the contractual right to the asset's cash flows expire; or
- if the Corporation transfers the financial asset and substantially all risks and rewards of ownership to another entity.

*e. Financial Liabilities and Equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Corporation are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

*(i) Other financial liabilities*

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Corporation has classified trade and other payables and Convertible Notes as other financial liabilities. The Corporation has classified the warrant derivative and Convertible Note Derivative as financial liabilities at FVTPL.



**Perpetua Resources Corp.**
**Notes to Consolidated Financial Statements**
**For the years ended December 31, 2020 and December 31, 2019**
**(expressed in US dollars)**

**3. Summary of Significant Accounting Policies (continued)**

*(ii) Derecognition of financial liabilities*

The Corporation derecognizes financial liabilities when, and only when, the Corporation's obligations are discharged, cancelled or they expire.

*f. Exploration and Evaluation Assets and Expenses*

Exploration and evaluation assets are recorded at cost less accumulated impairment losses, if any. All direct costs related to the acquisition of mineral properties are capitalized until the technical feasibility and commercial viability of the asset is established, at which time the capitalized costs are reclassified to mineral properties under development. Technical feasibility and commercial viability are

defined as (1) the determination of mineral reserves and (2) a decision to proceed with development has been recommended by management and approved by the Corporation's board of directors. Exploration and evaluation costs, subsequent to acquisition, are expensed until it has been established that a mineral property is technically feasible and commercially viable, and a mine development decision has been made by the Corporation.

Thereafter, the Corporation will capitalize expenditures subsequently incurred to develop the mine, prior to the start of mining operations. Management reviews the facts and circumstances to determine whether there is an indication that the carrying amount of the exploration and evaluation assets exceeds the recoverable amount at each reporting date. Indication includes but is not limited to, the expiration of the right to explore, substantive expenditure in the specific area is neither budgeted nor planned and if the entity has decided to discontinue exploration activity in the specific area. If facts and circumstances exist that indicate that the assets are impaired, management will assess whether the carrying value exceeds recoverable value, and the Corporation will impair the carrying value of the property.

Where the Corporation has determined that impairment indicators exist, the Corporation will also assess for impairment under IAS 36 *Impairment of assets*, whereby the cash generating unit ("CGU") is assessed for impairment by comparing the carrying value to its recoverable amount, which is the higher of the value in use and the fair value less costs to sell. The fair value less costs to sell is determined by the best information available to reflect the amount the Corporation could receive for the CGU in an arm's length transaction.

*g. Loss Per Share*

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of share purchase options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding share purchase options were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. All share purchase options and warrants were anti-dilutive for the years presented.





**3. Summary of Significant Accounting Policies (continued)**

*h. Foreign Currency Translation*

Transactions in currencies other than the entity's functional currency are recorded at the exchange rate prevailing at the dates of the transactions. Monetary assets and liabilities are translated using the period end foreign exchange rate. Non-monetary assets and liabilities carried at fair value are translated using the historical rate on the date the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in the consolidated Statement of Net Loss and Comprehensive Loss.

*i. Income Taxes*

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the Statement of Net Loss and Comprehensive Loss.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the substantively enacted tax rates expected to apply when the asset is realized, or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Corporation does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is derecognized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Corporation intends to settle its current tax assets and liabilities on a net basis.

*j. Share Based Compensation*

The Corporation grants share purchase options to directors, officers, employees and consultants. The board of directors grants such options for periods of up to five years, with vesting periods determined at its sole discretion and at prices equal to or greater than the closing price on the day proceeding the day the options were granted.

The fair value of the options granted is measured at the grant date, using the Black-Scholes option pricing model, and is recognized over

the vesting period, which is the period over which all of the specific vesting conditions are satisfied. Forfeitures are estimated at the grant date. For awards with graded vesting, the fair value of each tranche is measured separately and recognized over its respective vesting period. The fair value is recognized as an expense with a corresponding increase in equity reserve. The amount recognized as expense is adjusted to reflect the number of share options which actually vest.

When the Corporation grants share purchase options, which only vest upon satisfaction of a contingent event, the fair value of the option is measured on the date of grant using the same valuation model and assumptions used for options without performance conditions. The Corporation will recognize compensation expense based on an estimate of performance condition that will be satisfied.





**3. Summary of Significant Accounting Policies (continued)**

*k. Reclamation and Remediation*

The Corporation recognizes liabilities for statutory, contractual, constructive or legal obligations associated with buildings and equipment and exploration and evaluation assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value of such costs. The Corporation's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. The Corporation's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. The costs of rehabilitation projects that were included in the rehabilitation provision are recorded against the provision as incurred. As at December 31, 2020 and 2019, the Corporation had no rehabilitation liabilities.

*l. Buildings and Equipment*

Buildings and equipment are recorded at cost less depreciation, depletion and accumulated impairment losses, if any.

Where significant components of buildings and equipment have different useful lives, the components are accounted for as separate items. Expenditures incurred to replace a component that is accounted for separately, including major inspection and overhaul expenditures, are capitalized. Directly attributable expenses incurred for major capital projects are capitalized until the asset is brought to a working condition for its intended use. These costs include dismantling and site restoration costs to the extent these are recognized as a provision.

The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate portion of normal overhead. The costs of day-to-day servicing are recognized in expenses as incurred, as "maintenance and repairs."

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

| Category | Method | Useful life |
|---|---|---|
| Equipment and Vehicles | Straight-line | 3 to 7 years |
| Buildings | Straight-line | 5 to 10 years |

The depreciation method, useful life and residual values are assessed annually.

*m. Impairment*

The Corporation's tangible and intangible assets are reviewed for indications of impairment at each reporting date. If an indication of impairment exists, the asset's recoverable amount is estimated to determine extent of impairment, if any. Where the asset does not generate independent cash inflows, the Corporation estimates the recoverable amount of the Cash Generating Unit ("CGU") to which the asset belongs.

An impairment loss is recognized when the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit and loss for the period. The recoverable amount is the greater of the asset's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**3. Summary of Significant Accounting Policies (continued)**

*n. Leases*

The Corporation assesses whether a contract is or contains a lease, at inception of the contract. The Corporation recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets such as office printers. For these leases, the Corporation recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Corporation uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise of the following:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Corporation remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Corporation did not make any such adjustments during the periods presented.



**Perpetua Resources Corp.**
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**3. Summary of Significant Accounting Policies (continued)**

*o. Provisions*

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount receivable can be measured reliably.

*p. Significant Accounting Estimates and Judgments*

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions about future events that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best

knowledge of the amount, events or actions, actual results may differ from these estimates.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

i) Probability of future economic benefits of exploration and evaluation costs

The application of the Corporation's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is probable that future economic benefits will be generated from the exploitation of an exploration and evaluation asset when activities have not yet reached a stage where a reasonable assessment of the existence of reserves can be determined. The estimation of mineral reserves is a complex process and requires significant assumptions and estimates regarding economic and geological data and these assumptions and estimates impact the decision to either expense or capitalize exploration and evaluation expenditures.

Upon determination of mineral reserves, the Corporation evaluates the commercial viability of the assets, based on the existence of mineral reserves as well as the ability to obtain permitting, financing and a commercially viable construction schedule. Upon making a decision to proceed with the development of the property, the exploration and evaluation assets would be reclassified to mineral properties under development.

ii) Functional currency

The functional currency for each of the Corporation's subsidiaries is the currency of the primary economic environment in which the entity operates. The Corporation has determined that the functional currency of each entity is the US Dollar. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Corporation reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.





**3. Summary of Significant Accounting Policies (continued)**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

i) Impairment of building and equipment and exploration and evaluation assets

Management considers both external and internal sources of information in assessing whether there are any indications that the Corporation's building and equipment and exploration and evaluation assets are impaired. External sources of information management considers include changes in the market, economic and legal environment in which the Corporation operates that are not within its control and affect the recoverable amount of its building and equipment and exploration and evaluation assets. Internal sources of information management considers include the manner in which mining properties and building and equipment are being used or are expected to be used and indications of economic performance of the assets.

ii) Mineral resource and reserve estimates

The figures for mineral resources and reserves are determined in compliance with the requirements of National Instrument 43-101, "Standards of Disclosure for Mineral Projects", issued by the Canadian Securities Administrators. There are numerous uncertainties inherent in estimating mineral resources and reserves, including many factors beyond the Corporation's control. Such estimation is a subjective process, and the accuracy of any mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgements used in engineering and geological interpretation. Differences from management's assumptions (including economic assumptions such as metal prices and market conditions) could have a material effect in the future on the Corporation's financial position and results of operation.

iii) Valuation of share-based compensation, convertible note derivative and warrant derivative

The Corporation uses the Black-Scholes Option Pricing Model or other valuation models for valuation of share-based compensation, Convertible Note Derivative and warrant derivative. Option pricing models require the input of subjective assumptions including expected share price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Corporation's net loss and equity reserves.

*q. Amended IFRS Standards Effective in the Current Year*

The Corporation adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition and the threshold for materiality influencing users of the financial statements has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material IAS 1. Additionally, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term “material” to ensure consistency.

The Corporation adopted the amendments to IAS 1 and IAS 8 effective January 1, 2020, which did not have a material impact on the Corporation’s consolidated financial statements.





## 4. Leases

The Corporation leases building space for the Corporate office in Vancouver, BC, and for the U.S. subsidiaries in Donnelly, ID and Boise, ID. The Corporation is utilizing an incremental borrowing rate of 10% for calculating the related lease liabilities and ROU assets.

***ROU Assets***

| | Property |
|---|---|
| Balance, January 1, 2019 | $ - |
| Additions | 502,841 |
| Depreciation charge for the period | (79,067) |
| Balance, December 31, 2019 | $ 423,774 |
| Additions | - |
| Depreciation charge for the period | (187,809) |
| Balance, December 31, 2020 | $ 235,965 |

***Lease Liabilities***

| | December 31, 2020 | December 31, 2019 |
|---|---|---|
| **Maturity analysis – contractual undiscounted cash flows** | | |
| Less than one year | $ 217,629 | $ 212,896 |
| One to five years | 66,768 | 282,893 |
| **Total undiscounted lease liabilities** | $ 284,397 | $ 495,789 |
| **Lease liabilities included in the statement of financial position** | $ 266,961 | $ 443,857 |
| Current | $ 201,825 | $ 178,294 |
| Non-Current | $ 65,136 | $ 265,563 |

***Amounts recognized in profit and loss***

| | December 31, 2020 | December 31, 2019 |
|---|---|---|
| Depreciation expense of ROU assets | $ (187,809) | $ (79,067) |
| Expenses relating to short-term leases | (40,799) | (146,918) |
| Expenses relating to leases of low-value assets | (12,590) | (15,383) |
| Interest on lease liabilities | (34,334) | (22,819) |

Payments made during the period for leases where the Corporation has elected to not recognize ROU assets and lease liabilities are recognized in the statement of net loss and comprehensive loss and presented in the table above.

***Amounts recognized in the statement of cash flows***

| | December 31, 2020 | December 31, 2019 |
|---|---|---|
| **Total payments on lease liability** | $ (211,230) | $ (81,803) |
| Principal on leases | (176,896) | (58,984) |
| Interest expense | (34,334) | (22,819) |

## 5. Buildings and Equipment

At December 31, 2020 and December 31, 2019, the Corporation's buildings and equipment were as follows:

| | Buildings | Equipment and Vehicles | Total |
|---|---|---|---|
| ***Cost*** | | | |
| Balance, December 31, 2018 | $ 2,477,480 | $ 4,818,551 | $ 7,296,031 |
| Additions | - | 20,456 | 20,456 |
| Disposals | (157,189) | (622,293) | (779,482) |
| Balance, December 31, 2019 | $ 2,320,291 | $ 4,216,714 | $ 6,537,005 |
| Additions | - | 38,796 | 38,796 |
| Disposals | - | (6,374) | (6,374) |
| Balance, December 31, 2020 | $ 2,320,291 | $ 4,249,136 | $ 6,569,427 |
| | | | |
| ***Accumulated Depreciation*** | | | |
| Balance, December 31, 2018 | $ 2,403,704 | $ 4,495,447 | $ 6,899,151 |
| Depreciation charge for the year | 41,399 | 128,834 | 170,233 |
| Disposals | (157,189) | (622,293) | (779,482) |
| Balance, December 31, 2019 | $ 2,287,914 | $ 4,001,988 | $ 6,289,902 |
| Depreciation charge for the year | 7,695 | 88,910 | 96,605 |
| Disposals | - | (6,374) | (6,374) |
| Balance, December 31, 2020 | $ 2,295,609 | $ 4,084,524 | $ 6,380,133 |
| | | | |
| ***Carrying Value*** | | | |
| Balance, December 31, 2019 | $ 32,377 | $ 214,726 | $ 247,103 |
| Balance, December 31, 2020 | $ 24,682 | $ 164,612 | $ 189,294 |

Depreciation expense on buildings and equipment for the years ended December 31, 2020 and December 31, 2019 was $96,605 and $170,233, respectively.





## 6. Exploration and Evaluation Assets

At December 31, 2020 and December 31, 2019, the Corporation's exploration and evaluation assets at the Stibnite Gold Project were as follows:

| | December 31, 2019 | Additions | December 31, 2020 |
|---|---|---|---|
| Acquisition Costs | | | |
| Interest on notes payable | $ 116,546 | $ - | $ 116,546 |
| Mineral claims | 83,828,533 | 490,495 | 84,319,028 |
| Royalty interest | 1,026,750 | - | 1,026,750 |
| Sale of royalty interest | (13,548,460) | - | (13,548,460) |
| Balance | $ 71,423,369 | $ 490,495 | $ 71,913,864 |

| | December 31, 2018 | Additions | December 31, 2019 |
|---|---|---|---|
| Acquisition Costs | | | |
| Interest on notes payable | $ 116,546 | $ - | $ 116,546 |
| Mineral claims | 83,538,047 | 290,486 | 83,828,533 |
| Royalty interest | 1,026,750 | - | 1,026,750 |
| Sale of royalty interest | (13,548,460) | - | (13,548,460) |
| Balance | $ 71,132,883 | $ 290,486 | $ 71,423,369 |

**Summary**

The Corporation's subsidiaries acquired mineral rights to the Stibnite Gold Project through several transactions. All mineral rights held by the Corporation's subsidiaries are held at 100% through patented and unpatented mineral and mill site claims, except the Cinnabar claims which are held under an option to purchase agreement, and all of the Stibnite Gold Project is subject to a 1.7% net smelter returns royalty.

Included in mineral claims are annual payments made under option agreements, where the Corporation is entitled to continue to make annual option payments or, ultimately, purchase certain properties. Annual payments due under option agreements during 2021 are $190,000.

**MineralRights**

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

## 7. Warrant Derivative

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

The exercise price of the Franco Warrants is denominated in Canadian Dollars; however, the functional currency of the Corporation is the US Dollar. As a result of this difference in currencies, the proceeds that will be received by the Corporation are not fixed and will vary based on foreign exchange rates and the warrants are a derivative and are required to be recognized and measured at fair value at each reporting period. Any changes in fair value from period to period are recorded as a non-cash gain or loss in the consolidated statement of net loss and comprehensive loss. Upon exercise, the holders will pay the Corporation the respective exercise price for each warrant exercised in exchange for one common share of Perpetua Resources and the fair value at the date of exercise and the associated non-cash liability will be reclassified to share capital. The non-cash liability associated with any warrants that expire unexercised will be recorded as a gain in the consolidated statement of net loss and comprehensive loss. There are no circumstances in which the Corporation would be required to pay any cash upon exercise or expiry of the warrants.





## 7. Warrant Derivative (continued)

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

| | Fair Value of Warrant Derivative |
|---|---|
| Balance, December 31, 2018 | $ 454,819 |
| Change in fair value of warrant derivative | (180,096) |
| Balance, December 31, 2019 | $ 274,723 |
| Change in fair value of warrant derivative | 600,141 |
| Balance, December 31, 2020 | $ 874,864 |

The fair value of the warrants was calculated using the Black-Scholes valuation model. The inputs used in the Black-Scholes valuation model are:

| | December 31, 2020 | December 31, 2019 |
|---|---|---|
| Share price | C$ 12.20 | C$ 6.30 |
| Exercise price | C$ 12.30 | C$ 12.30 |
| Expected term (in years) | 2.4 | 3.4 |
| Expected share price volatility | 79% | 65% |
| Annual rate of quarterly dividends | 0% | 0% |
| Risk-free interest rate | 0.2% | 1.7% |

The warrant liability for the prior year has been moved from current liabilities to long term liabilities to better align with the Corporation's accounting policy for liabilities that will not be settled with cash.

## 8. Convertible Notes

On March 17, 2016, the Corporation issued unsecured convertible notes (the "2016 Notes") for gross proceeds of $38.5 (C$50.0) million and a maturity date of March 17, 2023. On March 17, 2020, the Corporation issued a second round of unsecured convertible notes (the "2020 Notes") for gross proceeds of $35.0 (C$47.6) million and a maturity date of March 17, 2027. Both sets of notes, collectively the "Convertible Notes", have identical features and bear interest at a rate of 0.05% per annum, payable annually in cash or common shares (at the Corporation's election) or added to the principal and payable on maturity. Upon maturity, and for each set of notes, the outstanding principal amount is due and payable in cash unless converted in advance of that date. The holders of the Convertible Notes may convert any portion of their Convertible Notes at any time prior to the maturity date into common shares of the Corporation, at a price of C$3.541 per share for the 2016 Notes and a price of C$4.655 for the 2020 Notes. If there is an equity financing completed at 95% of the conversion price, or below, the conversion price is adjusted downward. The Convertible Notes can be redeemed by the Corporation after four years with not more than 60-days written notice and not less than 30-days written notice when the Corporation's common shares reach a volume weighted average trading price for 20 consecutive trading days of C$7.082 or higher for the 2016 Notes and C$9.31 or higher for the 2020 Notes. Following the notice of redemption, but prior to the redemption date, the holders may convert their Convertible Notes to be redeemed into common shares at the then-current conversion price.





**8. Convertible Notes (continued)**

The terms for the 2020 Notes were announced on March 10, 2020, for gross proceeds of $35.0 million at a USD:CAD exchange rate of 1:1.36 (C$47.6 million due and payable upon maturity). The 2020 Notes were issued on March 17, 2020, with a USD:CAD exchange rate of 1:1.42; this movement resulted in a foreign exchange gain on the date of issuance.

Each set of Convertible Notes are deemed to contain an embedded derivative (collectively, the "Convertible Note Derivatives") relating to the conversion option. The Convertible Note Derivatives were valued upon initial recognition at fair value using partial differential equation methods. At inception, for each set of notes, the face value of the notes was reduced by the estimated fair value of the related convertible note derivative and the transaction costs. See below for additional detail of initial value upon issuance of each set of notes:

| | 2020 Notes | 2016 Notes |
|---|---|---|
| Gross proceeds upon issuance | $ 35,000,000 | $ 38,508,431 |
| Foreign exchange gain | (1,419,753) | - |
| Face value of convertible note | $ 33,580,247 | $ 38,508,431 |
| Estimated fair value of embedded derivative | (17,197,994) | (19,771,572) |
| Transaction costs | (213,575) | (429,723) |
| **Convertible note liability, net** | **$ 16,168,678** | **$ 18,307,136** |

On August 26, 2020, convertible notes in the aggregate principal amount of C$82,102,500 (C$34,502,500 of the 2016 Notes and C$47,600,000 for all 2020 Notes), were converted for 19,969,280 common shares of Perpetua Resources. The remaining Convertible Notes are measured at amortized cost and will be accreted to maturity over the term using the effective interest method. The expected value of the remaining 2016 Notes at maturity is $12.1 million (C$15.4 million) based on the exchange rate at December 31, 2020 (2019 - $38.4 million (C$49.9 million)).

During March 2020, the fourth annual interest payment was made to the 2016 Note holders in cash, in the amount of $18,353 (2019 - $18,727). During August 2020, pro-rated interest payments were made to Note holders of the converted Notes, in cash, in the amount of $14,169.

The components of the Convertible Notes are summarized as follows, including conversion related activity up to and on August 26, 2020:

| | Convertible Notes |
|---|---|
| Balance, December 31, 2018 | $ 23,433,664 |
| Accretion and interest expense | 2,684,458 |
| Interest payments | (18,727) |
| Foreign exchange adjustments | 1,236,979 |
| Balance, December 31, 2019 | $ 27,336,373 |
| Additions | 16,168,678 |
| Conversions | (38,674,790) |
| Accretion and interest expense | 3,129,157 |
| Interest payments | (32,521) |
| Foreign exchange adjustments | 1,635,396 |
| Balance, December 31, 2020 | $ 9,562,293 |

## 9. Convertible Note Derivative

Convertible Note Derivatives related to each set of Convertible Notes (Note 8) were valued upon initial recognition at fair value using partial differential equation methods and are subsequently re-measured at fair value at each period end through the consolidated statement of net loss and comprehensive loss. The convertible note derivative related to the 2016 Notes (the "2016 Derivative") had an initial fair value of $19.8 million. The convertible note derivative related to the 2020 Notes (the "2020 Derivative") had an initial fair value of $17.2 million. The components of the derivatives, collectively the "Convertible Note Derivatives", are summarized as follows and include activity related to the note conversions as discussed above in Note 8:

| | Convertible Note Derivative |
|---|---|
| Balance, December 31, 2018 | $ 48,479,797 |
| Fair value adjustment | (24,786,758) |
| Foreign exchange adjustments | 1,785,173 |
| Balance, December 31, 2019 | $ 25,478,212 |
| Additions | 17,197,994 |
| Conversions | (203,468,010) |
| Fair value adjustment | 179,133,742 |
| Foreign exchange adjustments | 7,718,508 |
| Balance, December 31, 2020 | $ 26,060,446 |

Upon conversion of the remaining Convertible Notes, the fair value of the Convertible Note Derivatives and the carrying value of the Convertible Notes, on that date, will be reclassified to share capital. There are no circumstances in which the Corporation would be required to pay any cash upon conversion of the Convertible Notes.

The fair value of the Convertible Note Derivatives at the conversion date is considered to be the intrinsic value, which is the share price on the date of conversion minus the conversion price. The fair value of the remaining Convertible Note Derivative was calculated using partial differential equation methods. The assumptions used in the valuation model include the following, with a change in share price having the most significant impact on the valuation:

| 2016 Derivative | December 31, 2020 | December 31, 2019 |
|---|---|---|
| Risk-free interest rate | 0.2% | 1.7% |
| Expected term (in years) | 2.2 | 3.2 |
| Share Price | C$12.20 | C$6.30 |
| Credit Spread | 10% | 10% |
| Implied discount on share price | 21% - 9% | 37% - 26% |
| Expected share price volatility | 77% | 58% |

| 2020 Derivative | December 31, 2020 | March 17, 2020 |
|---|---|---|
| Risk-free interest rate | - | 0.9% |
| Expected term (in years) | - | 7 |
| Share Price | - | C$4.10 |
| Credit Spread | - | 10% |
| Implied discount on share price | - | 21% - 9% |
| Expected share price volatility | - | 60% |



**Perpetua Resources Corp.**
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
**As at December 31, 2020 and December 31, 2019**
**(Expressed in US dollars)**

## 10. Share Capital

*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.* *Share purchase options*

Under the terms of the Corporation's Stock Option Plan, the maximum number of shares reserved for issuance under the Plan is 10% of

the issued shares on a rolling basis. Options may be exercisable over periods as determined by the Board of Directors of the Corporation and the exercise price shall not be less than the five-day weighted-average share price on the day preceding the award date, subject to regulatory approval. The Stock Option Plan includes a Stock Appreciation Rights ("SAR") clause which allows individuals the option to terminate vested options and receive shares in lieu of the benefits which would have been received had the options been exercised. All stock options granted are subject to vesting, with one quarter vesting upon issuance and one quarter vesting on each anniversary from the date of grant.

A summary of share purchase option activity within the Corporation's share-based compensation plan for the years ended December 31, 2020 and 2019 is as follows:

| | Number of Options | Weighted Average Exercise Price(C$) |
|---|---|---|
| Balance, December 31, 2018 | 1,668,408 | $ 7.00 |
| Options granted | 576,000 | 8.75 |
| Options expired | (54,338) | 7.03 |
| Options terminated via SAR | (78,750) | 5.40 |
| Options exercised | (138,695) | 4.94 |
| Balance December 31, 2019 | 1,972,625 | $ 7.72 |
| Options granted | 442,500 | 5.72 |
| Options expired | (20,125) | 5.44 |
| Options terminated via SAR | (60,250) | 6.91 |
| Options exercised | (375,162) | 6.54 |
| Balance, December 31, 2020 | 1,959,588 | $ 7.40 |

During 2021, 218,438 stock options with exercise prices ranging from C$3.10 to C$8.80 will expire unless exercised prior to their expiry dates.

The number of outstanding options represents 4.1% of the issued and outstanding shares at December 31, 2020. During the year ended December 31, 2020, the Corporation's total share-based compensation was $1,593,539 (2019 - $1,935,681). This is comprised of $1,546,771 in periodic stock-based compensation related to options granted (2019 - $2,001,087) and $46,768 related to SAR activity (2019 – $(65,406)).

The fair value of options granted is estimated at the time of the grant using the Black-Scholes option pricing model. The weighted average inputs used in the Black-Scholes option pricing model are:





**10. Share Capital (continued)**

| | December 31, 2020 | December 31, 2019 |
|---|---|---|
| Fair value options granted | $ 3.23 | $ 5.50 |
| Risk-free interest rate | 1.4% | 1.8% |
| Expected term (in years) | 5.0 | 5.0 |
| Expected share price volatility | 65% | 64% |
| Expected dividend yield | - | - |
| Expected forfeiture | 5% | 5% |

An analysis of outstanding share purchase options as at December 31, 2020 is as follows:

| | Options Outstanding | | | Options Exercisable | | |
|---|---|---|---|---|---|---|
| Range of Exercise Prices (C$) | Number | Weighted Average Exercise Price (C$) | Weighted Average Remaining Contractual Life (Years) | Number | Weighted Average Exercise Price (C$) | Weighted Average Remaining Contractual Life (Years) |
| $3.10 - $4.40 | 162,213 | $ 3.67 | 2.5 | 90,963 | $ 3.42 | 1.1 |
| $5.90 - $7.20 | 814,875 | $ 6.23 | 3.0 | 425,088 | $ 6.24 | 2.4 |
| $8.20 - $8.90 | 419,375 | $ 8.85 | 1.2 | 404,875 | $ 8.85 | 1.2 |
| $9.10 - $9.80 | 563,125 | $ 9.59 | 2.8 | 298,313 | $ 9.71 | 2.7 |
| $3.10 - $9.80 | 1,959,588 | $ 7.40 | 2.5 | 1,219,239 | $ 7.75 | 2.0 |

*c. Warrants*

There was a total of 200,000 warrants outstanding as of both December 31, 2019 and December 31, 2020.

## 11. Exploration and Evaluation Expenditures

The Corporation's exploration and evaluation expenditures at the Stibnite Gold Project for the years ended December 31, 2020 and 2019 were as follows:

| | Year Ended | |
|---|---|---|
| | December 31, 2020 | December 31, 2019 |
| Exploration and Evaluation Expenditures | | |
| Consulting and labor cost | 4,926,726 | 4,805,971 |
| Field office and drilling support | 1,965,548 | 2,272,395 |
| Engineering | 1,551,112 | 2,151,586 |
| Permitting | 13,839,120 | 13,881,784 |
| Environmental and reclamation | 832,591 | 1,042,363 |
| Legal and sustainability | 2,142,935 | 2,723,207 |
| **Exploration and Evaluation Expense** | $ 25,258,032 | $ 26,877,306 |





## 12. Finance Costs

The Corporation's finance costs for the year ended December 31, 2020 and 2019 were as follows:

| | Year Ended | |
|---|---|---|
| | December 31, 2020 | December 31, 2019 |
| Finance costs | | |
| Accretion | 3,106,994 | 2,665,577 |
| Transaction costs | 224,210 | - |
| Interest expense on Convertible Notes | 22,162 | 18,881 |
| Interest expense on leases | 34,334 | 22,819 |
| | $ 3,387,700 | $ 2,707,277 |

## 13. Risk Management and Financial Instruments

The Corporation's objectives are to safeguard the Corporation's ability to continue as a going concern in order to support the Corporation's normal operating requirements, continue the exploration, evaluation and, if warranted, development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. For financial assets measured at amortized cost, these assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

The Corporation's financial instruments consist of cash and cash equivalents, receivables, trade and other payables, Convertible Notes, Convertible Note Derivative and warrant derivative. Cash and cash equivalents and trade and other receivables are classified as amortized cost under IFRS 9. The trade and other payables and convertible note are designated as other financial liabilities, which are measured at amortized cost. The Convertible Note Derivative and warrant derivatives are classified at fair value through profit or loss. The cash and cash equivalents, trade and other receivables, trade and other payables approximate their fair value due to their short-term nature.

The Corporation classified the fair value of the financial instruments according to the following fair value hierarchy based on the amount of observable inputs used to value the instruments:

The three levels of the fair value hierarchy are:

Level 1 – Values based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.
Level 2 – Values based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in Level 2 are either directly or indirectly observable as of the reporting date.
Level 3 – Values based on prices or valuation techniques that are not based on observable market data.

**Perpetua Resources Corp.**
**Notes to Consolidated Financial Statements**
**For the years ended December 31, 2020 and December 31, 2019**
**(expressed in US dollars)**

**13. Risk Management and Financial Instruments (continued)**

At December 31, 2020 and December 31, 2019, the levels in the Fair Value hierarchy into which the Corporation's financial assets and liabilities are measured and recognized on the balance sheet at fair value are categorized as follows:

| | Level 1 | Level 2 | December 31, 2020 Level 3 |
|---|---|---|---|
| Convertible Note Derivative (Note 9) | $ - | $ - | $ 26,060,446 |
| Warrant Derivative (Note 7) | - | - | 874,864 |
| | $ - | $ - | $ 26,935,310 |

| | Level 1 | Level 2 | December 31, 2019 Level 3 |
|---|---|---|---|
| Convertible Note Derivative (Note 9) | $ - | $ - | $ 25,478,212 |
| Warrant Derivative (Note 7) | - | - | 274,723 |
| | $ - | $ - | $ 25,752,935 |

The primary driver of the fair value of the Convertible Note Derivative and warrant derivative is the share price on valuation date. A five percent increase in the share price would increase the fair value of the Convertible Note Derivative by $1,791,854 and the fair value of the warrant derivative by $70,373. A five percent decrease in the share price would decrease the fair value of the Convertible Note Derivative by $1,791,854 and the fair value of the warrant derivative by $69,066.

Risk management is the responsibility of the Corporation's management team, with oversight by the Board of Directors. The Corporation's financial instrument risk exposures are summarized below:

*a) Credit Risk*

The Corporation has no significant credit risk arising from operations. The Corporation's credit risk is primarily attributable to cash and cash equivalents and receivables. The Corporation holds its cash with Canadian chartered banks and the risk of default is considered to be remote. The Corporation has minimal accounts receivable exposure, and its refundable credits are due from the Canadian government.

*b) Liquidity Risk*

Liquidity risk is the risk that the Corporation will be unable to meet its financial obligations as they fall due. The Corporation's approach to managing liquidity risk is to ensure it will have sufficient liquidity to meet liabilities when due. The Corporation's trade and other payables are generally due within 30 days. As at December 31, 2020, no trade and other payables were past due.

*c) Foreign Currency Risk*

The Corporation's functional and reporting currency is the USD and major purchases are transacted in USD. The Corporation is exposed to the risk of changes in USD relative to the Canadian Dollar as a portion of the Corporation's financial assets and liabilities are denominated in Canadian Dollars. The Corporation monitors this exposure but has no contractual hedge positions. Financial assets and liabilities denominated in Canadian Dollars are as follows, stated in USD:



**Perpetua Resources Corp.**
**Notes to Consolidated Financial Statements**
**For the years ended December 31, 2020 and December 31, 2019**
**(expressed in US dollars)**

**13. Risk Management and Financial Instruments (continued)**

| | 2020 | 2019 |
|---|---|---|
| Cash and cash equivalents | $ 606,453 | $ 676,296 |

| | | |
|---|---|---|
| Prepaids and other receivables | 189,535 | 152,535 |
| Trade and other payables | (600,225) | (263,229) |
| Lease liabilities | (71,015) | (108,255) |
| Warrant derivative | (874,864) | (274,723) |
| Convertible notes | (9,562,293) | (27,336,373) |
| Convertible note derivative | (26,060,446) | (25,478,212) |
| | $ (36,372,855) | $ (52,631,962) |

A five percent change in the US Dollar exchange rate to the Canadian Dollar would impact the Corporation's earnings by $2,315,496 (2019 - $3,417,920).

During the year, the Corporation maintained a portion of its cash balance in Canadian Dollars. There is a risk that the Corporation's cash balance be reduced on a fluctuation in the relevant exchange rate. The Corporation has a policy that all board approved expenditures be held in the currency they expect to be made in. Cash held in excess of board approved expenditures has been and will be actively managed by the Corporation's management with consideration to the expected currency needs of the Corporation based on approved expenditures.

## 14. Segmented Information

The Corporation operates in one segment, being the exploration, evaluation and potential development of the Stibnite Gold Project. Details on a geographic basis are as follows:

| | 2020 | 2019 |
|---|---|---|
| Assets by geographic segment, at cost | | |
| Canada | | |
| Current assets | $ 24,812,361 | $ 17,487,984 |
| Non-current assets | 66,144 | 103,744 |
| | 24,878,505 | 17,591,728 |
| United States | | |
| Current assets | 980,127 | 922,630 |
| Non-current assets | 72,272,980 | 71,990,502 |
| | 73,253,107 | 72,913,132 |
| | $ 98,131,612 | $ 90,504,860 |

## 15. Compensation of Key Management and Related Party Payments

During the year ended December 31, 2020, compensation of directors and officers and other key management personnel who have the authority and responsibility for planning, directing and controlling the activities of the Corporation was:

| | December 31, 2020 | December 31, 2019 |
|---|---|---|
| Salaries and benefits | $ 767,053 | $ 753,203 |
| Termination benefits | 577,057 | - |
| Share based compensation | 410,273 | 616,104 |
| | $ 1,754,383 | $ 1,369,307 |





## 15. Compensation of Key Management and Related Party Payments (continued)

Termination benefits were paid during December 2020 and relate to the resignation of former President and CEO, Stephen Quin, on December 4, 2020. No additional post-employment benefits, termination benefits, or other long-term benefits were paid to or recorded for key management personnel during the years ended December 31, 2020 and 2019.

At December 31, 2020, the Corporation owed Paulson & Co., Inc. ("Paulson"), a related party, $140,000 related to the reimbursement of expenses they incurred on the requisition of a shareholder meeting in November 2020.

## 16. Income taxes

a. Income Tax Expense

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

| | 2020 | 2019 |
|---|---|---|

| | | |
|---|---|---|
| Net loss | $(220,632,107) | $ (11,299,887) |
| Statutory tax rate | 26.47% | 26.19% |
| Recovery of income taxes computed at statutory rates | $ (58,402,973) | $ (2,959,928) |
| Tax losses not recognized in the period that the benefit arose | 10,933,133 | 2,435,383 |
| Loss on derivative liability | 47,418,045 | - |
| Share based compensation and other permanent differences | 51,796 | 524,546 |
| Income tax recovery | $ - | $ - |

b. The significant components of the Corporation's deferred tax assets and liabilities are as follows:

| | 2020 | 2019 |
|---|---|---|
| Net operating loss carry-forward | $ 42,661,814 | $ 36,438,782 |
| Buildings and equipment | 496,121 | 509,728 |
| Exploration and evaluation assets | 33,857,576) | 30,829,284 |
| Convertible Note | 6,811,890 | 3,875,849 |
| Total | $ 83,827,401 | $ 71,653,642 |

c. Deferred tax assets have not been recognized in respect of the following items:

| | 2020 | 2019 |
|---|---|---|
| Net operating loss carry-forward | $ 42,661,814 | $ 36,438,782 |
| Buildings and equipment | 496,121 | 509,728 |
| Exploration and evaluation assets | 33,857,576 | 30,829,284 |
| Convertible note | 6,811,890 | 3,875,849 |
| Other future deductions | 985,435 | 821,208 |
| | $ 84,812,836 | $ 72,474,850 |

As at December 31, 2020, the Corporation had deductible temporary differences for which deferred tax assets have not been recognized because it is not probable that future profit will be available against which the Corporation can utilize the benefits.





**16. Income taxes (continued)**

As of December 31, 2020, the Corporation has US loss carry forwards of approximately $133,697,000 (2019 - $114,352,000) of which $133,697,000 (2019 - $114,352,000) have not been recognized. The Corporation also has Canadian loss carry forwards of approximately $26,931,000 (2019 - $24,019,000) available to reduce future years' income for tax purposes. The Corporation also has tax pools related to Buildings and Equipment and Exploration and Evaluation assets of approximately $2,100,000 (2019 - $2,200,000) and $115,055,000 (2019 - $104,843,000), respectively. The Corporation recognizes the benefit of tax losses only to the extent of anticipated future taxable income in relevant jurisdictions. The tax loss carry forwards expire as follows:

| Expiry of Tax Losses: | US | Canada |
|---|---|---|
| December 31, 2029 | $ 342,000 | $ - |
| December 31, 2030 | 983,000 | - |
| December 31, 2031 | 9,993,000 | 1,881,000 |
| December 31, 2032 | 16,346,000 | 3,662,000 |
| December 31, 2033 | 749,000 | 3,787,000 |
| December 31, 2034 | 13,661,000 | 3,539,000 |
| December 31, 2035 | 12,517,000 | 3,301,000 |
| December 31, 2036 | 13,114,000 | 2,457,000 |
| December 31, 2037 | 14,588,000 | 1,889,000 |
| December 31, 2038 | - | 1,454,000 |
| December 31, 2039 | - | 2,037,000 |
| December 31, 2040 | - | 2,924,000 |
| Indefinite carryover (Tax years beginning Jan. 1, 2018) | 51,404,000 | - |
| | $ 133,697,000 | $ 26,931,000 |

The Corporation also has other future deductions available in the US and Canada of approximately $1,658,308 (2019 - $1,412,000) and $1,088,000 (2019 - $1,280,000), respectively for which the benefit has not been recognized.

d. Unrecognized deferred tax liabilities:

At December 31, 2020, there are no material taxable temporary differences associated with investments in subsidiaries.

**17. Commitments and Contingencies**

a. *Mining Claim Assessments*

The Corporation currently holds mining claims on which it has an annual assessment obligation of $250,470 to maintain the claims in good standing. The Corporation is committed to these payments indefinitely. Related to the Mining Claims Assessments is a $335,000 bond related to the Corporation's exploration activities.

The Corporation is obligated to make option payments on mineral properties in order to maintain an option to purchase these properties. As at December 31, 2020, the remaining option payments due on these properties are $190,000, which will be paid in the next year. The agreements include options to extend.

b. *Stibnite Foundation*

Upon formation of the Stibnite Foundation on February 26, 2019, the Corporation became contractually liable for certain future payments to the Foundation based on several triggering events, including receipt of a positive Record of Decision issued by the US Forest Service, receipt of all permits and approvals necessary for commencement of construction, commencement of construction, commencement of commercial production, and commencement of the final reclamation phase. These payments could begin as early as Q3 2021 based on the current permitting schedule and range from $0.1 million to $1 million (upon commencement of final reclamation phase) in cash and 150,000 in shares. During commercial production, the Corporation will make payments to the Stibnite Foundation equal to 1% of Total Comprehensive Income less debt repayments or a minimum of $0.5 million.





**17. Commitments and Contingencies (continued)**

The 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. *Legal Update*

On August 8, 2019, the Nez Perce Tribe filed a complaint in the United States District Court for the District of Idaho claiming that Perpetua Resources Corp. and its related companies are violating the Clean Water Act by failing to secure permits for point source water pollution allegedly occurring at Perpetua Resources' Stibnite Gold Project site. Perpetua Resources believes that the case will ultimately be resolved in a manner acceptable to the Company.

The Corporation filed a motion to dismiss and, in the alternative, a motion to stay the litigation pending conclusion of negotiations with the Environmental Protection Agency ("EPA") on an administrative order under the Comprehensive Environmental Response Compensation and Liability Act ("CERCLA"), a process that was underway before the plaintiff filed suit. Under CERCLA and case law precedent, a Federal court has no jurisdiction over a collateral Clean Water Act case where an ASAOC addresses both the same site and the same goals of the pending lawsuit. Argument was heard on December 16, 2019 where the motion to dismiss was denied. On January 7, 2020, the Corporation filed its formal answer denying liability for the allegations contained in the complaint, and on January 8, the motion to stay the litigation was denied by the District Court. A scheduling order was entered February 11, 2020, and if the matter proceeds to trial, it will likely take place in 2021.

Over the past three years, the Corporation's subsidiary, Perpetua Resources Idaho, Inc., has been working with regulators to develop a framework under CERCLA to address historical legacy impacts at the site. Such early actions will take place under a voluntary administrative settlement and order on consent ("ASAOC") under CERCLA that was completed January 15, 2021 that would afford legal certainty for Perpetua Resources Idaho, Inc. in performing any response actions authorized by the Federal government. The ASAOC was executed by the Environmental Protection Agency ("EPA") and the United States Department of Agriculture with the concurrence of the United States Department of Justice. Perpetua Resources Idaho, Inc. will be undertaking early cleanup actions (known as "time critical removal actions") that, upon work plan approval, will begin taking place as early as this year and that are designed to immediately improve water quality in a number of areas on the site while longer-term actions are being evaluated through the NEPA process.

An ancillary outcome of the ASAOC would be the opportunity to again request the court for a stay, and/or to dismiss, the Clean Water Act litigation. A stay to the litigation until June 1, 2021 in order to explore an alternative dispute resolution process was agreed by the parties on February 17, 2021 and ordered by the court on February 19, 2021.

**17. Commitments and Contingencies (continued)**

*d. ASAOC*

Subsequent to year end, on January 15, 2021, the Corporation announced, after three years of extensive discussions, federal agencies have authorized and directed the Corporation to perform agreed immediate clean up actions to address contaminated legacy conditions within Idaho's abandoned Stibnite mining district that are negatively impacting water quality. While Perpetua Resources did not cause the legacy environmental problems at Stibnite, the recently signed voluntary agreement points to the need for timely environmental action and is a testament to the Corporation's willingness to take part in early environmental restoration. The Agreement is necessary to allow the Corporation to voluntarily address environmental conditions at the abandoned mine site without inheriting the liability of the conditions left behind by past operators. As such, the Corporation may now provide the early clean up actions deemed necessary by the federal government to improve water quality. Should the Project move forward with proposed mining and restoration activities, this Agreement will also allow for comprehensive site cleanup by directing the Corporation to address legacy features including millions of tons of legacy mine tailings that fall outside of the Project footprint and would otherwise not be addressed.

The Company intends to record an immediate exploration expense of $6.9 million and a corresponding Provision for ASAOC Work in Q1 2021.

**18. Subsequent Events**

Subsequent to December 31, 2020, the Corporation granted 873,500 stock options with a weighted average exercise price of C$11.80 that will expire in five years from the date of grant.

**Exhibit 99.4**

**CERTIFICATION PURSUANT TO RULE 13a-14 OR 15d-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Laurel Sayer, certify that:

1. I have reviewed this annual report on Form 40-F of Perpetua Resources Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent function):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 15, 2021

/s/ Laurel Sayer
Name: Laurel Sayer
Title: President and Chief Executive Officer

**Exhibit 99.5**

**CERTIFICATION PURSUANT TO RULE 13a-14 OR 15d-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Darren Morgans, certify that:

1. I have reviewed this annual report on Form 40-F of Perpetua Resources Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent function):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 15, 2021

/s/ Darren Morgans
Name: Darren Morgans
Title: Chief Financial Officer

**Exhibit 99.6**

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO SECTION 906**
**OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Perpetua Resources Corp. (the "Company") on Form 40-F for the year ended December 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I Laurel Sayer, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly represents, in all material respects, the financial condition and results of the operations of the Company.

Date: March 15, 2021

/s/ Laurel Sayer
Name: Laurel Sayer
Title: President and Chief Executive Officer

**Exhibit 99.7**

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO SECTION 906**
**OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Perpetua Resources Corp. (the "Company") on Form 40-F for the year ended December 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I Darren Morgans, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly represents, in all material respects, the financial condition and results of the operations of the Company.

Date: March 15, 2021

/s/ Darren Morgans
Name: Darren Morgans
Title: Chief Financial Officer

**Exhibit 99.8**

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the use of our report dated March 15, 2021, relating to the financial statements of Perpetua Resources Corp. appearing in this Annual Report on Form 40-F for the year ended December 31, 2020.

*/s/ Deloitte LLP*

Chartered Professional Accountants
Vancouver, Canada
March 15, 2021

**Exhibit 99.9**

**Consent of Expert**

March 15, 2021

In connection with the Annual Report on Form 40-F of Perpetua Resources Corp. (the " **Company**") for the year ended December 31, 2020 (the "**Form 40-F**"), I hereby consent to the references in the Form 40-F to my name and to the inclusion of extracts from or summaries of content in the technical report titled "Stibnite Gold Project, Feasibility Study Technical Report, Valley County, Idaho" with an effective date of December 22, 2020 and an issue date of January 27, 2021.

Yours truly,

/s/ Richard K. Zimmerman

Richard K. Zimmerman, R.G. SME-RM

**Exhibit 99.10**

**Consent of Expert**

March 15, 2021

In connection with the Annual Report on Form 40-F of Perpetua Resources Corp. (the " **Company**") for the year ended December 31, 2020 (the "**Form 40-F**"), I hereby consent to the references in the Form 40-F to my name and to the inclusion of extracts from or summaries of content in the technical report titled "Stibnite Gold Project, Feasibility Study Technical Report, Valley County, Idaho" with an effective date of December 22, 2020 and an issue date of January 27, 2021.

Yours truly,

/s/ Art Ibrado

Art Ibrado, P.E.

**Exhibit 99.11**

**Consent of Expert**

March 15, 2021

In connection with the Annual Report on Form 40-F of Perpetua Resources Corp. (the " **Company**") for the year ended December 31, 2020 (the "**Form 40-F**"), I hereby consent to the references in the Form 40-F to my name and to the inclusion of extracts from or summaries of content in the technical report titled "Stibnite Gold Project, Feasibility Study Technical Report, Valley County, Idaho" with an effective date of December 22, 2020 and an issue date of January 27, 2021.

Yours truly,

/s/ Grenvil M. Dunn

Grenvil M. Dunn, C. Eng.

**Exhibit 99.12**

**Consent of Expert**

March 15, 2021

In connection with the Annual Report on Form 40-F of Perpetua Resources Corp. (the " **Company**") for the year ended December 31, 2020 (the "**Form 40-F**"), I hereby consent to the references in the Form 40-F to my name and to the inclusion of extracts from or summaries of content in the technical report titled "Stibnite Gold Project, Feasibility Study Technical Report, Valley County, Idaho" with an effective date of December 22, 2020 and an issue date of January 27, 2021.

Yours truly,

/s/ Garth D. Kirkham

Garth D. Kirkham, P. Geo.

**Exhibit 99.13**

**Consent of Expert**

March 15, 2021

In connection with the Annual Report on Form 40-F of Perpetua Resources Corp. (the " **Company**") for the year ended December 31, 2020 (the "**Form 40-F**"), I hereby consent to the references in the Form 40-F to my name and to the inclusion of extracts from or summaries of content in the technical report titled "Stibnite Gold Project, Feasibility Study Technical Report, Valley County, Idaho" with an effective date of December 22, 2020 and an issue date of January 27, 2021.

Yours truly,

/s/ Christopher J. Martin

Christopher J. Martin, C. Eng

**Exhibit 99.14**

**Consent of Expert**

March 15, 2021

In connection with the Annual Report on Form 40-F of Perpetua Resources Corp. (the " **Company**") for the year ended December 31, 2020 (the "**Form 40-F**"), I hereby consent to the references in the Form 40-F to my name and to the inclusion of extracts from or summaries of content in the technical report titled "Stibnite Gold Project, Feasibility Study Technical Report, Valley County, Idaho" with an effective date of December 22, 2020 and an issue date of January 27, 2021.

Yours truly,

/s/ Peter E. Kowalewski

Peter E. Kowalewski, P.E.

**Exhibit 99.15**

**Consent of Expert**

March 15, 2021

In connection with the Annual Report on Form 40-F of Perpetua Resources Corp. (the " **Company**") for the year ended December 31, 2020 (the "**Form 40-F**"), I hereby consent to the references in the Form 40-F to my name and to the inclusion of extracts from or summaries of content in the technical report titled "Stibnite Gold Project, Feasibility Study Technical Report, Valley County, Idaho" with an effective date of December 22, 2020 and an issue date of January 27, 2021.

Yours truly,

/s/ Chris J. Roos

Chris J. Roos, P.E.,

**Exhibit 99.16**

**Consent of Expert**

March 15, 2021

In connection with the Annual Report on Form 40-F of Perpetua Resources Corp. (the " **Company**") for the year ended December 31, 2020 (the "**Form 40-F**"), I hereby consent to the references in the Form 40-F to my name and to the inclusion of extracts from or summaries of content in the technical report titled "Stibnite Gold Project, Feasibility Study Technical Report, Valley County, Idaho" with an effective date of December 22, 2020 and an issue date of January 27, 2021.

Yours truly,

/s/ Scott Rosenthal

Scott Rosenthal, P.E.

**Exhibit 99.17**

**Consent of Expert**

March 15, 2021

In connection with the Annual Report on Form 40-F of Perpetua Resources Corp. (the " **Company**") for the year ended December 31, 2020 (the "**Form 40-F**"), I hereby consent to the use of my name in connection with the reference to scientific and technical information relating to the Company's mineral properties in the Form 40-F.

Yours truly,

/s/ Christopher Dail

Christopher Dail, C.P.G.

**Code of Conduct & Ethics Policy**

Approved by the board on
November 6, 2020
Rebranded on February 16, 2021

**Summary:**

This Policy is a statement of the key principles and expectations that guide the conduct of anyone who works for, or does business with, Perpetua Resources Corp.

Our commitment to uphold the principles of ethical and honest business conduct is based on our values, which are fundamental to defining who we are as a Corporation and how we behave.

Our values include compliance with health and safety regulations, dignity and respect at both the individual and corporate level, promoting sustainable growth and environmental responsibility, having a strong corporate social responsibility to the communities in which we invest, transparency through open and honest communication and accountability at all levels, and continuous improvement of operational practices.



## OUR CORE VALUES

We at Perpetua Resources are committed to a set of core values that pervade every aspect of our organization; in fact, they are part of our organizational DNA. These core values influence all our actions, our decisions and our relationships and can be summarized as follows:

- **Safety**
  *The health and safety of our employees, contractors working for us and the public is of the utmost importance.*
- **Environmental Responsibility**
  *We go above and beyond what is required; we find practical solutions to manage growth, while protecting and enhancing the natural environment.*
- **Community Involvement**
  *As proud members of the community, we actively strive to serve the community's needs, and to collectively enhance prosperity and well-being.*
- **Transparency**
  *We fulfill our commitments in an open and transparent manner. We aim to be accurate, consistent and straightforward in all information delivered to our stakeholders.*
- **Accountability**
  *As part of our corporate governance, we ensure that accountability guides all our actions, decisions, conduct and reporting.*
- **Integrity & Performance**
  *We hold ourselves to high moral standards and strive to fulfill our commitments in an effective and sustainable manner.*

This Code of Conduct aims to summarize how we will deliver on these commitments and live up to the high expectations we have set for ourselves. The Code of Conduct has been significantly updated to accommodate and incorporate the individual policies that have been adopted by Perpetua Resources over the past several years, and now the Code of Conduct acts as an overarching statement of principles, and directs the reader to the individual policies that address particular subjects in more detail.

We expect all of our employees, officers and directors to abide by this Code of Conduct and the underlying polices adopted by Perpetua Resources – this is the foundation that the Corporation is built upon and is the recipe for success in our endeavours. Our employees and directors are our ambassadors to the communities in which we work and your example is how we will be measured, so please take the time to read and understand not only the words written in our policies, but the fundamental principles behind them, and then live up to them and ensure

that your colleagues at Perpetua Resources do so too.

By living up to the Code of Conduct that is set out herein, and following our policies, we will create a respected and successful organization that we can all be proud of.

**Laurel Sayer**, President & CEO





**PART 1. INTRODUCTION**

**Our Expectations**

This Code of Business Conduct and Ethics ("Code") is a statement of the key principles and expectations that guide the conduct of anyone who works for, or does business with, Perpetua Resources Corp. ("Perpetua Resources" or the "Corporation").

**Our Values**

Our commitment to uphold the principles of ethical and honest business conduct is based on our values, which are fundamental to defining who we are as a company and how we behave.

Our values include compliance with health and safety regulations, dignity and respect at both the individual and corporate level, promoting sustainable growth and environmental responsibility, having a strong corporate social responsibility to the communities in which we invest, transparency through open and honest communication and accountability at all levels, and continuous improvement of operational practices.

**Who Must Follow the Code**

All employees, as well as Perpetua Resources Board of Directors (collectively "Employees"), are required to know and follow the Code.

All third parties working for and on behalf of Perpetua Resources, including but not limited to suppliers, contractors, consultants, agents, brokers, customers, donation or sponsorship beneficiaries, and their respective subcontractors, etc. (collectively "Third Parties"), are also expected to comply with our Code.

**Awareness, Training & Sign-off**

All Employees must carefully review and become familiar with the Code as well as confirm, either electronically or by signing an acknowledgement, that they understand and agree to follow the Code. Employees may be required from time to time to participate in mandatory trainings on the Code and re-affirm their understanding of it.

**Accountabilities of Managers and Supervisors**

Perpetua Resources holds its managers and supervisors to the highest ethical standards and expects them to lead by example and help to create a culture of trust that encourages raising questions and concerns.

Managers and supervisors are accountable for ensuring that the Employees who report to them understand and follow the Code, as well as all other rules, regulations, laws and Perpetua Resources internal rules and policies applicable to their jobs.

Managers and supervisors should always be available to provide advice to their Employees on matters regarding the Code or to ensure assistance is provided by a more senior manager or the Compliance Officer, as required.





**Compliance Officer**

The Perpetua Resources Board of Directors has appointed a Compliance Officer (Darren Morgans) who is accountable for:

- Providing guidance to Employees and other stakeholders who raise questions or concerns about ethics and compliance matters, as well as adequate means for raising questions and concerns;
- Monitoring, facilitating or assisting in the investigation of reported violations or issues related to a potential violation of the Code; and
- Administering the Code and monitoring compliance with its provisions.

The Compliance Officer may be assisted in performing her duties by designated Employee(s) in each country where we operate.

**PART 2: SPEAK UP AND REPORTING**

**Duty to Report**

Perpetua Resources promotes an open and positive work environment and encourages all Employees to address any questions regarding the best course of action in a particular situation or raise concerns about a potential violation of our Code, any internal policy or the law.

As an Employee of Perpetua Resources, it is your duty to report, in good faith and on a timely basis, any such violation, as well as to help identify any potential issues before they lead to Code violations.

Employees should refer to the Corporation's ***Whistleblower Policy*** for more information on reporting compliance issues.

**Reportable Violations**

Reportable violations include, but are not limited to:

- Health, safety and environmental concerns;
- Discrimination or harassment;
- Conflicts of interest;
- Fraud;
- Bribery;
- Questionable accounting, internal controls and auditing matters;
- Omission or misrepresentation in Perpetua Resources public disclosure documents; and
- Any other non-compliance with this Code, other Corporation policies and the law.

Knowing about any potential violation and failing to report it promptly is itself a violation of the Corporation's Code.

**Role of the Manager in the "Speak Up" Process**

If you are a manager or supervisor, you are accountable for supporting our "Speak Up" Process. You should always:

- Listen carefully;
- Remain neutral;
- Treat reports confidentially;
- Deal with the matter in a diligent and professional manner; and
- If necessary, refer the matter to a more senior manager or to the Compliance Officer.

**How to Make a Report**

Making a report is easy and can be done through one of the following three channels:

1) Report to your immediate supervisor, if you are an Employee, or to your person of contact within the Corporation if you are a Third Party. Where a satisfactory response is not received, or if you are uncomfortable addressing your concerns to your supervisor, you may contact any executive officer.



2) Where a satisfactory response is not received, or if you are uncomfortable addressing your concerns to an executive officer of the Corporation, we invite you to put your concerns in writing and forward them by fax, mail or hand delivery to:

The Independent Lead Director of the Board of Perpetua Resources Corp.
*"To be opened by the Independent Lead Director only"*

Miller Thomson LLP
Pacific Centre, 400 – 725 Granville Street
Vancouver, British Columbia V7Y 1G5
Direct Line: +1 604.643.1220
Fax: +1 604.643.1200

Miller Thomson LLP (Perpetua Resources legal counsel) will promptly forward, unread, any correspondence addressed in this manner to the Board Chair. If you would like to discuss any matter with the Board, you must indicate this in your submission and include a telephone number where you can be contacted if the Board deems it appropriate.

3) Alternatively, all incidents or concerns can be reported to the Chair of the Board and the Chair of the Audit Committee **confidentially and anonymously** through WhistleBlower Security:

(a) by North America Toll free phone: 1.866.921.6714

or

(b) Through the WhistleBlower website:
www.whistleblowersecurity.com

**What You Can Expect When Making a Report**

**Attention & Professionalism:** All reports received will be taken seriously and dealt with thoroughly and in good faith.

**Anonymity & Confidentiality:** The reports will be treated confidentially, to the extent permitted by law, and all efforts will be made to keep the identity of the reporter confidential beyond those directly involved in the initial assessment or the investigation of the case.

**Non-Retaliation:** The Corporation will not allow any form of retaliation which could include, but is not limited to, demotion, transfer, termination, threat or harm, against any Employee or a Third Party who reports a violation in good faith or assists in an investigation. Any act of retaliation should be reported immediately.

Based on the subject matter and the severity of the reported violation, the Perpetua Resources Board of Directors and external investigators may be involved in the investigation process.





**PART 3: BUSINESS CONDUCT AND ETHICS REQUIREMENTS**

**SECTION 1: COMPLIANCE WITH LAWS**

All Employees are accountable for knowing and complying with the laws and regulations, applicable to their job, in each country where we operate.

This Code and other Corporation documents, such as policies, standards and procedures, are in addition to and do not substitute for laws and regulations applicable to the Corporation. Employees are responsible for educating themselves on the laws and regulations that govern their work and ask for advice from their manager or supervisor if the requirements of the law are not clear.

Violating the laws of any of the countries where we do business may lead to both liability for the Corporation as well as disciplinary measures, and civil or criminal liability for the Employees involved.

**SECTION 2: SUSTAINABLE DEVELOPMENT**

Sustainability begins with the way we think, the way we behave as individuals and as a Corporation, and the way we operate. Sustainable development means that all stakeholders benefit from resources being developed in a way that provides lasting and positive value.

We achieve sustainability by fostering creativity and innovation throughout the development process and seeking collaboration with all stakeholders.

Our goal is to demonstrate excellence in health and safety, respect for human rights, environmental stewardship, community engagement and development, and government relations across all stages of our business.

**Community Partnership**

Wherever we operate, we look to cooperate and collaborate with local stakeholders to ensure that our presence has a positive impact and that we contribute to the sustainable development of the local community and region.

Many of our Employees and Third Parties are active members of our communities and, as such, are expected to behave accordingly, with

respect and dignity toward other community members.

Our investments and partnerships with local communities are primarily focused on sustainable development initiatives in the areas of education, social services, health, arts and culture and infrastructure.

We encourage our Employees to volunteer time, expertise and services to assist with our community initiatives.

**Health & Safety**

We are committed to ensuring that everyone working at our operations returns home safe and healthy every day. We will provide the necessary resources to build a safe and healthy working environment. We do this by creating an interdependent health and safety culture. All incidents are preventable and we have and will continue to establish policies and standards that guide behaviour and actions in the workplace to help identify and manage workplace hazards and risks.





We expect Employees to know and understand their accountability to protect their own, and everyone else's, health and safety. We design and implement training programs to ensure all Employees are competent to perform their work safely.

To help the Corporation achieve its health and safety goals, you must:

- Be aware of, and understand, all health and safety protocols and requirements related to your position;
- Be appropriately trained and competent to carry out the tasks assigned to you;
- Follow Perpetua Resources safety programs, policies and procedures, which exist to protect your life and those of your colleagues;
- Demonstrate leadership by advising or stopping co-workers if they are working in an unsafe manner;
- Identify all hazards and take appropriate action to reduce and eliminate them; and
- Report all incidents and participate actively in incident investigations, so we can learn from, and avoid, similar situations in the future.

See Perpetua Resources ***ESG Policy*** for additional information on the Corporation's Health and Safety policies.

**Environmental Responsibility**

We are committed to using sound science and innovative operational practices to minimize our environmental impact throughout the life cycle of our presence at the sites where we work. We are also committed to understanding the environmental context where we operate so that we can protect valued ecosystem components, biodiversity and minimize our impact on the environment.

To achieve our environmental goals, we must:

- Perform our work in a way that avoids environmental pollution and incidents that lead to negative environmental impacts;
- Minimize the impact our business has on the environment by conserving resources, such as energy, fuel consumption, water, consumables and materials, and minimizing waste;
- Monitor our impact on the environment and identify ways of mitigating adverse impacts as well as opportunities for environmental improvement; and
- Report our environmental performance in a transparent manner and work with stakeholders to further improve the environment.

See Perpetua Resources ***ESG Policy*** for additional information.





**SECTION 3: WORK ENVIRONMENT**

**Mutual Respect**

We strive to foster an environment of dignity and respect, in keeping with our values, where Employees are required to treat each other, and all members of the communities in which we operate, with professional courtesy and respect at all times.

**Equal Opportunity**

Perpetua Resources strongly supports the principle that all individuals must have an equal opportunity to participate in our business and to develop their full potential within it.

Perpetua Resources will not tolerate any discrimination against any Employee because of race, religion, colour, gender, sexual orientation, national or ethnic origin, age or physical ability (provided the person can safely carry out the role and responsibilities associated with the position, unless the local legislation sets out specific restrictions for certain positions or the demands of the position are prohibitive).

All Employees and job candidates will be treated with equality, based on their qualifications, performance and ability, in all matters, including recruitment, employment, promotion, transfer, termination, rates of pay and training.

Employees should refer to the Corporation's ***Diversity Policy*** for more information on this matter.

**Non-Harassment**

The Corporation is committed to providing a work environment that enables all our Employees to pursue their careers free from harassment.

Any verbal or physical conduct which might be construed as sexual in nature is strictly prohibited. Such conduct may constitute sexual harassment and may be the basis for legal action against the offending Employee and / or the Corporation.

**Alcohol and Substance Abuse**

Perpetua Resources has a "zero tolerance" policy for illegal drug use, alcohol abuse, drinking and driving, or other substance abuse on the job or which otherwise affects job performance. Substance abuse, including alcohol abuse, and illegal drug use on the job or which affects job performance is strictly prohibited. Any employee possessing or drinking alcohol or in the possession of non-prescription, performance altering or illicit drugs, including any narcotic, or found taking, providing, selling or trading illicit drugs will be removed from the project site immediately and their employment will be terminated and the appropriate law enforcement agency will be contacted.





**SECTION 4: ANTI-BRIBERY AND ANTI-CORRUPTION**

All of Perpetua Resources relationships, including those with shareholders, customers, suppliers, governments, regulators, professional service providers and others, should be based on honesty and integrity.

Employees should refer to the Corporation's ***Anti-Bribery and Anti-Corruption Policy*** for further details on this matter.

Canada and the United States have passed strict laws against various forms of bribery and corruption. The Corporation, its Employees and anyone acting on its behalf is subject to both these countries' laws.

Employees must never engage in, or condone, corrupt practices including offering, giving, receiving or soliciting, directly or indirectly, anything of value to improperly influence the actions of another party.

**Dealing with Public Officials**

Anti-bribery and anti-corruption laws and, in particular the *Corruption of Foreign Public Officials Act* (Canada) and the *U.S. Foreign Corrupt Practices Act*, strictly prohibits offering, promising, paying or authorizing the payment, or providing anything of value, directly or indirectly, to a Public Official to secure an improper business advantage.

*"Public Official"* means:

- any person holding a legislative, administrative or judicial office of a country, government, state, province or municipality, whether appointed or elected;
- any person exercising a public function for a country, government, state, province or municipality, including for a government agency, board, commission, corporation or other body or authority;
- any official or agent of a public international organization (such as the United Nations, the World Bank, or the International Monetary Fund); or
- any political party or official of a political party or a candidate for public office.

*"Anything of Value"* means:

- Cash and non-cash benefits, such as gifts, favours, employment, excessive hospitality or directing business to a particular individual or company.

Even inexpensive gifts are subject to anti-bribery and anti-corruption laws. If you are not sure, check with your manager or supervisor.

Typical Examples of *"Business Advantage"* include:

- Securing a permit;
- Securing a contract, renewing an existing one or securing favourable contract terms;
- Influencing a Public Official to take or omit an action in violation of his/her lawful duty; or
- Winning a public tender or property over a competitor's superior bid.





**Commercial Bribery**

Corrupt practices among Employees and Third Parties are also a serious violation of our Code.

Commercial bribery involves situations where an Employee or a Third Party engages in arrangements to provide an unwarranted advantage to another party in exchange for a personal benefit (e.g., kickback, supply of goods for personal use, favours, lavish gifts and/or entertainment, etc.) either by mutual agreement with the Third Party or through extortion.

**Consequences of Bribery**

Bribery, or even the appearance of such, will damage Perpetua Resources reputation. The penalties for violating anti-corruption laws can be severe and could include significant individual and corporate fines, including imprisonment, or even the forfeiture of critical mining, exploration or operating licenses and permits.

**SECTION 5: CONFLICTS OF INTEREST**

All business decisions within Perpetua Resources must be made solely on the basis of sound business judgment.

Employees have an obligation to act, at all times, in the best interest of our Corporation, free from the influence of personal considerations or relationships.

Employees are expected to avoid situations where their personal or private interest could conflict with, or even appear to conflict with, the interests of Perpetua Resources.

**Situations With Greater Risk Of Conflict Of Interest**

Certain situations create greater opportunity for a real or potential conflict of interest. Employees should be aware and act with caution if any such situation arises.

- **Competing Activities**
  Employees should not compete with the Corporation or take personal advantage of opportunities that are discovered through the use of the Corporation's property, information or position, when these opportunities could be of interest to Perpetua Resources.
- **Personal Financial Interest**
  Employees should avoid situations where their private financial interests might influence their decisions or actions at Perpetua Resources.
- **Outside Activities**
  Employees should not engage in outside activities that can impair the effective performances of their duties at the Corporation.
- **Family and Personal Relationships at Work**
  Employees should not hire, supervise or have direct involvement in any business decision affecting members of their family. Employees must ensure that those with whom they have a family relationship are reasonably separated from their scope of influence at work, especially in the areas of job promotions, evaluations and compensation.





- **Dealing with Suppliers**
  Perpetua Resources is a valuable customer for many suppliers of goods, services and facilities. Employees should ensure that all their decisions when dealing with suppliers are made exclusively on the basis of price, quality, service and suitability to the Corporation's needs.

**Disclosing a Potential Conflict of Interest**

Situations involving potential conflicts of interest are not uncommon in our business and do not always represent a violation of our Code.

Employees who have, or become aware of, a real or potential conflict of interest should seek advice regarding the situation from a manager or supervisor and disclose the conflict of interest or potential conflict using the established disclosure process.

**SECTION 6: GIFTS, ENTERTAINMENT AND HOSPITALITY**

Gifts, entertainment and hospitality can play an important role in building business relationships. However, depending on their value and nature, they can also be considered a bribe or create a conflict of interest.

**ALLOWED**

If not prohibited by any Perpetua Resources policies, you may give or receive unsolicited non-cash gifts or entertainment provided they are:

- of nominal value, for gifts, and reasonable cost, for entertainment or hospitality, which shall be determined in each country where the Corporation does business;
- infrequent and appropriate;
- consistent with all Federal regulations and guidelines;
- consistent with all appropriate and applicable rules for elected officials;
- customary for the industry and common business practice; and
- arise out of the ordinary course of business and help build or maintain good business relationships.

**PROHIBITED**

Strictly prohibited is:

- asking for a gift, entertainment or hospitality from a Third Party; or
- accepting from, or giving a gift of cash or cash equivalent (such as vouchers, pre-paid credits cards, gift cards, etc.) to, a Third Party.





**Notify and Seek Approval**

You should always:

- notify management if you have been offered a gift which does not meet any of the requirements above;
- obtain management approval before offering other than a gift of nominal value, modest entertainment or hospitality;
- obtain advice and approval from the Compliance Officer before giving or offering a gift, entertainment or hospitality to a Public Official; and
- ensure that all gifts, entertainment and hospitality are properly and accurately recorded in the Corporation's books.

**SECTION 7: ANTI-FRAUD**

Perpetua Resources will not tolerate any fraudulent activity and expects Employees to take reasonable steps to prevent the occurrence of fraud and to report any activity suspected to be fraudulent.

Fraud is an intentional act or omission designed to mislead Perpetua Resources, or another person or organization, to obtain an improper financial benefit or to avoid an obligation. Some common fraudulent activities can include falsifying financial or operational records, misrepresentation of financial and operational results, or engaging in fraudulent relationships with Third Parties, such as accepting kickbacks, and misappropriating Perpetua Resources assets, including both tangible and intangible assets.

**SECTION 8: ANTI-COMPETITIVE PRACTICES & ANTI-MONEY LAUNDERING**

**Anti-Competitive Practices**

We firmly believe that fair competition is fundamental to the continuation of the free enterprise system and economic development. We comply with, and support, laws of all countries which prohibit restraints on trade, unfair practices or abuse of economic power.

Our Employees must use caution when interacting with the Corporation's competitors and must not discuss the prices and other terms of the Corporation's contracts or gain information from competitors on these topics.

**Anti-Money Laundering**

Perpetua Resources is committed to comply fully with applicable anti-money laundering laws. We will only conduct business with reputable suppliers and customers who are involved in legitimate business activities and whose funds are derived from legitimate sources. You must take reasonable steps to protect Perpetua Resources from facilitating or taking part in any illegal activities or accepting forms of payment that have been identified as a means of laundering money.

**SECTION 9: POLITICAL ACTIVITIES AND CONTRIBUTIONS**

Employees who participate in political activities should make every effort to ensure that they do not leave the impression that they speak or act on behalf of Perpetua Resources. Employees may not use their position with Perpetua Resources to coerce or pressure other Employees to make political contributions to, or support or oppose, any political candidates or elections.





No Employee is permitted to use the Corporation's funds, facilities or other assets to support, either directly or indirectly, any political candidates or political parties without prior authorization from Perpetua Resources Chief Executive Officer or Compliance Officer. All political contributions must comply with applicable laws and this Code.

Please refer to the Corporation's ***Political Contributions Policy*** for more information.

**SECTION 10: BOOKS & RECORDS**

Every Employee is accountable to ensure, in accordance with their role, that Perpetua Resources books and records completely and accurately represent the true nature of the transactions that triggered those records.

Employees are forbidden to use, authorize or condone the use of "off-the-books" bookkeeping, secret accounts, unrecorded bank accounts, "slush" funds, falsified books or any other devices that could be used to distort records or reports of the Corporation's true operating or financial results or could otherwise result in the improper recording of funds or transactions.

Employees and Third Parties acting on Perpetua Resources behalf or in its interest, must keep accurate records of all gifts, entertainment, hospitality, donations, payments to governments or government-like entities, political contributions, etc. and information on such matters must be recoded in the Corporation's books and, where required by regulation or legislation, reported.

**SECTION 11: USE OF THE CORPORATION'S ASSETS**

We have acquired our assets through hard work and significant investment by our shareholders to allow us to safely and effectively conduct our business.

*"CorporateAssets"* include:

- Real and tangible items, such as money or financial instruments, land, buildings, furniture, fixtures, equipment, equipment supplies, computers and vehicles; and
- Intangible items, such as data, computer systems, electronic messages, information, reports, patents, trademarks, copyrights, logos, names and our corporate reputation.

All Employees have a duty to use corporate resources and assets wisely and efficiently and protect them from loss, damage, theft, misuse and waste. Corporate Assets must be used for legitimate business purposes only.

**SECTION 12: CORPORATE INFORMATION AND INSIDER TRADING**

**Confidentiality**

Corporate information is a valuable asset. Employees must not disclose confidential information of the Corporation except when disclosure is required for a legitimate business purpose and the person receiving the information has agreed to maintain its confidentiality, or it is provided as required by law. Confidential information includes, but is not limited to, any non-public information about the Corporation, including its business, mineral properties, technical data, financial performance, operating results or prospects. More information can be found in the Corporation's ***Disclosure and Confidentiality Policy***.

**Insider Trading**

Insider trading occurs when a person trades in shares of Perpetua Resources using non-public material information ("inside information"), which could reasonably be expected to affect a person's decision about whether to buy or sell shares of the Corporation. It also occurs when such information is shared with others for their use to buy or sell Perpetua Resources shares ("tipping"). More information can be found in the Corporation's ***Insider Trading and Reporting Policy***.

Insider trading is a serious violation of the law and can result in severe penalties and criminal charges, including imprisonment.

Employees will be advised of scheduled and special periods when selling or buying shares of Perpetua Resources is prohibited ("a trading blackout period").

**Public Company Reporting**

As a public company, it is of critical importance that all of Perpetua Resources regulatory filings, as well as other disclosure of information to shareholders, governmental authorities, and all of our other stakeholders, be complete, fair, accurate, timely and understandable. Certain Employees may be called upon to provide necessary information to ensure that our public reports are complete, accurate, timely and understandable, an accountability which must be taken seriously.

**Communication with the Public**

Only authorized spokespersons are permitted to initiate contact with government officials, analysts, the media and investors on behalf of the Corporation.

Perpetua Resources Chief Executive Officer or the Disclosure Officer may, from time to time, authorize other Employees to speak on behalf of the Corporation.

Employees who are not an authorized spokesperson and are approached by a government official, the media, an analyst, investor or any other member of the public, to comment on the affairs of the Corporation, must refer them to the Chief Executive Officer, the Disclosure Officer, the Compliance Officer or, in the case of investors, the Corporation's Manager of Investor Relations, and immediately notify them that the approach was made. Any inadvertent disclosure to members of the investment community must be reported to a manager or supervisor immediately.

Authorized spokespersons should be truthful in their communications with media and the investment community and must comply with all applicable laws relating to selective disclosures.

Employees should refer to the Corporation's ***Insider Trading and Reporting Policy*** and the ***Disclosure and Confidentiality Policy*** for more information on disclosure of corporate information and insider trading.





**SECTION 13: THIRD PARTY COMPLIANCE**

Third Parties, as well as their sub-contractors, are an important part of our business and critical to the success of Perpetua Resources.

The Corporation can be held legally liable for actions conducted by Third Parties, while working for and on behalf of Perpetua Resources. Therefore, the Corporation places the same compliance expectations on Third Parties working on behalf of Perpetua Resources as we do on our own Employees.

When dealing with Third Parties, Employees should:

- Conduct the appropriate due diligence prior to entering into a contract with a Third Party;
- Ensure that the Third Party is aware that it needs to comply with our Code, and other applicable internal documents and laws, and that this is clearly stated in the respective contract or purchase order, including a provision for a remedy up to and including termination for failure to comply;
- Enforce the remedy, including termination, as required; and
- Provide the necessary oversight on the activities carried out by the Third Party.





**PART 4: ADMINISTRATIVE MATTERS**

**Violations of the Code**

Violations of this Code are treated as serious matters. Non-compliance with the Code, the law and other dishonest and unethical behaviour may result in disciplinary action, including termination of employment and, depending on the nature and the seriousness of the violation, civil or criminal action.

**Corrective Actions**

In the case of a proven violation, management has the right to undertake the necessary corrective action, following completion of a process conducted in accordance with the local legislation.

**Review and Amendment of the Code**

The Corporation's Corporate Governance and Nominating Committee will review the Code annually and update it, when necessary, subject to approval by the Perpetua Resources Board of Directors.

Perpetua Resources will take adequate measures to inform Employees and Third Parties of any material changes to this Code, including disclosure with the SEC to the extent required by law.

**Waiver of the Code**

As a general rule, no waiver of compliance with the Code is permitted. However, exceptional circumstances may be considered and waiver of the Code for the benefit of an Employee may be granted by the Perpetua Resources Board of Directors, which shall be promptly disclosed, as required by law or stock exchange regulations applicable to the Corporation. The Corporation's failure to take action within a reasonable period of time regarding a material departure from the Code pertaining to an executive officer will be considered an implicit waiver that also requires disclosure.

**Compliance Audits**

Perpetua Resources will take reasonable steps to enforce and monitor compliance with this Code and its related policies, and standards, which may include the execution of internal routine and ad-hoc compliance audits on a periodic basis.

**Records**

All records produced in connection with the Code, including acknowledgements, violation reports and investigations, and records related to disciplinary action, must be retained by the Corporation for not less than seven years following the termination of the individual's employment by Perpetua Resources.

**Questions About the Code**

If you have any questions about the Code, or any Perpetua Resources-related policies and standards, we encourage you to seek guidance from your manager or supervisor or the Compliance Officer at ethics@Perpetua.us