

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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FILER

PERPETUA RESOURCES CORP.

CIK: **1526243** | IRS No.: **000000000** | State of Incorp.: **A1** | Fiscal Year End: **1231**
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SIC: **1040** Gold and silver ores

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2024

OR

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

For the transition period from _____ to _____

Commission File Number: 001-39918



Perpetua Resources Corp.

(Exact Name of Registrant as Specified in its Charter)

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

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

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

83702
(Zip Code)

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

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

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

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

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

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

Large accelerated filer
Non-accelerated filer
Emerging growth company

Accelerated filer
Smaller reporting company

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

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

As of August 2, 2024, the registrant had 64,595,447 common shares outstanding.

PERPETUA RESOURCES CORP.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

Forward-looking statements necessarily involve unknown risks and uncertainties, which could cause actual results or outcomes to differ materially from those expressed or implied in such statements. Due to the risks, uncertainties and assumptions inherent in forward-looking information, you should not place undue reliance on forward-looking statements. Factors that could have a material adverse effect on our business, financial condition, results of operations and growth prospects can be found in *Item 1A, Risk Factors, Item 2, Management’s Discussion and Analysis of Financial Condition and Results of Operations* and elsewhere in this Quarterly Report and in *Item 1A, Risk Factors and Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations* in our Annual Report on Form 10-K for the year ended December 31, 2023. These factors include, but are not limited to, the following:

- planned expenditures and budgets and the execution thereof, including the ability of the Company to discharge its liabilities as they become due and to continue as a going concern;
- access to capital and suitable financing sources to fund the exploration, permitting, development and construction of the Project (as defined below);
- permitting timelines and requirements, including with respect to the timing, review process, and outcome of the Final Environmental Impact Statement (“FEIS”), the draft Record of Decision, the Final Record of Decision and other permitting processes;
- the Company’s plans to submit a financing application to the Export - Import Bank of the United States (“EXIM”), the prospects of successfully securing financing from EXIM on acceptable terms, or at all, and the expected timing of, and benefits to the Project (as defined below) of, securing such financing from EXIM;
- the intended environmental and other outcomes of the South Fork Salmon Water Quality Enhancement Fund (the “Fund”) related to the Nez Perce Tribe’s Clean Water Act (“CWA”) lawsuit, good faith discussions between the Company and the Nez Perce Tribe with respect to future permitting and activities at the Project and the anticipated source of funding of the Company’s payments required under the Settlement Agreement (as defined below);
- regulatory and legal changes, requirements for additional capital, requirements for additional water rights and the potential effect of proposed notices of environmental conditions relating to mineral claims;
- analyses and other information based on expectations of future performance and planned work programs;
- possible events, conditions or financial performance that are based on assumptions about future economic conditions and courses of action;
- assumptions and analysis underlying our mineral reserve estimates and plans for mineral resource exploration and development;
- timing, costs and potential success of future activities on the Company’s properties, including but not limited to development and operating costs in the event that a production decision is made;
- potential results of exploration, development and environmental protection and remediation activities;
- future outlook and goals;
- current or future litigation or environmental liability;
- global economic, political and social conditions and financial markets, including inflationary pressures and elevated interest rates;
- changes in gold and antimony commodity prices;
- our ability to implement our strategic plan and to maintain and manage growth effectively;

- loss of key executives or inability to hire or retain key executives or employees to support the construction, permitting and operations;
- labor shortages and disruptions;
- cyber-attacks and other security breaches of our information and technology systems; and
- other factors and risks described under the heading “Risk Factors” in *Item 1A* of this Quarterly Report.

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

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

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

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

**Perpetua Resources Corp.
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)**

	June 30, 2024	December 31, 2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,882,785	\$ 3,229,462
Receivables	7,609,136	3,181,152
Prepaid expenses	754,752	443,312
	<u>10,246,673</u>	<u>6,853,926</u>
NON-CURRENT ASSETS		
Buildings and equipment, net	504,899	385,049
Right-of-use assets	60,722	27,898
Environmental reclamation bond (Note 5)	3,000,000	3,000,000
Mineral properties and interest (Note 3)	64,485,250	72,820,365
TOTAL ASSETS	<u>\$ 78,297,544</u>	<u>\$ 83,087,238</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Trade and other payables	\$ 4,326,321	\$ 4,997,226
Lease liabilities	60,721	27,897
CWA settlement payable (Note 6)	1,500,000	2,000,000
Environmental reclamation liabilities (Note 5)	786,972	764,607
	<u>6,674,014</u>	<u>7,789,730</u>
NON-CURRENT LIABILITIES		
CWA settlement payable (Note 6)	3,000,000	3,000,000
TOTAL LIABILITIES	<u>9,674,014</u>	<u>10,789,730</u>
COMMITMENTS AND CONTINGENCIES (Note 6)		
SHAREHOLDERS' EQUITY (Note 4)		
Common shares, no par value, unlimited shares authorized, 64,593,552 and 64,123,456 shares outstanding, respectively	621,022,849	618,581,910
Additional paid-in capital	34,916,885	34,413,562
Accumulated deficit	(587,316,204)	(580,697,964)
TOTAL SHAREHOLDERS' EQUITY	<u>68,623,530</u>	<u>72,297,508</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 78,297,544</u>	<u>\$ 83,087,238</u>

See accompanying notes to the unaudited condensed consolidated financial statements.

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

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
EXPENSES				
Corporate salaries and benefits	\$ 579,431	\$ 421,185	\$ 1,046,178	\$ 812,168
Depreciation	31,392	18,748	57,753	35,702
Directors' fees	54,449	58,848	317,082	280,110
Exploration	10,464,037	6,312,627	17,006,397	12,019,052
Environmental liability expense	414,197	(536,366)	567,626	581,937
CWA settlement expense (Note 6)	—	5,000,000	—	5,000,000
General and administration	121,353	131,791	263,137	294,279
Professional fees	385,536	367,601	793,015	645,084
Shareholder and regulatory	139,323	145,717	263,865	297,130
OPERATING LOSS	<u>12,189,718</u>	<u>11,920,151</u>	<u>20,315,053</u>	<u>19,965,462</u>
OTHER EXPENSES (INCOME)				
Grant income	(8,475,643)	(4,085,746)	(13,645,381)	(7,367,457)
Interest income	(42,821)	(163,587)	(59,358)	(326,050)
Other expenses (income)	2,461	1,934	7,926	890
Total other expenses (income)	<u>(8,516,003)</u>	<u>(4,247,399)</u>	<u>(13,696,813)</u>	<u>(7,692,617)</u>
NET LOSS	<u>\$ 3,673,715</u>	<u>\$ 7,672,752</u>	<u>\$ 6,618,240</u>	<u>\$12,272,845</u>
NET LOSS PER SHARE, BASIC AND DILUTED	<u>\$ 0.06</u>	<u>\$ 0.12</u>	<u>\$ 0.10</u>	<u>\$ 0.19</u>
WEIGHTED AVERAGE COMMON SHARES				
OUTSTANDING, BASIC AND DILUTED	<u>64,514,387</u>	<u>63,164,231</u>	<u>64,317,594</u>	<u>63,091,673</u>

See accompanying notes to the unaudited condensed consolidated financial statements.

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

	Common Shares		Additional Paid in Capital	Accumulated Deficit	Total
	Shares	Amount			
BALANCE, December 31, 2022	63,011,777	\$615,553,448	\$32,203,858	\$(561,926,784)	\$85,830,522
Share based compensation	—	—	840,827	—	840,827
Share units distributed	115,256	449,909	(449,909)	—	—
Exercise of options	12,500	64,687	(24,015)	—	40,672
Net loss for the period	—	—	—	(4,600,093)	(4,600,093)
BALANCE, March 31, 2023	63,139,533	616,068,044	32,570,761	(566,526,877)	82,111,928
Share based compensation	—	—	784,282	—	784,282
Share units distributed	13,334	54,936	(54,936)	—	—
Exercise of options	12,500	66,034	(24,515)	—	41,519
Net loss for the period	—	—	—	(7,672,752)	(7,672,752)
BALANCE, June 30, 2023	<u>63,165,367</u>	<u>\$616,189,014</u>	<u>\$33,275,592</u>	<u>\$(574,199,629)</u>	<u>\$75,264,977</u>
BALANCE, December 31, 2023	64,123,456	\$618,581,910	\$34,413,562	\$(580,697,964)	\$72,297,508
Share based compensation	—	—	1,008,077	—	1,008,077
Share units distributed	228,422	846,107	(846,107)	—	—
Net loss for the period	—	—	—	(2,944,525)	(2,944,525)
BALANCE, March 31, 2024	64,351,878	619,428,017	34,575,532	(583,642,489)	70,361,060
Share based compensation	—	—	950,158	—	950,158
Restricted and performance shares units distributed	13,333	54,932	(54,932)	—	—
Exercise of share purchase options	228,341	1,539,900	(553,873)	—	986,027
Net loss for the period	—	—	—	(3,673,715)	(3,673,715)
BALANCE, June 30, 2024	<u>64,593,552</u>	<u>\$621,022,849</u>	<u>\$34,916,885</u>	<u>\$(587,316,204)</u>	<u>\$68,623,530</u>

See accompanying notes to the unaudited condensed consolidated financial statements.

Perpetua Resources Corp.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

	For the six months ended June 30,	
	2024	2023
OPERATING ACTIVITIES:		
Net loss	\$ (6,618,240)	\$ (12,272,845)
Adjustments to reconcile net loss to net cash used in operating activities:		
Share based compensation (Note 4)	1,958,235	1,625,109
Depreciation	57,753	35,702
Change in fair value of warrant derivative	—	(1,732)
Environmental liability expense (Note 5)	567,626	581,937
Unrealized foreign exchange loss (gain)	3,089	(1,794)
Gain on sale of equipment	(13,333)	(25,000)
Changes in:		
Receivables	(4,427,984)	(2,907,450)
Prepaid expenses	(311,440)	(321,157)
Trade and other payables	(670,905)	2,146,619
CWA settlement payable	(500,000)	5,000,000
Environmental reclamation liabilities	(545,261)	(2,375,690)
Net cash used in operating activities	<u>(10,500,460)</u>	<u>(8,516,301)</u>
INVESTING ACTIVITIES:		
Proceeds from sale of silver royalty	8,335,115	—
Purchase of building and equipment	(176,270)	(154,719)
Proceeds from sale of equipment	12,000	25,000
Net cash provided by (used in) investing activities	<u>8,170,845</u>	<u>(129,719)</u>
FINANCING ACTIVITIES:		
Proceeds from exercise of share purchase options	986,027	82,191
Net cash provided by financing activities	<u>986,027</u>	<u>82,191</u>
Effect of foreign exchange on cash and cash equivalents	<u>(3,089)</u>	<u>1,794</u>
Net increase (decrease) in cash and cash equivalents	(1,346,677)	(8,562,035)
Cash and cash equivalents, beginning of period	3,229,462	22,667,047
Cash and cash equivalents, end of period	<u><u>\$ 1,882,785</u></u>	<u><u>\$ 14,105,012</u></u>
NONCASH INVESTING AND FINANCING ACTIVITIES		
Recognition of operating lease liability and right-of-use asset	<u>\$ 65,972</u>	<u>\$ 65,061</u>
CASH AND CASH EQUIVALENTS		
Cash	\$ 1,030,335	\$ 3,481,313
Investment savings accounts	852,450	6,415,345
GICs and term deposits	—	4,208,354
Total cash and cash equivalents	<u><u>\$ 1,882,785</u></u>	<u><u>\$ 14,105,012</u></u>

See accompanying notes to the unaudited condensed consolidated financial statements.

Perpetua Resources Corp.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of Operations and Basis of Presentation

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

The unaudited condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and include the accounts of Perpetua Resources Corp. and its wholly owned subsidiaries, Perpetua Resources Idaho, Inc. and Idaho Gold Resource Company, LLC. Intercompany transactions and balances have been eliminated.

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

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

The Company’s latest liquidity forecast indicates that available cash resources and other sources of liquidity are expected to be exhausted in the fourth quarter of 2024. Although the Company’s current capital resources and liquidity include up to \$59.2 million in funding awarded under the modified Technology Investment Agreement (“TIA”) pursuant to Title III of the Defense Production Act (“DPA”), such funding is available only for the specified costs related to permitting, environmental baseline data monitoring, environmental and technical studies, and advancing construction readiness and is not available to fund the Company’s costs pursuant to its Administrative Settlement and Order on Consent (“ASAOC”) obligations and certain corporate expenses, including payments under the Settlement Agreement (as defined below). Absent additional financing, the Company would no longer be able to meet its ongoing obligations or progress critical permitting efforts. The Company continues to explore various funding opportunities, which may include the issuance of additional equity, new debt, or project specific debt; government funding; and/or other financing opportunities. However, there can be no assurance that the Company will be successful in obtaining such funding.

On May 12, 2023, the Company entered into a Controlled Equity OfferingSM Sales Agreement (the “Sales Agreement”) providing for the sale by the Company, from time to time, of its common shares having an aggregate gross offering price of up to \$20.0 million. Sales under the program are subject to certain conditions, including market conditions, and there is no assurance that the Company will be able to raise funds under the program, at acceptable share prices or at all. As of June 30, 2024, \$17.2 million remains available under the program.

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

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

Loss per share

Basic loss per share is computed by dividing the net loss by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of share purchase options and vesting and distribution of awarded share units, if dilutive. The Company's potential dilutive common shares include outstanding share purchase options, restricted share units, performance share units, and deferred share units. Potentially dilutive shares as of June 30, 2024 and 2023, are as follows:

	June 30	
	2024	2023
Share purchase options	1,086,534	1,765,750
Share units	2,258,428	1,380,407
Balance	<u>3,344,962</u>	<u>3,146,157</u>

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

2. Recently Issued Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, amending reportable segment disclosure requirements to include disclosure of incremental segment information on an annual and interim basis. Among the disclosure enhancements are new disclosures regarding significant segment expenses that are regularly provided to the chief operating decision-maker and included within each reported measure of segment profit or loss, as well as other segment items bridging segment revenue to each reported measure of segment profit or loss. The amendments in ASU 2023-07 are effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024, and are applied retrospectively. Early adoption is permitted. We continue to evaluate the impact of this update however we do not expect any significant changes to our consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvement to Income Tax Disclosures, amending income tax disclosure requirements for the effective tax rate reconciliation and income taxes paid. The amendments in ASU 2023-09 are effective for fiscal years beginning after December 15, 2024 and are applied prospectively. Early adoption and retrospective application of the amendments are permitted. We continue to evaluate the impact of this update however we do not expect any significant changes to our consolidated financial statements.

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

3. Mineral Properties and Interest

The Company's mineral properties and interest at the Stibnite Gold Project totaled \$64,485,250 and \$72,820,365 as of June 30, 2024 and December 31, 2023, respectively.

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



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On March 21, 2024, Perpetua Resources and its subsidiaries granted a perpetual 100% NSR royalty on the future payable silver production from the Project to Franco-Nevada Idaho Corporation (“Franco-Nevada”) for gross proceeds of \$8,500,000. The silver royalty agreement applies to the same properties as the gold royalty previously purchased by Franco-Nevada in 2013. The silver royalty agreement provides a mechanism whereby Franco-Nevada can receive minimum payments equal to 100% of the payable silver from the sale of dore commencing in the seventh calendar year following commercial production and ending upon the completion of the fifteenth calendar year following commercial production. The silver royalty agreement also provides Franco-Nevada an option upon the occurrence of certain conditions precedent (including achieving commercial production) to pay the Company a contingent payment and receive a royalty on any silver payable from the production of antimony concentrate from the Project. The Company incurred costs of \$164,835 associated with this transaction. The net proceeds of \$8,335,115 were recorded as a reduction to the carrying value of the mineral properties and interests during the six months ended June 30, 2024.

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

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

As of June 30, 2024, it has not yet been determined that the Project’s mining deposits can be economically and legally extracted or produced because the Project’s estimated reserves do not yet meet the definition of proven reserves under the United States SEC Regulation S-K 1300.

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

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

4. Shareholders’ Equity

a. Authorized

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

b. ATM Offering

On May 12, 2023, the Company entered into the Sales Agreement providing for the sale by the Company, from time to time, of the Company’s common shares having an aggregate gross offering price of up to \$20 million (the “ATM Offering”). The Company expects to raise relatively small amounts of capital from time to time through the ATM Offering for general corporate purposes, which may include, among other things, general corporate, legal and ASOC expenses. During the twelve month period ended December 31, 2023, the Company sold 894,882 common shares in exchange for proceeds of approximately \$2.1 million which is net of offering costs of approximately \$0.7 million. No common shares were sold during the three and six months ended June 30, 2024. As of June 30, 2024, \$17.2 million remained available under the program.



c. Share based compensation

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

	<u>Three months ended June 30,</u>		<u>Six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Exploration	\$ 500,819	\$ 442,549	\$ 947,929	\$ 815,236
Corporate salaries and benefits	394,890	282,606	693,224	529,576
Directors' fees	54,449	59,127	317,082	280,297
Total	<u>\$ 950,158</u>	<u>\$ 784,282</u>	<u>\$1,958,235</u>	<u>\$1,625,109</u>

Share purchase options

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

	<u>Number of</u>	<u>Weighted Average</u>
	<u>Options</u>	<u>Exercise Price (C\$)</u>
Balance December 31, 2022	1,945,650	\$ 9.23
Options exercised	(25,000)	4.40
Options cancelled or forfeited	(35,500)	11.48
Options expired	(219,400)	7.07
Balance December 31, 2023	1,665,750	\$ 9.54
Options exercised	(228,341)	5.91
Options cancelled or forfeited	—	—
Options expired	(350,875)	9.52
Balance June 30, 2024	<u>1,086,534</u>	<u>\$ 10.31</u>

During the three and six months ended June 30, 2024 and 2023, the Company's total share based compensation from options was \$nil (2023: \$83,722) and \$nil (2023: \$164,042), respectively. No options were granted during the six months ended June 30, 2024 nor 2023. During the three and six months ended June 30, 2024, the intrinsic value of share purchase options exercised was \$441,143 (2023: \$18,124) and \$441,143 (2023: \$30,594), respectively.

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

<u>Range of Exercise</u> <u>Prices (C\$)</u>	<u>Options Outstanding</u>			<u>Options Exercisable</u>		
	<u>Number</u>	<u>Price (C\$)¹</u>	<u>Remaining</u> <u>Life²</u>	<u>Number</u>	<u>Price (C\$)¹</u>	<u>Remaining</u> <u>Life²</u>
\$3.50 - \$5.90	20,000	3.50	0.72	20,000	3.50	0.72
\$5.91 - \$7.20	198,534	6.20	0.52	198,534	6.20	0.52
\$7.21 - \$9.70	130,000	9.13	1.70	40,000	9.13	1.70
\$9.71 - \$11.80	738,000	11.80	1.56	738,000	11.80	1.56
<u>\$3.50 - \$11.80</u>	<u>1,086,534</u>	<u>10.31</u>	<u>1.37</u>	<u>996,534</u>	<u>10.41</u>	<u>1.34</u>

¹ Weighted Average Exercise Price (C\$)

² Weighted Average Remaining Contractual Life (Years)

As of June 30, 2024, all unvested options are expected to vest and there is no unvested compensation. As of June 30, 2024, the intrinsic value of outstanding and exercisable share purchase options is \$185,211 and \$185,211, respectively.



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Restricted Share Units

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

	Share Units	Weighted Average Grant Date Fair Value
Unvested, December 31, 2022	371,956	\$ 4.13
Granted	385,039	3.40
Distributed (vested)	(147,506)	4.23
Cancelled	(7,849)	3.72
Unvested, December 31, 2023	601,640	3.64
Granted	515,128	3.02
Distributed (vested)	(241,755)	3.72
Cancelled	(2,285)	3.72
Unvested, June 30, 2024	<u>872,728</u>	<u>\$ 3.25</u>

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

During the three and six months ended June 30, 2024 and 2023, the Company has recognized \$363,142 (2023: \$350,791) and \$691,941 (2023: \$650,419), respectively, in compensation expense related to RSUs and expects to record an additional \$1.6 million in compensation expense over the next 1.57 years. The unvested units of June 30, 2024 are scheduled to vest as follows:

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

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

Performance Share Units

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

	Share Units	Weighted Average Grant Date Fair Value
Unvested, December 31, 2022	263,266	\$ 6.77
Granted	301,035	5.80
Distributed	(12,725)	2.74
Cancelled	(4,993)	5.03
Unvested, December 31, 2023	546,583	\$ 6.35
Granted	509,502	4.75
Distributed	—	—
Cancelled	(1,142)	5.15
Unvested, June 30, 2024	<u>1,054,943</u>	<u>\$ 5.58</u>

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During the three and six months ended June 30, 2024 and 2023, the Company has recognized \$532,567 (2023: \$287,579) and \$913,206 (2023: \$508,137), respectively, in compensation expense related to PSUs and MPSUs and expects to record an additional \$3.3 million in compensation expense over the next 2.0 years. The unvested units of June 30, 2024 are scheduled to vest as follows:

Remainder of 2024	3,500
2025	377,233
2026	283,862
2027	328,448
Total	993,043

PSUs: These PSUs vest upon completion of the performance period and specific performance conditions set forth for each individual grant for individually defined reporting and operating measurement objectives. The Company determines the factor to be applied to that target number of PSUs, with such percentage based on level of achievement of the performance conditions. Upon the achievement of the conditions, any unvested PSUs become fully vested. During the six months ended June 30, 2024, the Company awarded 120,000 PSUs (2023: 3,500 PSUs) that had a weighted average grant date fair value of \$3.95 (2023: \$4.79), or \$474,000 (2023: \$16,765) in total.

Market-based PSUs: During the six months ended June 30, 2024 and 2023, the Company granted MPSUs where vesting is based on the Company's cumulative total shareholder return ("TSR") as compared to the constituents that comprise the VanEck Junior Gold Miners ETF ("GDXJ Index") a group of similar junior gold mining companies, over a three year period (the "Performance Period"). The ultimate number of MPSUs that vest may range from 0% to 200% of the original target number of shares depending on the relative achievement of the TSR performance measure at the end of the Performance Period. Because the number of MPSUs that are earned will be based on the Company's TSR over the Performance Period, the MPSUs are considered subject to a market condition. Compensation cost is recognized ratably over the Performance Period regardless as to whether the market condition is actually satisfied; however, the compensation cost will reverse if an employee terminates prior to satisfying the requisite service period.

During the six months ended June 30, 2024, the Company awarded 389,502 MPSUs (2023: 277,535 MPSUs) that had a weighted grant date fair value of \$5.00 (2023: \$5.98) per MPSU or approximately \$1.9 million (2023: \$1.7 million) in total. The grant date fair value of MPSUs was estimated using a Monte Carlo simulation model. Assumptions and estimates utilized in the model include expected volatilities of the Corporation's share price and the GDXJ Index, the Company's risk-free interest rate and expected dividends. The probabilities of the actual number of MPSUs expected to vest and resultant actual number of common shares expected to be awarded are reflected in the grant date fair values of the various MPSU awards. The per MPSU grant date fair value for the market condition was based on the following variables:

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

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



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Deferred Share Units

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

	Share Units	Weighted Average Grant Date Fair Value
Outstanding, December 31, 2022	145,675	\$ 3.82
Granted	112,465	3.53
Distributed	(31,566)	3.77
Outstanding, December 31, 2023	226,574	3.68
Granted	104,183	3.39
Distributed	—	—
Outstanding, June 30, 2024	<u>330,757</u>	<u>3.59</u>

Under the Plan, the Company may issue DSUs to non-employee directors. During the three and six months ended June 30, 2024, 10,471 (2023: 16,023) and 104,183 (2023: 83,098) share units, respectively, with a fair value of \$54,449 (2023: \$62,190) and \$353,087 (2023: \$302,511) were granted to the non-employee directors and the related compensation expense was charged to directors’ fees in the unaudited condensed consolidated statements of operations.

d. Warrants

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

5. Environmental Reclamation Liability

On January 15, 2021, the Company agreed to an ASAOC. The Company has accounted for its obligation under the ASAOC as an environmental reclamation liability. The provision for the liability associated with the terms of the ASAOC is based on cost estimates developed with the use of engineering consultants, independent contractor quotes and the Company’s internal development team. The timing of cash flows is based on the latest schedule for early action items. The estimated environmental reclamation liability may be subject to change based on changes to cost estimates and is adjusted for actual work performed. During the six months ended June 30, 2024, the Company spent \$0.5 million on ASAOC activities and estimates \$0.8 million in remaining work to be completed in 2024. Movements in the environmental reclamation liability during the six months ended June 30, 2024 and 2023 are as follows:

	Six months ended June 30,	
	2024	2023
Balance at beginning of period	\$ 764,607	\$ 10,800,936
Additions	567,626	581,937
Work performed on early action items	(545,261)	(2,375,690)
Balance at end of period	<u>\$ 786,972</u>	<u>\$ 9,007,183</u>
Current portion	\$ 786,972	\$ 8,412,823
Non-current portion	—	594,360
Balance at end of period	<u>\$ 786,972</u>	<u>\$ 9,007,183</u>

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

6. Commitments and Contingencies

a. *Mining Claim Assessments*

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

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b. Stibnite Foundation

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

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

c. Option Payments on Other Properties

The Company is obligated to make option payments on mineral properties in order to maintain an option to purchase these properties. As of June 30, 2024, the option payments due on these properties in 2024 are approximately \$180,000, which will be paid this year. The agreements include options to extend.

d. Off Balance Sheet Arrangements

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

e. Legal Update

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

On August 8, 2023, the Company and the Nez Perce Tribe filed a final Settlement Agreement (the “Settlement Agreement”) to resolve the CWA litigation. The parties jointly asked the court to approve the Settlement Agreement and dismiss the case without prejudice. The Settlement Agreement provides for total payments of \$5 million by Perpetua over a four-year period. This includes \$4 million of contributions by Perpetua to a South Fork Salmon Water Quality Enhancement Fund (the “Fund”) to be used by the Nez Perce Tribe to support water quality improvement projects in the South Fork Salmon River watershed and \$1 million of reimbursements to the Nez Perce Tribe for legal expenses. Following a 45-day review period by the United States Justice Department and the U.S. EPA, the U.S. District Court for the District of Idaho approved the Stipulation for Dismissal and entered a Judgment on October 2, 2023 which resulted in the CWA lawsuit being dismissed without prejudice. Under the Settlement Agreement, a dismissal with full prejudice will follow after completion of Perpetua’s required payments. Once Perpetua has satisfied its payment obligations under the Settlement Agreement, the parties will submit a Stipulation of Dismissal with Prejudice to the court. The Company recognized an expense of \$5 million during the second quarter of 2023. During the six month period ended June 30, 2024, the Company made the initial \$500,000 legal expense payment. As of June 30, 2024, CWA settlement payable current portion is \$1,500,000 with the remaining \$3,000,000 classified as long-term.

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The voluntary CERCLA ASAOC entered into by the Corporation, the U.S. EPA, and the United States Department of Agriculture requires numerous early cleanup actions to occur over the next several years at the Stibnite Gold Project site (the “Stibnite Site”). Perpetua Resources Idaho, Inc. is presently developing and executing the Phase 1 early cleanup actions (known under CERCLA as “time critical removal actions”) that, after final work plan approval by the federal agencies, are designed to efficiently improve water quality in a number of areas on the Stibnite Site. Construction of time critical removal actions began in the summer of 2022, and significant progress was achieved to complete the voluntary Phase 1 Stibnite Site cleanup during the limited work seasons. During the six months ended June 30, 2024, the Company spent \$0.5 million on ASAOC activities and estimates \$0.8 million in remaining work to be completed in 2024. Other longer-term proposed actions relating to Project operations are being evaluated through the NEPA process.

7. Government Grants

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

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

Government Grant	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
SBIR	\$ —	\$ 25,000	\$ —	\$ 99,998
DPA	8,440,373	4,060,746	11,049,634	7,267,459
DOTC	35,270	—	2,595,747	—
Total	<u>\$8,475,643</u>	<u>\$4,085,746</u>	<u>\$13,645,381</u>	<u>\$7,367,457</u>

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

	June 30, 2024	December 31, 2023
DPA	\$7,531,166	\$1,232,025
DOTC	25,000	1,895,745
Total	<u>\$7,556,166</u>	<u>\$3,127,770</u>

Information regarding each individual grant is as follows:

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

Defense Production Act (“DPA”) Grant: On December 16, 2022, the Company entered into an undefinitized Technology Investment Agreement (“TIA”) with the DOD - Air Force Research Laboratory for an award of up to \$24.8 million under Title III of the DPA. On July 25, 2023, the TIA was definitized with the DOD, establishing the full not-to-exceed amount of \$24.8 million and on May 2, 2024, the TIA was modified with an additional \$34.4 million in funding, bringing the total amount of the TIA to \$59.2 million. The funding objective of the TIA is to complete environmental and engineering studies necessary to obtain a Final Environmental Impact Statement, a Final Record of Decision, and other ancillary permits to sustain the domestic production of antimony trisulfide capability for defense energetic materials at the Stibnite Gold Project. Proceeds from the

grant will be used primarily to reimburse the Company for certain costs incurred through June 16, 2025 related to environmental baseline data monitoring, environmental and technical studies and other activities related to advancing the Company's construction readiness and the permitting process for the Stibnite Gold Project. The Company anticipates recognizing approximately \$15,000,000 of additional grant income for the three months ended September 30, 2024. During the three and

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six months ended June 30, 2024, the Company was reimbursed \$1,793,364 (2023: \$2,184,944) and \$4,750,495 (2023: \$4,244,605), respectively, for certain costs incurred.

DOD Ordnance Technology Consortium (“DOTC”) Grant: On August 18, 2023, the Company’s wholly owned subsidiary, Perpetua Resources Idaho, Inc., was awarded an Ordnance Technology Initiative Agreement (“OTIA”) of up to \$15.5 million under the Prototype Other Transaction Authority of the DOD through the DOTC. The funding objective of the OTIA is to demonstrate a fully domestic antimony trisulfide supply chain using ore from the Stibnite Gold Project site. The OTIA designates funding to the Company to conduct activities to meet this objective, including obtaining additional core samples from the Project site, conducting a pilot plant study to produce mil-spec antimony trisulfide from the samples, designing a full-scale process circuit, and delivering a modular pilot plant for the DOD to use in further investigations. Under the OTIA, the Company will be reimbursed for these activities on a cost-plus fixed fee basis over the 24-month period of performance. The current estimated amount is \$15.5 million, which is subject to adjustment by the DOD based on scope, costs, budget, or other factors as the program advances. Perpetua will be entitled to reimbursement for all costs incurred under the agreement, with the negotiated fee being 12%. The OTIA contains customary terms and conditions for OTIAs, including ongoing reporting obligations. The Company anticipates recognizing approximately \$900,000 of additional grant income for the next three months ended September 30, 2024. During the three and six months ended June 30, 2024, the Company received cash from this grant of \$976,352 and \$4,466,493 respectively, for reimbursement of certain costs incurred of \$871,743 and \$3,987,940 and 12% fee income of \$104,609 and \$478,553, respectively. During the three month and six months ended June 30, 2024, grant income includes \$3,779 and \$278,116, respectively, of 12% fee income earned on costs incurred. No grant income was earned during the six months ended June 30, 2023.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion and analysis of our financial condition and results of operations for the three and six months ended June 30, 2024 and 2023 with our consolidated financial statements and related notes and other financial information appearing in this Quarterly Report. Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report, including information with respect to our plans and strategy for our business, operations, and product candidates, includes forward-looking statements that involve risks and uncertainties. You should review the sections of this Quarterly Report captioned “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” for a discussion of important factors that could cause our actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

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

Recent Key Developments

2024 Outlook and Goals

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

Second Quarter 2024 Highlights

- Zero lost time incidents or reportable environmental spills.
- Awarded additional funding of up to \$34.4 million under the TIA.
- Received indication for up to \$1.8 billion financing from Export-Import Bank of the United States for the Stibnite Gold Project
- Published 2023 Sustainability Report, the Company’s eleventh annual sustainability report.

Supplemental Draft Environmental Impact Statement (“SDEIS”)

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

After nearly two years of review of the Modified Mine Plan by the USFS and other agencies, the SDEIS was published on October 28, 2022 for a 75-day public comment period. In the SDEIS, the USFS highlighted the net positive environmental outcomes that the Stibnite Gold Project can provide to the abandoned mine site based on the

results of comprehensive scientific analysis conducted over the last six years. The USFS identified Perpetua Resources' proposed action, the "Modified Mine Plan," as the Preferred Alternative and also concluded the Preferred Alternative would reasonably accomplish the purpose and need for consideration of approval of the Stibnite Gold Project, all while considering environmental, economic, and technical factors. Under NEPA, a "Preferred Alternative" is identified by a Federal agency in a DEIS to advise the public which action the agency is leaning toward selecting as final. However, identification by an agency of a "Preferred Alternative" does not represent a final decision and the USFS may still select an action based on the Modified Mine Plan or a combination of each of the alternatives analyzed in the SDEIS when developing the Final Environmental Impact Statement ("FEIS"). The SDEIS public review period closed on January 10, 2023.

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On January 1, 2024, the USFS released an updated schedule for the Project that stated the USFS expected to publish a FEIS and a Draft Record of Decision in the second quarter of 2024 and a Final Record of Decision (“ROD”) in the fourth quarter of 2024. The USFS has confirmed that cooperating agency review of the FEIS is complete and both documents are completing final consultations and reviews in Washington D.C. As a result, management anticipates the publication of a FEIS and Draft Record of Decision in the third quarter of 2024 and a Final Record of Decision (“ROD”) in the fourth quarter of 2024. The publication of the permitting schedule does not indicate any commitments on the part of the USFS regarding the content or timing of a final decision. In developing the FEIS, the USFS may select an action based on components of each of the alternatives analyzed in the SDEIS. Furthermore, the USFS is not bound by the permitting schedule and anticipated milestones may be delayed materially or not be satisfied.

Ancillary Permitting

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

- The U.S. Army Corps of Engineers continues to process the Company’s 404 permit application and Compensatory Mitigation Plan after the public comment period ended in October 2023.
- The USFS Biological Assessment was deemed acceptable to begin formal Endangered Species Act Section 7 consultation by the U.S. Fish and Wildlife Service and the National Marine Fisheries Service in April 2024.
- In May 2024, Idaho Department of Environmental Quality (“IDEQ”) issued its final 401 Water Quality Certification for the Project.
- The Company submitted a Tailings Storage Facility (“TSF”) dam safety application to Idaho Department of Water Resources (“IDWR”) in July 2023. IDWR sent a letter of conditional approval for the Company’s Stage 1 TSF in October 2023.
- The Company submitted a cyanidation facility permit application in August 2023 to IDEQ. IDEQ issued a letter of incompleteness in September 2023. The Company expects to resubmit an updated permit application in the third quarter of 2024.
- The Idaho Ground Water Management Final Point of Compliance determination was issued in August 2023 and the Company submitted the required groundwater sampling and well installation plans in October 2023.

Previously submitted permit applications that are continuing through the administrative review process and include Clean Air Act Permit to Construct and Idaho Pollutant Discharge Elimination System industrial outfalls with IDEQ in addition to water rights with IDWR. Regarding the 401 certification discussed above, the U.S. EPA determined not to make a “may affect” finding of downstream neighboring jurisdiction water quality under Section 401(a)(2) of the Clean Water Act, but a state administrative review contested case was filed by petitioners June 28 2024.

Department of Defense Funding

In December 2022, Perpetua Resources was awarded an undefinitized TIA of up to \$24.8 million under Title III of the DPA. On July 25, 2023, the TIA was definitized with the DOD, establishing the full not-to-exceed amount of \$24.8 million and on May 2, 2024, the TIA was modified with an additional \$34.4 million in funding, bringing the total amount of the TIA to \$59.2 million. The funding objective of the TIA, issued by the Air Force Research Laboratory, is to complete environmental and engineering studies necessary to obtain a FEIS, a ROD, and other ancillary permits to sustain the domestic production of antimony trisulfide capability for defense energetic materials. The DPA funding allows the Company to advance the construction readiness of the Stibnite Gold Project while the Company continues through the ongoing permitting process, led by the USFS. Under the funding agreement, Perpetua Resources may request reimbursement for certain costs incurred through June 16, 2025 related to environmental baseline data monitoring, environmental and technical studies and other activities related to advancing Perpetua’s construction readiness and permitting process for the Stibnite Gold Project. The DPA funding does not interrupt the ongoing NEPA review process. The TIA contains customary terms and conditions for technology investment agreements, including ongoing reporting obligations. Perpetua Resources is evaluating other U.S. government funding opportunities, including programs available through the DOD. During the three months and six months ended June 30, 2024, \$8,440,373 and \$11,049,634, respectively, was recognized as grant income related to the TIA. The Company anticipates recognizing approximately \$15,000,000 of additional grant income for the three months ended September 30, 2024. During the three

and six months ended June 30, 2024, the Company was reimbursed \$1,793,364 (2023: \$2,184,944) and \$4,750,495 (2023: \$4,244,605), respectively, for certain costs incurred.

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On August 18, 2023, the Company's wholly owned subsidiary, Perpetua Resources Idaho, Inc. was awarded an Ordnance Technology Initiative Agreement ("OTIA") of up to \$15.5 million under the Prototype Other Transaction authority of the DOD through the DOD Ordnance Technology Consortium ("DOTC"). The OTIA will build on research conducted under a previously announced Small Business Innovation Research Grant. The funding objective of the OTIA is to demonstrate a fully domestic antimony trisulfide supply chain using ore from the Stibnite Gold Project site. The OTIA designates funding to the Company to conduct activities to meet this objective, including obtaining additional core samples from the Project site, conducting a pilot plant study to produce mil-spec antimony trisulfide from the samples, designing a full-scale process circuit, and delivering a modular pilot plant for the DOD to use in further investigations. Under the OTIA, the Company will be reimbursed for these activities on a cost-plus fixed fee basis over the 24-month period of performance. The current estimated amount is \$15.5 million, which is subject to adjustment by the DOD based on scope, costs, budget, or other factors as the program advances. Perpetua will be entitled to reimbursement for all costs incurred under the agreement, with the negotiated fee being 12%. The OTIA contains customary terms and conditions for OTIAs, including ongoing reporting obligations. During the three months and six months ended June 30, 2024, \$35,270 and \$2,595,747, respectively, was recognized as grant income related to the OTIA. The Company anticipates recognizing approximately \$900,000 of additional grant income for the next three months ended September 30, 2024. During the three and six months ended June 30, 2024, the Company received cash from this grant of \$976,352 and \$4,466,493 respectively, for reimbursement of certain costs incurred of \$871,743 and \$3,987,940 and 12% fee income of \$104,609 and \$478,553, respectively. During the three month and six months ended June 30, 2024, grant income includes \$3,779 and \$278,116, respectively, of 12% fee income earned on costs incurred. No grant income was earned during the six months ended June 30, 2023.

Construction Readiness Activities

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

- Appointed mining veteran Jonathan Cherry as new President and CEO,
- Appointed Vice President of Projects to lead the Stibnite Gold Project,
- Executed construction manager general contractor contract with Ames Construction, while advancing constructability reviews, value engineering studies, and detailed engineering for the Burntlog Route, the Company's proposed access route, with Ames and the road design consultants,
- Continued power line detailed scoping and engineering with Idaho Power, who has now engaged Kiewit, and identified long-lead items required for power line construction,
- Ausenco was awarded Basic and Value Engineering Scope for the Stibnite Gold Project,
- Hired key subject matter experts for the Owner's Team to guide Basic Engineering and overall construction readiness, and
- Ausenco and supporting consultants progressed basic and value engineering for their respective work streams.

Franco-Nevada Silver Royalty

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

Nez Perce Tribe Litigation Settlement

On August 8, 2023, the Company and the Nez Perce Tribe ("Parties") filed a final Settlement Agreement ("Settlement Agreement") to resolve a Clean Water Act ("CWA") lawsuit brought by the Nez Perce Tribe in 2019. The Settlement Agreement provides for total payments of \$5.0 million by Perpetua over a four-year period, which includes \$4.0 million of contributions by Perpetua to a South Fork Salmon Water Quality Enhancement Fund to be used by the Nez Perce Tribe to support water quality improvement projects in the South Fork Salmon River watershed, and \$1.0 million of reimbursements to the Nez Perce Tribe for legal expenses. Perpetua intends to fund these payments from cash on hand or funds expected to be raised in connection with construction and operation of the Project. Following a 45-day review

period by the United States Justice Department and the U.S. Environmental Protection Agency (the “U.S. EPA”), the U.S. District Court for the District of Idaho approved the Stipulation for Dismissal and entered a Judgment on October 2, 2023 which resulted in the CWA lawsuit being dismissed without prejudice. Under the Settlement Agreement, a dismissal with full prejudice will follow after completion of Perpetua’s required payments.

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See Note 6(e) to the Interim Financial Statements for the three and six months ended June 30, 2024 for more information regarding the CWA lawsuit and the terms of the settlement.

Liquidity

After giving effect to the receipt of the \$8.5 million upfront payment from Franco-Nevada under the silver royalty on March 21, 2024, the Company's latest liquidity forecast indicates that available cash resources are expected to be exhausted in the fourth quarter of 2024. Although the Company's current capital resources and liquidity include up to \$59.2 million in funding awarded under the modified TIA pursuant to Title III of the DPA, such funding is available only for the specified costs related to permitting, environmental baseline data monitoring, environmental and technical studies, and advancing construction readiness and is not available to fund the Company's costs under its ASAOC obligations and certain corporate expenses, including under the Settlement Agreement. Although we expect the DPA funding to provide the Company with sufficient liquidity to complete permitting and environmental monitoring activities on the current timeline as well as additional liquidity to begin advancing construction readiness in 2024, due to costs of the ASAOC restoration obligations, payment obligations under the Settlement Agreement and other corporate expenses, we do not expect the Company will have sufficient assets to discharge its liabilities as they become due for at least 12 months from the date hereof. Absent additional financing, the Company would no longer be able to meet its ongoing obligations or progress critical permitting efforts. The Company continues to explore various funding opportunities, which may include the issuance of additional equity, new debt, or project specific debt; government funding; and/or other financing opportunities. See "*Liquidity and Capital Resources*" for more information.

The forward-looking information contained in this section is subject to the risk factors and assumptions contained in the "*Cautionary Note Regarding Forward-Looking Statements*" section.

Results of Operations

Three and six months ended June 30, 2024 compared to three and six months ended June 30, 2023

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
EXPENSES				
Corporate salaries and benefits	\$ 579,431	\$ 421,185	\$ 1,046,178	\$ 812,168
Depreciation	31,392	18,748	57,753	35,702
Directors' fees	54,449	58,848	317,082	280,110
Exploration	10,464,037	6,312,627	17,006,397	12,019,052
Environmental liability expense	414,197	(536,366)	567,626	581,937
CWA settlement expense (Note 6)	—	5,000,000	—	5,000,000
General and administration	121,353	131,791	263,137	294,279
Professional fees	385,536	367,601	793,015	645,084
Shareholder and regulatory	139,323	145,717	263,865	297,130
OPERATING LOSS	12,189,718	11,920,151	20,315,053	19,965,462
OTHER EXPENSES (INCOME)				
Grant income	(8,475,643)	(4,085,746)	(13,645,381)	(7,367,457)
Interest income	(42,821)	(163,587)	(59,358)	(326,050)
Other expenses (income)	2,461	1,934	7,926	890
Total other expenses (income)	(8,516,003)	(4,247,399)	(13,696,813)	(7,692,617)
NET LOSS	\$ 3,673,715	\$ 7,672,752	\$ 6,618,240	\$12,272,845

Net Loss

Net loss for the three months ended June 30, 2024 was \$3.7 million compared with a net loss of \$7.7 million for the three months ended June 30, 2023. This \$4.0 million decrease compared to the prior year period was primarily attributable to \$5.0 million recognized for CWA settlement expense in the 2023 period and an increase of \$4.2 million in exploration expense in the 2024 period offset by a \$4.4 million increase in grant income and a \$1.0 million increase in environmental liability expenses during the three months ended June 30, 2024.

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Net loss for the six months ended June 30, 2024 was \$6.6 million compared with a net loss of \$12.3 million for the six months ended June 30, 2023. This \$5.7 million decrease compared to the prior year period was primarily attributable to a \$6.3 million increase in grant income, a \$5.0 million decrease in CWA settlement expense, and a \$0.3 million decrease in interest income offset by a \$5.0 million increase in exploration expenses. As noted above, for the six months ended June 30, 2024, the Company's main focus was the continued evaluation and advancement of the Stibnite Gold Project.

Corporate Salaries and Benefits

This expense results from salaries and benefits of the employees that are not directly related to the exploration and evaluation of the Stibnite Gold Project, primarily corporate employees. Salaries and benefits for the three and six months ended June 30, 2024 were 38% and 29% higher than the 2023 comparative periods primarily due to increased share-based compensation and higher salaries.

Directors' Fees

Each of the Corporation's non-executive directors is entitled to annual base fees paid in quarterly installments, with the independent Lead Director, Chairs of Board Committees and Members of Board Committees receiving additional fees commensurate with each role. Directors' fees are inclusive of cash fees and share-based compensation (deferred share units). This expense for the three months ended June 30, 2024 was 7% lower than the 2023 comparative period due to slightly lower share-based compensation. This expense for the six months ended June 30, 2024 was 13% higher than the 2023 comparative periods due to higher share-based compensation.

Exploration

This expense relates to all exploration and evaluation expenditures related to the Stibnite Gold Project, including labor, drilling, field operations, engineering, permitting, environmental, legal and sustainability costs. The Company's exploration expenses of \$10.5 million during the three months ended June 30, 2024 were \$4.2 million, or 66%, higher than the three months ended June 30, 2023 primarily due to a \$4.0 million increase in engineering and a \$0.4 million increase in consulting and labor costs. These increases were offset by a decrease of \$0.5 million in permitting costs.

The Company's exploration expenses of \$17.0 million during the six months ended June 30, 2024 were \$5.0 million, or 41%, higher than the six months ended June 30, 2023 primarily due to a \$6.5 million increase in engineering, \$0.5 million increase in consulting and labor costs. These increases were offset by a decrease of \$2.1 million in permitting costs. Additional details of expenditures incurred are as follows:

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Consulting and labor cost	\$ 1,891,906	\$ 1,489,251	\$ 3,571,274	\$ 3,029,752
Engineering	5,405,689	1,379,022	8,246,488	1,746,590
Environmental and reclamation	68,904	40,672	170,323	81,767
Field operations and drilling support	937,863	642,305	1,355,236	1,099,223
Legal and sustainability	327,848	415,916	585,994	922,100
Permitting	1,831,827	2,345,461	3,077,082	5,139,620
TOTAL EXPLORATION	\$ 10,464,037	\$ 6,312,627	\$ 17,006,397	\$ 12,019,052

Environmental Liability Expense

This expense relates to the ASAOC signed in January 2021 to voluntarily address environmental conditions at the abandoned mine site. Cost estimates were developed with the use of engineering consultants, independent contractor quotes and the Company's internal development team, and the timing of cash flows is based on the current schedule for early action items. In the three months ended June 30, 2024, the total cost estimate to complete Phase 1 early cleanup actions increased \$1.0 million compared to the same period in 2023 driven by an increase in estimated costs for a required lake tank storage solution coupled with a negative \$0.5 million recognized in the comparable period ended June 30, 2023 that resulted from a decrease in total estimated costs. The expense recognized during the six month periods ended June

30, 2024 was comparable to the same period in 2023. As of June 30, 2024, the estimate for the remaining environmental liability was \$0.8 million, all of which is expected to be incurred in 2024.

CWA Settlement Expense

This expense relates to the settlement with the Nez Perce Tribe to resolve the CWA litigation. The Settlement Agreement provides for total payments of \$5.0 million by Perpetua over a four-year period. The Company recognized \$5.0 million in the second quarter of 2023 for this settlement. No amount was recognized during the three and six month periods ended June 30, 2024.

General and Administrative

This expense is predominantly insurance policies for the U.S. offices. This expense for the three and six months ended June 30, 2024 was 8% and 11% lower than the 2023 comparative periods primarily due to lower insurance premiums.

Professional Fees

This expense relates to the legal, accounting and consulting costs of the Corporation. This expense for the three months ended June 30, 2024 was 5% higher than the 2023 comparative period primarily due to an increase in legal fees. This expense for the six month ended June 30, 2024 was 23% higher than the 2023 comparative period primarily due to an increase in accounting and project financing related fees.

Shareholder and Regulatory

This expense relates to marketing, licenses and fees, and shareholder communications. This expense for the three and six months ended June 30, 2024 was 4% and 11% lower than the 2023 comparative periods primarily due to lower marketing costs.

Grant Income

This income results from funding grants awarded to the Company from the DOD to study the domestic production of military-grade antimony trisulfide and to complete environmental and engineering studies necessary to obtain a FEIS, a ROD, and other ancillary permits to sustain the domestic production of antimony trisulfide capability for defense energetic materials. Grant income increased \$4.4 million and \$6.3 million for the three and six months ended June 30, 2024, compared to the comparable periods in 2023 due to the modified scope of the DPA grant in 2024.

Interest Income

This income results from interest received on the Company's cash balances. Interest income decreased \$120,766 and \$266,692 in the three and six months ended June 30, 2024 compared to the three and six months ended June 30, 2023 as a result of lower cash balances in 2024 compared to 2023.

Liquidity and Capital Resources

Capital resources of Perpetua Resources consist primarily of cash and liquid short-term investments. As of June 30, 2024, Perpetua Resources had cash and cash equivalents totaling approximately \$1.9 million, approximately \$7.6 million in receivables, principally from DOD grants, \$0.8 million in prepaid assets, and \$4.3 million in trade and other payables.

In December 2022, the Company was awarded an undefinitized TIA of up to \$24.8 million under Title III of the DPA. On July 25, 2023, the TIA was definitized with the DOD, establishing the full not-to-exceed amount of \$24.8 million and on May 2, 2024, the TIA was modified with an additional \$34.4 million in funding, bringing the total amount of the TIA to \$59.2 million. Under the funding agreement, Perpetua Resources may request reimbursement for certain costs incurred through June 16, 2025 related to environmental baseline data monitoring, environmental and technical studies and other activities related to advancing Perpetua's construction readiness and permitting process for the Stibnite Gold Project, which includes reimbursement of employee wages for activities included in the scope of the TIA. During the three and six months ended June 30, 2024, \$8.4 million and \$11.0 million, respectively, was recognized as grant income related to the TIA. During the six months ended June 30, 2024, the Company was reimbursed \$4.8 million for certain costs incurred, and received reimbursement of an additional \$3.9 million in July 2024 and anticipates receipt of \$3.7 million in August 2024, under the TIA with respect to expenses incurred in the three months ended June 30, 2024.

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

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

Although the Company's current capital resources and liquidity include up to \$59.2 million in funding awarded under the modified TIA pursuant to Title III of the DPA, such funding is available only for the specified costs described above and is not available to fund the Company's costs under its ASAOC obligations and certain corporate expenses, including payments under the Settlement Agreement. Although we expect the DPA funding to provide the Company with sufficient liquidity to complete permitting on the current timeline as well as additional liquidity to begin advancing construction readiness in 2024, due to costs of the ASAOC restoration obligations, payments under the Settlement Agreement and other corporate expenses, we do not expect the Company will have sufficient assets to discharge its liabilities as they become due for at least 12 months from the date hereof.

The Company's latest liquidity forecast indicates that available cash resources for expenses not eligible for reimbursement under the DPA funding are expected to be exhausted in the fourth quarter of 2024. Absent additional financing, the Company would no longer be able to meet its ongoing obligations or progress critical permitting efforts. The Company continues to explore various funding opportunities, which may include the issuance of additional equity, new debt, or project specific debt; government funding; and/or other financing opportunities. On May 12, 2023, the Company entered into a Controlled Equity OfferingSM Sales Agreement (the "Sales Agreement") providing for the sale by the Company, from time to time, of its common shares having an aggregate gross offering price of up to \$20.0 million. As of June 30, 2024, \$17.2 million remained available under the program. Future sales under the program are subject to certain conditions, including market conditions, and there is no assurance that the Company will be able to raise additional funds under the program, at acceptable share prices or at all.

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

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

Our anticipated expenditures for the fiscal year 2024 are approximately \$48.0 million, of which approximately \$40.0 million are expected to be funded from the DPA reimbursements and the remainder from cash on hand. These expenditures include an estimated \$11.2 million to fund permitting of the Stibnite Gold Project, \$13.4 million for general corporate purposes, project financing and administrative costs, \$17.6 million for engineering and design work, \$4.4 million for field operations and approximately \$1.4 million to advance early restoration under the ASAOC. These costs are subject to change due to cost over-runs, delays or other unbudgeted events, such as effects of inflation. Our long-term liquidity requirements will require project financing to fund the capital costs to develop the Project, which was estimated to be approximately \$1,263 million as of the third quarter of 2020 according to the TRS.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

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

Changes in Internal Control Over Financial Reporting.

As of the Evaluation Date, there were no changes in our internal control over financial reporting that occurred during the quarter ended June 30, 2024 that have materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

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

Pursuant to the terms of the voluntary ASAOC executed in January 2021 with U.S. Environmental Protection Agency (the “U.S. EPA”) and the United States Department of Agriculture, the Corporation agreed to dismiss its pending actions against the Forest Service without prejudice. The remaining parties to the ongoing legal proceeding agreed to stay the litigation and explore Alternative Dispute Resolution options through court-ordered mediation. On August 8, 2023, the Company and the Nez Perce Tribe filed a final Settlement Agreement (the “Settlement Agreement”) to resolve the CWA litigation. The parties jointly asked the court to approve the Settlement Agreement and dismiss the case without prejudice. The Settlement Agreement provides for total payments of \$5.0 million by Perpetua over a four-year period. This includes \$4.0 million of contributions by Perpetua to a South Fork Salmon Water Quality Enhancement Fund (the “Fund”) to be used by the Nez Perce Tribe to support water quality improvement projects in the South Fork Salmon River watershed and \$1.0 million of reimbursements to the Nez Perce Tribe for legal expenses. Following a 45-day review period by the United States Justice Department and the U.S. EPA, the U.S. District Court for the District of Idaho approved the Stipulation for Dismissal and entered a Judgment on October 2, 2023, which resulted in the CWA lawsuit being dismissed without prejudice. Under the Settlement Agreement, a dismissal with full prejudice will follow after completion of Perpetua’s required payments. Once Perpetua has satisfied its payment obligations under the Settlement Agreement, the parties will submit a Stipulation of Dismissal with Prejudice to the court.

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

Item 1A. Risk Factors.

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

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

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

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Pursuant to Section 1503(a) of the Dodd-Frank Act, issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose specified information about mine health and safety in their periodic reports. These reporting requirements are based on the safety and health requirements applicable to mines under the Federal Mine Safety and Health Act of 1977 (the "Mine Act") which is administered by MSHA. During the six months ended June 30, 2024, the Company and its subsidiaries were not subject to regulation by MSHA under the Mine Act and thus no disclosure is required under Section 1503(a) of the Dodd-Frank Act.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Description
3.1	Certificate of Incorporation of Perpetua Resources Corp. (incorporated by reference to Exhibit 4.1 of the Company's Registration Statement on Form S-8 (File No. 333-255147) filed with the SEC on April 9, 2021).
3.2	Notice of Articles and Articles filed under the Business Corporations Act (British Columbia) (incorporated by reference to Exhibit 4.2 of the Company's Registration Statement on Form S-8 (File No. 333-255147) filed with the SEC on April 9, 2021).
3.3	Certificate of Change of Name (incorporated by reference to Exhibit 4.3 of the Company's Registration Statement on Form S-8 (File No. 333-255147) filed with the SEC on April 9, 2021).
3.4	Amendment to Articles, dated May 25, 2022 (incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K, filed with the SEC on May 27, 2022).
4.1	Description of Common Shares (incorporated by reference to Exhibit 4.1 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2022, filed with the SEC on August 12, 2022).
10.1*#	Technology Investment Agreement between the United States of America and Perpetua Resources Idaho, Inc., as modified as of May 2, 2024.
10.2*+	Transition and Separation Agreement between Perpetua Resources Idaho, Inc. and Michael Bogert, dated May 10, 2024.
10.3+	First Amendment to Omnibus Equity Incentive Plan, dated May 16, 2024.
31.1	Certification of Chief Executive Officer pursuant to Section 302 of Sarbanes-Oxley Act of 2002 (Rule 13a-14 (a) and 15d-14 (a) of the Exchange Act).
31.2	Certification of Chief Financial Officer pursuant to Section 302 of Sarbanes-Oxley Act of 2002 (Rule 13a-14 (a) and 15d-14 (a) of the Exchange Act).
32.1	Certification of Chief Executive Officer pursuant to Section 1350 of Title 18 of the United States Code.
32.2	Certification of Chief Financial Officer pursuant to Section 1350 of Title 18 of the United States Code.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

+ Compensatory plan or agreement.

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

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

SIGNATURES

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

Date: August 9, 2024

PERPETUA RESOURCES CORP.

By: /s/ Jonathan Cherry

Name: Jonathan Cherry

Title: President, Chief Executive Officer and Director

TIA Single Modification

between

The United States Of America

USAF/AFMC

AFRL WRIGHT RESEARCH SITE 2130 EIGHTH STREET BUILDING 45
WRIGHT-PATTERSON AFB OH 45433-7541

and

PERPETUA RESOURCES IDAHO INC

405 S 8TH ST

STE 201

BOISE ID 83702-7100

(208) 901-3060

CAGE: 9AXR4

Concerning

Defense Production Act Title III Program, Antimony Trisulfide Production Capability for Defense Energetic
Materials

Change in Agreement No.: FA8650-23-2-5522 P00002

Change in Total Amount of the Agreement: \$34,412,114.00

Change in Government share: \$34,412,114.00

Change in Recipient share: \$0.00

Change in Funds Allotted by Government: \$34,412,114.00

Effective Date: 02 MAY 2024

For

//signed//

Name: Jonathan Cherry

Title: President and CEO, Perpetua Resources

ConWrite Version 7.7.3.0

Created 23 Apr 2024 8:51 AM

For the United States of America

//signed//

MICHELLE GOSS

Agreements Officer

[*] CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(B)(10) BECAUSE IT IS BOTH NOT MATERIAL AND IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.**

SCHEDULE

1. The purpose of this bilateral modification done in accordance with Article 3.002, "Modifications" is to (1) add work in accordance with the Statement of Work Revision 1, entitled, Securing the Only Domestic Antimony Trisulfide Production Capability for Defense Energetic Materials" dated 12 Feb 2024; (2) extend the period of performance by 6 months; (3) increase the Government share and the total amount of the Agreement by \$34,412,114; and (4) update the Agreement Officer in Articles 1.002 "Administrative Responsibilities" paragraph (a) and 4.002 "Payment - Reimbursement and Cost Sharing".

2. As a result, this Agreement is changed as follows:

(A) On the cover page, the following changes are made:

(i) The Total Amount of the Agreement is increased by \$34,412,114, from \$24,812,062 to \$59,224,176.

(ii) The Recipient Share remains unchanged.

(iii) The Government Share is increased by \$34,412,114, from \$24,812,062 to \$59,224,176.

(B) Article 1.002, "Administrative Responsibilities"

FROM:

(a) Agreement Officer:

[***]

TO:

(a) Agreement Officer:

[***]

(C) Article 2.001 "Term of the Agreement"

FROM:

The term of this agreement for this effort is 27 months, 24 months for the technical effort and 3 months for completing the final report, commencing on the effective date shown on the first page of this of this agreement. The technical effort will be complete on 16 December 2024, and the final report will be due 17 March 2025.

SCHEDULE

TO:

The term of this agreement for this effort is 33 months, 30 months for the technical effort and 3 months for completing the final report, commencing on the effective date shown on the first page of this agreement (16 Dec 2022). The technical effort will be complete on 16 June 2025, and the final report will be due 17 September 2025.

(D) Article 4.002, "Payment - Reimbursement and Cost Sharing - WAWF"

FROM:

(b) Send E-mail Notifications for Completed SF 270: [***] and [***]

TO:

(b) Send E-mail Notifications for Completed SF 270: [***] and [***]

(E) Article 4.005, "Allotted Funding" is revised to include ACRN AB in the amount of \$34,412,114.

3. Attachment 3 Statement of Work entitled, "Securing the Only Domestic Antimony Trisulfide

Production Capability for Defense Energetic Materials" dated 7 Mar 2023 is deleted and replaced with Statement of Work Revision 1 entitled "Securing the Only Domestic Antimony Trisulfide Production Capability for Defense Energetic Materials" dated 12 Feb 2024.

4. Attachment 1B entitled "Agreement Articles" dated 24 Jul 2023 is deleted and replaced with document entitled "Agreement Articles Revision 1" dated 12 Feb 2024.

5. Attachment 8 entitled "Cost sharing summary and Schedule" dated 12 Dec 2022 is deleted and replaced with document entitled "Cost sharing summary and Schedule Revision 1" dated 12 Apr 2024

6. This supplemental agreement constitutes full settlement of all claims the Recipient under the Agreement arising out of, or by reason of, the changes effected hereby.

ATTACHMENTS	PGS	DATE	TITLE
ATTACHMENT 1B	46	12 FEB 2024	AGREEMENT ARTICLES REV 1
ATTACHMENT 3	12	12 FEB 2024	STATEMENT OF WORK REV 1 - SECURING THE ONLY DOMESTIC ANTIMONY TRISULFIDE PRODUCTION CAPABILITY FOR DEFENSE ENERGETIC MATERIALS
ATTACHMENT 8	1	12 APR 2024	COST SHARING SUMMARY AND SCHEDULE REV

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1.00 AUTHORITY (MAR 2020)

This agreement is being issued under the authority of 10 U.S.C. 4001 and Title III of the Defense Production Act of 1950, as amended (50 U.S.C. 4501 et seq.)

1.01 ORDER OF PRECEDENCE (APR 2000) (TAILORED)

In the event of conflict between the terms of this agreement and other governing documents, the conflict shall be resolved by giving precedence in descending order as follows:

- (a) The articles in this agreement
- (b) The attachments to this agreement, if any
- (c) DoD Grant and Agreement Regulations (Chapter 1, Subchapter C of Title 32, Code of Federal Regulations (CFR) and Chapter XI of Title 2, CFR)
- (d) Other applicable Federal statutes and regulations

1.02 ADMINISTRATIVE RESPONSIBILITIES (MAR 2020)

(a) Government representatives are:

Agreements Officer:

[***]

Agreements Negotiator:

[***]

Government Program Manager:

[***]

Finance:

[***]

Administration Office:

[***]

Payment Office:

[***]

For invention reporting

[***]

(b) Recipient's representatives are:

Jessica Largent
CFO
Perpetua Resources
[***]

Mckinsey Lyon
VP External Affairs Perpetua Resources
[***]

1.003 DELEGATION OF ADMINISTRATION (MAR 2015)

The administrative duties listed below have been delegated to the agreements administration office:

(a) During performance:

- (1) Approve provisionally all Requests for Advance or Reimbursement (SF 270).
- (2) Perform property administration.
- (3) Perform plant clearance.
- (4) Approve requests for Registration of Scientific and Technical Information Services (DD Form 1540).
- (5) Perform cash management by reviewing quarterly Federal Financial Report (SF 425) and, after conferring with the AFRL agreements officer, make appropriate adjustments to predetermined scheduled payments by modifying the agreement.

(b) Upon expiration of agreements:

- (1) Obtain final payment request, if any.
- (2) Obtain the final Federal Financial Report (SF 425).
- (3) Obtain final property report and dispose of Government property on those assistance awards containing residual Government Property.
- (4) Perform a review of final incurred costs and assist the awarding agreements officer in resolving exceptions, if any, resulting from questioned costs.
- (5) Perform cost sharing adjustments, if applicable.
- (6) Assure that all refunds due the Government are received.
- (7) Notify the agreements officer when the final SF270 and/or SF425 indicates an unexpended balance.

2.000 TRAFFICKING IN PERSON (DEC 2007)

(a) Provisions applicable to a recipient that is a private entity.

- (1) You as the recipient, your employees, subrecipients under this award, and subrecipients' employees may not—
 - (i) Engage in severe forms of trafficking in persons during the period of time that the award is in effect;
 - (ii) Procure a commercial sex act during the period of time that the award is in effect; or
 - (iii) Use forced labor in the performance of the award or subawards under the award.
 - (2) We as the Federal awarding agency may unilaterally terminate this award, without penalty, if you or a subrecipient that is a private entity –
 - (i) Is determined to have violated a prohibition in paragraph a.1 of this award term; or
 - (ii) Has an employee who is determined by the agency official authorized to terminate the award to have violated a prohibition in paragraph a.1 of this award term through conduct that is either—
 - (A) Associated with performance under this award; or
 - (B) Imputed to you or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, “OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement),” as implemented by our agency at 2 CFR 180
- (b) Provision applicable to a recipient other than a private entity. We as the Federal awarding agency may unilaterally terminate this award, without penalty, if a subrecipient that is a private entity—
- (1) Is determined to have violated an applicable prohibition in paragraph a.1 of this award term; or
 - (2) Has an employee who is determined by the agency official authorized to terminate the award to have violated an applicable prohibition in paragraph a.1 of this award term through conduct that is either--
 - (i) Associated with performance under this award; or
 - (ii) Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, “OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement),” as implemented by our agency at 2 CFR part 180
- (c) Provisions applicable to any recipient.
- (1) You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph a.1 of this award term.
 - (2) Our right to terminate unilaterally that is described in paragraph a.2 or b of this section:
 - (i) Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), and
 - (ii) Is in addition to all other remedies for noncompliance that are available to us under this award.
 - (3) You must include the requirements of paragraph a.1 of this award term in any subaward you make to a private entity.
- (d) Definitions. For purposes of this award term:
- (1) “**Employee**” means either:
 - (i) An individual employed by you or a subrecipient who is engaged in the performance of the project or program under this award; or
 - (ii) Another person engaged in the performance of the project or program under this award and not compensated by you including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.

- (2) **“Forced Labor”** means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.
- (3) **“Private Entity”**:
- (i) Means any entity other than a State, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 CFR 175.25.
 - (ii) Includes:
 - (A) A nonprofit organization, including any nonprofit institution of higher education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 CFR 175.25(b).
 - (B) A for-profit organization.
- (4) **“Severe Forms of Trafficking In Persons,”** “commercial sex act,” and “coercion” have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. 7102).

2.01 TERM OF THE AGREEMENT (APR 2000) TAILORED

The term of this agreement for this effort is 33 months, 30 months for the technical effort and 3 months for completing the final report, commencing on the effective date shown on the first page of this agreement. The technical effort will be complete on 16 June 2025, and the final report will be due 17 September 2025.

- (a) If all funds are expended prior to the end of the term (including recipient contributions, both cash and in-kind), the parties have no obligation to continue and may elect to cease performance at that point.
- (b) Articles in this agreement which by their express terms or by necessary implication, apply for periods of time other than as specified in this article shall be given effect, notwithstanding this article.

2.02 SCOPE OF THE AGREEMENT (MAR 2020)

- (a) **Overall Project Intent.** The Parties recognize that the ultimate intent of the project is to address the need to strengthen and expand the industrial base for antimony trisulfide production capability for defense energetic materials.
- (b) The Parties recognize the recipient will demonstrate a level of continued commitment in the research project. A portion of this continued commitment supports the Title III objective of economic viability and takes the form of strategic business planning, technical marketing support, and the Recipient’s cost share investment. The Recipient will designate the company’s existing strategic business plan as the current strategy business baseline with the intention of developing and implementing an enhanced strategic business plan and technical marketing effort that recognizes the increased business and marketing opportunities that result from this agreement.

2.03 TERMINATION (APR 2000)

- (a) The Agreements Officer may terminate this agreement by written notice to the recipient upon a finding that the recipient has failed to comply with the material provisions of this agreement.
- (b) Additionally, this agreement may be terminated by either party upon written notice to the other party. Such written notice shall be preceded by consultation between the parties. If the recipient initiates the termination, written notification shall be provided to the Agreements Officer at least 30 days prior to the requested effective date. The notification shall state the reasons for the termination, the requested effective date, and, if a partial termination, the portion to be terminated. If the Agreements Officer



determines, in the case of a partial termination, that the reduced or modified portion of the award will not accomplish the purpose for which the award was made, the Agreements Officer may terminate the award in its entirety.

- (c) The Government and the recipient will negotiate in good faith an equitable reimbursement for work performed toward accomplishment of program goals. The Government will allow full credit to the recipient for the Government share of the obligations properly incurred by the recipient prior to termination, and those noncancellable obligations that remain after the termination. The cost principles and procedures described in the article entitled “Cost Principles” shall govern all costs claimed, agreed to, or determined under this article.
- (d) If this agreement is incrementally funded, it may be terminated in the absence of additional Government funding as set forth in the article entitled “Incremental Funding”.
- (e) In the event of a termination, the Government shall have a paid-up Government purpose license in any subject invention, copyright work, and data made or developed under this agreement.

2.04 EXTENDING THE TERM (APR 2000)

If the parties agree, the term of this agreement may be extended if funds are available and research opportunities reasonably warrant. Any extension shall be formalized through modification of the agreement by the Agreements Officer and the recipient.

3.00 SCOPE AND MANAGEMENT OF THE PROGRAM (JUN 2001) (TAILORED)

- (a) The Government and the recipient are bound to each other by a duty of good faith and best effort to achieve the goals of this agreement. This agreement is not intended to be, nor shall it be construed as, by implication or otherwise, a partnership, a corporation, or other business organization.
- (b) The recipient shall perform a coordinated research and development program carried out in accordance with the Statement of Work entitled “DPA Title III Securing the Only Domestic Antimony Trisulfide Production Capability for Defense Energetic Materials” dated 12 February 2024, Attachment 3 to this agreement. The recipient shall submit all documentation required by Part 7, “Technical and Financial Reporting”.
- (c) The overall management, including technical, programmatic, reporting, financial and administrative matters, of the coordinated research program established under this agreement shall be accomplished by the recipient. The Government program manager will interact with the recipient to promote effective collaboration between the recipient and the Government. Changes to this agreement that would result in
 - (1) a change in the scope or the objective of the project or program or
 - (2) a need for additional federal funding must be approved by the Agreements Officer, and the agreement modified in accordance with the article entitled “Modifications”.
- (d) The recipient will establish a schedule of monthly technical meetings, and notify the Government program manager of the schedule. The Government program manager may participate in all technical meetings. Other Government personnel, as deemed appropriate, may also participate.

3.01 PROGRAM MANAGEMENT PLANNING PROCESS (APR 2000)

- (a) The Program Plan provides a detailed schedule of project activities, commits the recipient to use its best efforts to meet specific performance objectives, includes forecasted expenditures and describes the payable milestones if applicable. The Program Plan will consolidate all prior adjustments in the program schedule, including revisions/modifications to payable milestones if applicable.

- (b) For the first agreement year, the recipient will follow the plan as set forth in the recipient's proposal.
- (c) The plan shall be updated, with Government program manager involvement, in each subsequent agreement year to reflect any changes necessary for conducting research.

3.02 MODIFICATIONS (APR 2000)

- (a) Modifications to this agreement may be proposed by either party. Recipient recommendations for any modifications to this agreement, including justifications to support any changes to the statement of work or recipient's proposal as incorporated by reference and/or the payable milestones, shall be submitted in writing to the government program manager with a copy to the Agreements Officer. The recipient shall detail the technical, chronological, and financial impact of the proposed modification to the program. Changes are effective only after the agreement has been modified. Only the Agreements Officer has the authority to act on behalf of the Government to modify this agreement.
- (b) The Agreements Officer or Administrative Agreements Officer may unilaterally issue minor or administrative agreement modifications (e.g., changes in the paying office or appropriation data, or changes to Government personnel identified in the agreement, etc.)

3.03 PROPERTY (APR 2000) (TAILORED)

- (a) Recipients may purchase real property or equipment in whole or in part with federal funds under an award only with the prior approval of the Agreements Officer (except that additional approval is not required for such items included in the proposed/negotiated budget at the time of award). If the recipient purchases real property (other than land) or equipment with their own funding, and designates the real property or equipment as recipient cost share, the Government will have a financial interest in the real property or equipment. The financial interest of the Government is determined by the Federal participation in the project.
- (b) **Equipment** is defined as tangible nonexpendable personal property charged directly to the award having a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit.
- (c) Title to all real property and equipment purchased by the recipient with federal funds under this agreement will vest with the Government throughout the agreement. The Government may elect to transfer title to all (or some) of the real property or equipment to the recipient at the end of the agreement, if the recipient's performance is satisfactory, and subject to compliance with the criteria listed below in subparagraphs (c)(1), (c)(2), and (c)(3).
 - (1) Use the real property or equipment for the authorized purposes of the project until funding for the project ceases, or until the property is no longer needed for the purposes of the project.
 - (2) Not encumber the property without approval of the Agreements Officer.
 - (3) Use and dispose of the property in accordance with paragraphs (d), (e), (f), and (g) of this article.
- (d) Title to all real property or equipment purchased by the recipient with recipient funds designated as recipient cost share under this agreement, will vest with the recipient subject to subparagraphs (c)(1), (c)(2) and (c)(3) above. As stated in paragraph (a) above, the Government will have a financial interest in the real property or equipment. The Government may relinquish all financial interest in the recipient purchased equipment at the end of the agreement, provided the recipient's performance is satisfactory, and the recipient provides:



- (1) Guaranteed, ongoing responsiveness to DoD requirements for products and services that require use of the equipment.
 - (2) If the recipient's performance is not satisfactory the provisions listed above in paragraph (c)(1) through (c)(3) will apply.
- (e) During the time the real property or equipment is used on this program, the recipient shall make it available for use on other projects or programs, if such other use will not interfere with the work on this program. Use of the real property or equipment on other projects will be in the following order of priority:
- (1) Activities sponsored by DoD Components' grants, cooperative agreements, or other assistance awards;
 - (2) Activities sponsored by other Federal agencies' grants, cooperative agreements, or other assistance awards;
 - (3) Activities under Federal procurement contracts;
 - (4) Activities not sponsored by any Federal agency. If so used, mutually agreed to use charges shall be assessed to those activities. For real property or equipment, the use charges shall be at rates equivalent to those for which comparable real property or equipment may be leased. The use charges shall be treated as program income.
- (f) After Federal funding for the project ceases, or when the real property or equipment is no longer needed for the purposes of the project, the recipient may use the real property or equipment for other projects, insofar as:
- (1) There are federally sponsored projects for which the real property or equipment may be used. If the only use for the real property or equipment is for projects that have no Federal sponsorship, the recipient shall proceed with disposition of the real property or equipment, in accordance with paragraph (g) of this section.
 - (2) The recipient obtains written approval from the Agreements Officer to do so. The Agreements Officer shall ensure that there is a formal change of accountability for the real property or equipment to a currently funded, Federal award.
 - (3) The recipient's use of the real property or equipment for other projects is in the same order of priority as described in paragraph (e) of this section.
- (g) **Disposition.** When an item of real property or equipment is no longer needed for Federally sponsored projects, the recipient shall proceed as follows:
- (1) If the property that is no longer needed is equipment (rather than real property), the recipient may wish to replace it with an item that is needed currently for the project. In that case, the recipient may use the original equipment as trade-in or sell it and use the proceeds to offset the costs of the replacement equipment, subject to the approval of the Agreements Officer.
 - (2) The recipient may elect to retain title, without further obligation to the Federal Government, by compensating the Federal Government for that percentage of the current fair market value of the real property or equipment that is attributable to the Federal participation in the project or
 - (3) The recipient may have an opportunity to retain title to the equipment provided the Government agrees to an exchange for financial resources, technical support, and/or deliverables that are of commensurate value to the Government. Examples include, but are not limited to the following:

- Direct purchase of the equipment by the contractor, with the terms and process for pricing the purchase established.
- Ongoing maintenance and insurance of the equipment.
- Guaranteed, continued government access to the equipment.
- Guaranteed, ongoing responsiveness to DoD requirements for products and services that require use of the equipment.
- Periodic reporting and data relating to the contractor's production capabilities and continued economic viability.

Upon completion of the technical effort, the Title III project may be transitioned into a principally business-focused phase (no-cost monitoring phase) for the remaining accounting life of the equipment. If this alternative is pursued, Title III may choose to conduct periodic reviews with the Recipient assess and ensure that they remain responsive to the continuing and evolving needs of the DoD community. Upon successful completion of this business-focused phase, (typically one to five years), the government may elect to transfer title to the equipment to the Recipient.

- (4) If the recipient does not elect to retain title to real property or equipment (see paragraph (g)(2) of this section) or request approval to use equipment as trade-in or offset for replacement equipment (see paragraph (g)(1) of this section), the recipient shall request disposition instructions from the Agreements Officer.

3.04 INSURANCE COVERAGE (MAR 2007)

The Recipient shall insure and be liable for the loss, damage, and/or destruction of all real property and equipment acquired under this agreement with Federal funds. The Recipient shall, at a minimum, provide the equivalent insurance coverage for real property, and equipment acquired under this agreement, as provided to real property and equipment owned by the Recipient. The Recipient will immediately notify the Agreements Officer and DCMA authorities as appropriate, in the event there is an incident of loss, damage, or destruction of the property.

3.05 PROPERTY MANAGEMENT / CONTROL LIST (JUN 2001)

The recipient's property management system shall include the following, for property that is federally owned, and for equipment that is acquired in whole or in part with Federal funds. Attachment 7 Property Control List, shall be utilized for the tracking of property under this Agreement and shall be submitted quarterly to the Government Program Manager identified in the Article 1.002 entitled "Administrative Responsibilities".

- (a) Property records shall be maintained, to include the following information:

- (1) A description of the property.
- (2) Manufacturer's serial number, model number, Federal stock number, national stock number, or any other identification number.
- (3) Source of the property, including the award number.
- (4) Whether title vests in the recipient or the Federal Government.
- (5) Acquisition date (or date received, if the property was furnished by the Federal Government) and cost.
- (6) Information from which one can calculate the percentage of Federal participation in the cost of the property (not applicable to property furnished by the Federal Government).
- (7) The location and condition of the property and the date the information was reported.

- (8) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates the Federal Government for its share.
- (b) Federally owned equipment shall be marked, to indicate Federal ownership.
- (c) A physical inventory shall be taken and the results reconciled with the property records at least once every two (2) years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The recipient shall, in connection with the inventory, verify the existence, current utilization, and continued need for the property.
- (d) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft of property shall be investigated and fully documented; if the property was owned by the Federal Government, the recipient shall promptly notify the Federal agency responsible for administering the property.
- (e) Adequate maintenance procedures shall be implemented to keep the property in good condition.

4.00 COST PRINCIPLES (JUN 2020)

- (a) The recipient shall establish or apply cost principles or standards in accordance with DoDGARS 37.625
- (b) For-profit participants that currently perform under expenditure-based Federal procurement contracts or assistance awards (other than TIAs) and therefore have existing systems for identifying allowable costs, shall apply the Government cost principles in 48 CFR parts 31 and 231. If there are programmatic or business reasons to do otherwise, the Government Agreements Officer may grant an exception from this requirement and use alternative standards that meet the minimum conditions in DoDGARS 37.625 (b).
- (c) For-profit participants that do not currently perform under expenditure-based Federal procurement contracts or assistance awards (other than TIAs), may establish alternative standards as long as the standards meet the minimum conditions outlined in DoDGARS 37.625 (b).

4.01 STANDARDS FOR FINANCIAL MANAGEMENT SYSTEMS (APR 2000)

- (a) The recipient shall establish or use existing financial management systems in accordance with DoDGARS 37.615.
- (b) For-profit participants that currently perform under other expenditure-based Federal procurement contracts or assistance awards are subject to the same standards for financial management systems that apply to those other awards. If a for-profit participant has expenditure-based DoD assistance awards other than TIAs, apply the standards in 32 CFR 34.11. A for-profit participant that has other expenditure-based Federal Government awards may be granted an exception by the Government Agreements Officer to use an alternative set of standards that meets the minimum criteria in DoDGARS 37.615 (b), if there is a compelling programmatic or business reason to do so.
- (c) For-profit participants that do not currently perform under expenditure-based Federal procurement contracts or assistance awards (other than TIAs), shall use its existing financial management system as long as the system meets the minimum criteria outlined in DoDGARS 37.615 (b).

4.02 PAYMENT – REIMBURSEMENT AND COST SHARING – WAWF (DCMA) (MAY 2014)(TAILORED)

- (a) The recipient shall be reimbursed by electronically submitting Standard Form (SF) 270, Requests for Advance or Reimbursement, through Wide Area Work Flow (WAWF), <https://wawf.eb.mil>. Each request

for payment shall include the total costs incurred and the amounts of recipient and Government cost share. The Government agrees to reimburse the recipient no more than the Government cost share percentage of all but the final payment requests submitted. The final payment will reflect the percentage representing the balance of Government cost share. Final payment will be made only after delivery and acceptance of the final report prepared in accordance with the article entitled 7.000 "Final Report".

- (b) The following codes will be required to route requests and emails correctly through WAWF.

Award Number: FA8650-23-2-5522
Type of Document: SF 270
Cage Code: 9AXR4
Issued By DODAAC: FA8650
Admin DODAAC: S4501A
Government Program Manager: [***]
Service Acceptor Office DODAAC: F4FBCN
Pay Office DODAAC: HQ0339
Approval Office DODAAC: S4501A
Send E-Mail Notifications for Completed SF 270: [***] and [***]

- (c) The customer service number for Vendor Pay is 800-756-4571 Option 1. Vendors may also check status of payments through MyInvoice, <https://MyInvoice.csd.disa.mil>. Recipients must register in MyInvoice to gain access.
- (d) Alternately, recipients may request reimbursement by submitting original SF 270, "Requests for Advance or Reimbursement", to the Administrative Agreements Officer (AAO) with a copy to the AFRL Grants/Agreements Officer and AFRL Program Manager.
- (e) To the maximum extent possible, payments will be made by electronic funds transfer (EFT) after AGO approval. Recipients may submit requests for monthly reimbursement when EFT payment is not used or as frequently as necessary when EFT payment is used.
- (f) Final payment of 1% the Government cost share will be made only after delivery and acceptance of the final report prepared in accordance with the Article entitled "Final Report".

4.03 AUDIT (JUL 2003) (TAILORED)

- (a) If the recipient expends \$750,000 or more in one year under Federal awards they shall have an audit performed for that year by an independent auditor, in accordance with DoDGARs 34.16 and DoDGARS 37.640 through 37.680. The audit should be made a part of the regularly scheduled, annual audit of the recipient's financial statements. However, the recipient may have Federal awards separately audited, if it elects to do so unless prohibited by Federal laws or regulations. (See DoDGARS Part 37 Appendix C for guidance on the desired coverage for periodic audits.)
- (b) Recipients currently working with the Defense Contract Audit Agency (DCAA) on a regular basis, due to the recipient currently performing under other federal awards, shall provide a copy of a DCAA audit to meet the requirements outlined in paragraph (a) above.
- (c) The Recipient shall provide a copy of the auditor's report to the Agreements Officer and the agreements administration office within 60 days after audit.

4.04 RETENTION AND ACCESS TO RECORDS - INCORPORATED BY REFERENCE (AUG 2001)

Recipient's financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained and access to them permitted in accordance with DoDGARs 34.42.

4.05 ALLOTTED FUNDING (OCT 2001)

The following funds are allotted to this agreement:

ACRNs	FUND CITATION(S)	AMOUNT
AA	[***]	\$24,812,062

Descriptive data:

MIPR LOA:
[***]

ALD:AA
CIN: HQ06423782410001

ACRNs	FUND CITATION(S)	AMOUNT
AB	[***]	\$34,412,114

Descriptive data:

MIPR LOA:
[***]

PR AND MIPR COMPLETE

4.06 PROGRAM INCOME – OTHER THAN RESEARCH (APR 2000) TAILORED)

- (a) Other than any program/project income excluded pursuant to DoDGARS Part 34.14, paragraphs (a), (b), and (c), program/project income earned during the Title III project period shall be retained by the recipient and used in one or more of the following ways, as specified in program/project regulations or the terms and conditions of the award.
- (1) Added to funds committed to the program/project by the DoD Component and recipient and used to further eligible program/project objectives.
 - (2) Used to finance the recipient cost share (non-Federal share) portion of the program/project.
- (b) The recipient has no obligation to the Government for program income earned after the end of the program/project period.
- (c) The recipient will have no obligation to the Government for program income earned from license fees and royalties for copyrighted material, patents patent applications, trademarks and inventions produced under the agreement.

- (d) The recipient may deduct costs associated with generating program income from gross income to determine program income, provided these costs are not charged to the agreement.

4.07 CONSIDERATION (JUN 2006)

- (a) The Recipient agrees that the selling price to the Federal Government for antimony trisulfide will not exceed the price paid by any of the Recipient's customers for the same or similar product or component sold in the same quantities. This article applies both when the Recipient is the prime contractor or when the Recipient is a supplier at any tier for the Federal Government.
- (b) In no event shall such price be in excess of the Recipient's sale price to any other of their customers for the same item in like quantity, or the current market price, whichever is lower.
- (c) All yield efficiencies resulting from Title III investment will be reflected in USG pricing for a minimum of five years from the conclusion of this agreement.
- (d) The above stated stipulations shall remain in effect for a period of five years from the conclusion of this agreement.

4.08 COST SHARING (AUG 2001)

- (a) The parties estimate that the research and development work under this Agreement can only be accomplished with the Recipient aggregate resource contribution of \$0 throughout the term of this Agreement. The Recipient agrees to provide the resources in the manner shown in Attachment 8, Cost Sharing Summary and Schedule. Failure of either party to provide its respective total contribution may result in a unilateral modification to the Agreement by the Agreements Officer to reflect a proportional reduction in funding for the other party.
- (b) The Recipient's contributions may count as cost sharing only to the extent that they comply with DoDGARs 34.13.

5.000 CLAIMS, DISPUTES AND APPEALS (JUN 2001)

- (a) **General.** Parties shall communicate with one another in good faith and in a timely and cooperative manner when raising issues under this article. The Department of Defense's policy is to try to resolve all issues concerning agreements by mutual agreement at the Agreements Officer's level.
- (b) **Alternative Dispute Resolution (ADR):** A mutually agreeable form of ADR may be utilized at any time to facilitate resolution of issues submitted under this article. ADR procedures are any voluntary means used to resolve issues in controversy without resorting to formal administrative appeals or litigation. ADR procedures may be initiated in lieu of submission of a written claim to the Agreements Officer or an appeal to the Grant Appeal Authority (GAA), or at any appropriate time during a dispute.
- (c) **Claims Resolution Process.**
 - (1) **Recipient Claims:** Whenever disputes, disagreements, or misunderstandings arise, the parties shall attempt to resolve the issue(s) involved by discussion and mutual agreement as soon as practicable. Failing resolution by mutual agreement, the recipient may submit to the Agreements Officer, in writing, the relevant facts, including all data that supports the claim, identifying unresolved issues and specifying the clarification or remedy sought. Within 60 days of receipt of the written claim or issue in dispute, the Agreements Officer shall either:
 - (i) Prepare a written decision on the issue, including the basis for the decision, or

- (ii) Notify the recipient of a specific date when he or she will render a written decision, if more time is required to do so. The notice will include the reason for delaying the decision.
- (2) **Government Claims:** Government claims against a recipient shall be the subject of a written decision by the Agreements Officer.
- (3) **Appeals:** In the event the recipient decides to appeal the decision of the Agreements Officer, they must do so within 90 days of receipt of the decision. The appeal must be submitted, in writing, to the Grant Appeal Authority (GAA). The GAA is AFMC/PK. The GAA shall conduct a review of the matter and render a decision in writing within 30 days of receipt of the written appeal. Any such decision is not subject to further administrative review and shall be final and binding.
- (4) **Non-exclusivity of Remedies.** Nothing in this article is intended to limit a recipient's right to any remedy under the law.

5.001 OMBUDSMAN (APR 2008)

- (a) An ombudsman has been appointed to hear and facilitate the resolution of concerns from offerors, potential offerors, and others for this agreement. When requested, the ombudsman will maintain strict confidentiality as to the source of the concern. The existence of the ombudsman does not affect the authority of the program manager, Agreements Officer, or Evaluation Review Official. Further, the ombudsman does not participate in the evaluation of proposals, the evaluation process, or the adjudication of protests or formal contract disputes. The ombudsman may refer the party to another official who can resolve the concern.
- (b) If resolution cannot be made by the Agreements Officer, concerned parties may contact the AFRL ombudsman:

Primary: AFRL/PK Director
Alternate Ombudsman: AFRL/PK Deputy Director

1864 Fourth St
Wright-Patterson AFB OH 45433-7130 937-904-9700
Email: [***]
- (c) The ombudsman has no authority to render a decision that binds the agency.
- (d) Do not contact the ombudsman to request copies of the solicitation, verify offer due date, or clarify technical requirements. Such inquiries shall be directed to the Agreements Officer.

6.00 PATENT INFRINGEMENT (APR 2000)

The recipient agrees not to hold the U.S. Government responsible for any and all patent infringement cases that may arise under any research projects conducted under this agreement. In addition, the recipient shall indemnify the Government against all claims and proceedings for actual or alleged direct or contributory infringement of, or inducement to infringe, any U.S. or foreign patent, trademark, or copyright arising under this agreement and the recipient shall hold the government harmless from any resulting liabilities and losses provided the recipient is reasonably notified of such claims and proceedings.

6.01 INVENTIONS (JUN 2001)

- (a) **Definitions:**

- (1) **“Invention”** means any invention or discovery which is or may be patentable or otherwise protectable under Title 35 of the United States Code, or any novel variety of plant which is or may be protected under the Plant Variety Protection Act (7 U.S.C. 2321 et seq.).
 - (2) **“Subject invention”** means any invention of the recipient conceived or first actually reduced to practice in the performance of work under this agreement, provided that in the case of a variety of plant, the date of determination (as defined in section 41(d) of the Plant Variety Protection Act, 7 U.S.C. 2401(d)) must also occur during the period of agreement performance.
 - (3) **“Practical Application”** means to manufacture in the case of a composition or product, to practice in the case of a process or method, or to operate in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is being utilized and that its benefits are, to the extent permitted by law or government regulations, available to the public on reasonable terms.
 - (4) **“Made”** when used in relation to any invention means the conception or first actual reduction to practice of such invention.
 - (5) **“Small Business Firm”** means a small business concern as defined at section 2 of Pub. L. 85-536 (15 U.S.C. 632) and implementing regulations of the Administrator of the Small Business Administration. For the purpose of this article, the size standards for small business concerns involved in Government procurement and subcontracting at 13 CFR 121.3-8 and 13 CFR 121.3- 12, respectively, will be used.
 - (6) **“Nonprofit Organization”** means a university or other institution of higher education or an organization of the type described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c) and exempt from taxation under section 501(a) of the Internal Revenue Code (25 U.S.C.501(a)) or any nonprofit scientific or educational organization qualified under a state nonprofit organization statute.
- (b) **Allocation of Principal Rights:**
- (1) The recipient may retain the entire right, title, and interest throughout the world to each subject invention subject to the provisions of this article and 35 U.S.C. 203. With respect to any subject invention in which the recipient retains title, the Government shall have a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States the subject invention throughout the world.
- (c) **Invention Disclosure, Election of Title and Filing of Patent Application by Recipient:**
- (1) The recipient will disclose each subject invention to the Government within 2 months after the inventor discloses it in writing to recipient personnel responsible for patent matters. The disclosure to the Government shall be in the form of a written report and shall identify the agreement under which the invention was made and the inventor(s). It shall be sufficiently complete in technical detail to convey a clear understanding to the extent known at the time of the disclosure, of the nature, purpose, operation, and the physical, chemical, biological or electrical characteristics of the invention. The disclosure shall also identify any publication, on sale or public use of the invention and whether a manuscript describing the invention has been submitted for publication and, if so, whether it has been accepted for publication at the time of disclosure. In addition, after disclosure to the Government, the recipient will promptly notify the Government of the acceptance of any manuscript describing the invention for publication or of any on sale or public use planned by the recipient.

- (2) The recipient will elect in writing whether or not to retain title to any such invention by notifying the Government within 2 years of disclosure to the Government. However, in any case where publication, on sale or public use has initiated the one year statutory period wherein valid patent protection can still be obtained in the United States, the period for election of title may be shortened by the Government to a date that is no more than 60 days prior to the end of the statutory period.
 - (3) The recipient will file its initial patent application on a subject invention to which it elects to retain title within 1 year after election of title or, if earlier, prior to the end of any statutory period wherein valid patent protection can be obtained in the United States after a publication, on sale, or public use. The recipient will file patent applications in additional countries or international patent offices within either 10 months of the corresponding initial patent application or 6 months from the date permission is granted by the Commissioner of Patents and Trademarks to file foreign patent applications where such filing has been prohibited by a Secrecy Order.
 - (4) Requests for extension of the time for disclosure, election, and filing under subparagraphs (1), (2), and (3) may, at the discretion of the Government, be granted.
- (d) **Conditions When the Government May Obtain Title:** The recipient will convey to the Government, upon written request, title to any subject invention—
- (1) If the recipient fails to disclose or elect title to the subject invention within the times specified in (c), above, or elects not to retain title; provided that the Government may only request title within 60 days after learning of the failure of the recipient to disclose or elect within the specified times.
 - (2) In those countries in which the recipient fails to file patent applications within the times specified in (c) above; provided, however, that if the recipient has filed a patent application in a country after the times specified in (c) above, but prior to its receipt of the written request of the Government, the recipient shall continue to retain title in that country.
 - (3) In any country in which the recipient decides not to continue the prosecution of any application for, to pay the maintenance fees on, or defend in reexamination or opposition proceeding on, a patent on a subject invention.
- (e) **Minimum Rights to Recipient and Protection of the Recipient Right to File:**
- (1) The recipient will retain a nonexclusive royalty-free license throughout the world in each subject invention to which the Government obtains title, except if the recipient fails to disclose the invention within the times specified in (c), above. The recipient's license extends to its domestic subsidiary and affiliates, if any, within the corporate structure of which the recipient is a party and includes the right to grant sublicenses of the same scope to the extent the recipient was legally obligated to do so at the time the agreement was awarded. The license is transferable only with the approval of the Government except when transferred to the successor of that party of the recipient's business to which the invention pertains.
 - (2) The recipient's domestic license may be revoked or modified by the Government to the extent necessary to achieve expeditious practical application of the subject invention pursuant to an application for an exclusive license submitted in accordance with applicable provisions at 37 CFR part 404 and Government licensing regulations (if any). This license will not be revoked in that field of use or the geographical areas in which the recipient has achieved practical application and continues to make the benefits of the invention reasonably accessible to the public. The license in any foreign country may be revoked or modified at the discretion of the Government to the extent the recipient, its licensees, or the domestic subsidiaries or affiliates have failed to achieve practical application in that foreign country.

- (3) Before revocation or modification of the license, the Government will furnish the recipient a written notice of its intention to revoke or modify the license, and the recipient will be allowed 30 days (or such other time as may be authorized by the Government for good cause shown by the recipient) after the notice to show cause why the license should not be revoked or modified. The recipient has the right to appeal, in accordance with applicable regulations in 37 CFR part 404 and Government regulations (if any) concerning the licensing of Government-owned inventions, any decision concerning the revocation or modification of the license.

(f) Recipient Action to Protect the Government's Interest:

- (1) The recipient agrees to execute or to have executed and promptly deliver to the Government all instruments necessary to (i) establish or confirm the rights the Government has throughout the world in those subject inventions to which the recipient elects to retain title, and (ii) convey title to the Government when requested under paragraph (d) above and to enable the Government to obtain patent protection throughout the world in that subject invention.
 - (2) The recipient agrees to require, by written agreement, its employees, other than clerical and nontechnical employees, to disclose promptly in writing to personnel identified as responsible for the administration of patent matters and in a format suggested by the recipient each subject invention made under an agreement in order that the recipient can comply with the disclosure provisions of paragraph (c), above, and to execute all papers necessary to file patent applications on subject inventions and to establish the Government's rights in the subject inventions. This disclosure format should require, as a minimum, the information required by (c)(1), above. The recipient shall instruct such employees through employee agreements or other suitable educational programs on the importance of reporting inventions in sufficient time to permit the filing of patent applications prior to U.S. or foreign statutory bars.
 - (3) The recipient will notify the Government of any decisions not to continue the prosecution of a patent application, pay maintenance fees, or defend in a reexamination or opposition proceeding on a patent, in any country, not less than 30 days before the expiration of the response period required by the relevant patent office.
 - (4) The recipient agrees to include, within the specification of any United States patent applications and any patent issuing thereon covering a subject invention, the following statement, "This invention was made with Government support under (identify the agreement) awarded by (identify the Federal Agency). The Government has certain rights in the invention."
- (g) Lower Tier Agreements:** The recipient will include this article, suitably modified to identify the parties, in all lower tier agreements, regardless of tier, for experimental, developmental or research work. Each subrecipient will retain all rights provided for the recipient in this article, and the recipient will not, as part of the consideration for awarding a subrecipient award, obtain rights in a subrecipients' subject inventions.
- (h) Reporting on Utilization of Subject Inventions:** The recipient agrees to submit on request periodic reports no more frequently than annually on the utilization of a subject invention or on efforts at obtaining such utilization that are being made by the recipient or its licensees or assignees. Such reports shall include information regarding the status of development, date of first commercial sale or use, gross royalties received by the recipient, and such other data and information as the Government may reasonably specify. The recipient also agrees to provide additional reports as may be requested by the Government in connection with any march-in proceeding undertaken by the Government in accordance with paragraph (j) of this article. As required by 35 U.S.C. 202(c)(5), the Government agrees it will not disclose such information to persons outside the Government without permission of the recipient.
- (i) Preference for United States Industry:** Notwithstanding any other provision of this article, the recipient agrees that neither it nor any assignee will grant to any person the exclusive right to use or sell any subject inventions in the United States unless such person agrees that any products embodying the

subject invention or produced through the use of the subject invention will be manufactured substantially in the United States. However, in individual cases, the requirement for such an agreement may be waived by the Government upon a showing by the recipient or its assignee that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible.

- (j) **March-in Rights:** The recipient agrees that with respect to any subject invention in which it has acquired title, the Government has the right in accordance with the procedures in 37 CFR 401.6 and any supplemental regulations of the Government to require the recipient, an assignee or exclusive licensee of a subject invention to grant a nonexclusive, partially exclusive, or exclusive license in any field of use to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, and if the recipient, assignee, or exclusive licensee refuses such a request the Government has the right to grant such a license itself if the Government determines that:
- (1) Such action is necessary because the recipient or assignee has not taken, or is not expected to take within a reasonable time, effective steps to achieve practical application of the subject invention in such field of use.
 - (2) Such action is necessary to alleviate health or safety needs which are not reasonably satisfied by the recipient, assignee or their licensees;
 - (3) Such action is necessary to meet requirements for public use specified by Federal regulations and such requirements are not reasonably satisfied by the recipient, assignee or licensees; or
 - (4) Such action is necessary because the agreement required by paragraph (i) of this article has not been obtained or waived or because a licensee of the exclusive right to use or sell any subject invention in the United States is in breach of such agreement.
 - (5) Special Provisions for Agreements with Nonprofit Organizations
- (k) If the recipient is a nonprofit organization, it agrees that:
- (1) Rights to a subject invention in the United States may not be assigned without the approval of the Government, except where such assignment is made to an organization which has as one of its primary functions the management of inventions, provided that such assignee will be subject to the same provisions as the recipient;
 - (2) The recipient will share royalties collected on a subject invention with the inventor, including Federal employee co-inventors (when the Government deems it appropriate) when the subject invention is assigned in accordance with 35 U.S.C. 202(e) and 37 CFR 401.10;
 - (3) The balance of any royalties or income earned by the recipient with respect to subject inventions, after payment of expenses (including payments to inventors) incidental to the administration of subject inventions, will be utilized for the support of scientific research or education; an
 - (4) It will make efforts that are reasonable under the circumstances to attract licensees of subject invention that are small business firms and that it will give a preference to a small business firm when licensing a subject invention if the recipient determines that the small business firm has a plan or proposal for marketing the invention which, if executed, is equally as likely to bring the invention to practical application as any plans or proposals from applicants that are not small business firms; provided, that the recipient is also satisfied that the small business firm has the capability and resources to carry out its plan or proposal. The decision whether to give a preference in any specific case will be at the discretion of the recipient. However, the recipient agrees that the Secretary may review the recipient's licensing program and decisions regarding

small business applicants, and the recipient will negotiate changes to its licensing policies, procedures, or practices with the Secretary when the Secretary's review discloses that the recipient could take reasonable steps to implement more effectively the requirements of this paragraph (k)(4).

- (l) **Communication:** The point of contact on matters relating to this article will be the servicing Staff Judge Advocate's office identified in the article entitled Administrative Responsibilities.

6.02 DATA RIGHTS (AUG 2001)

(a) Definitions:

"Government Purposes", as used in this article, means any activity in which the United States Government is a party, including cooperative agreements with international or multinational defense organizations, or sales or transfers by the United States Government to foreign governments or international organizations. Government purposes include competitive procurement, but do not include the rights to use, modify, reproduce, release, perform, display, or disclose data for commercial purposes or authorize others to do so.

"Government Purpose Rights", as used in this article, means the right to –

- (1) Use, modify, reproduce, release, perform, display, or disclose technical data within the Government without restriction; and
- (2) Release or disclose technical data outside the Government and authorize persons to whom release or disclosure has been made to use, modify, reproduce, release, perform, display, or disclose that data for United States government purposes.

"Limited rights", means the rights to use, modify, reproduce, release, perform, display, or disclose technical data, in whole or in part, within the Government. The Government may not, without the written permission of the party asserting limited rights, release or disclose the technical data outside the Government, use the technical data for manufacture; or authorize the technical data to be used by another party, except that the Government may reproduce, release, or disclose such data or authorize the use of reproduction of the data by persons outside the Government if –

- (1) The reproduction, release, disclosure, or use is -
 - (A) Necessary for emergency repair and overhaul; or
 - (B) A release or disclosure to –
 - i. A covered government support contractor, for use, modification, reproduction, performance, display, or release or disclosure to authorized person(s) in performance of a Government contract.

or

 - ii. A foreign government, of technical data, other than detailed manufacturing or process data, when use of such data by the foreign government is in the interest of the government and is required for evaluation or information purposes;
- (2) The Recipient of the technical data is subject to a prohibition on the further reduction, release, disclosure, or use of the technical data; and
- (3) The contractor or subcontractor asserting the resection is notified of such reproduction, release, disclosure, or use.

“**Unlimited Rights**”, as used in this article, means rights to use, modify, reproduce, perform, display, release, or disclose data in whole or in part, in any manner, and for any purpose whatsoever, and to have or authorize others to do so.

“**Data**”, as used in this article, means recorded information, regardless of form or method or recording, which includes but is not limited to, technical data, software, trade secrets, and mask works. The term does not include financial, administrative, cost, pricing or management information and does not include subject inventions included under the article entitled Inventions.

“**Practical Application**”, as used in this article, means to manufacture in the case of a composition or product, to practice in the case of a process or method, or to operate in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is being utilized and that its benefits are, to the extent permitted by law or government regulations, available to the public on reasonable terms.

(b) Allocation of Principal Rights:

- (1) Ownership rights to data generated under this agreement shall vest in the recipient. This agreement shall be performed with mixed Government and recipient funding and the parties agree that in consideration for Government funding, the recipient intends to reduce to practical application items, components and processes developed under this agreement.
- (2) The recipient agrees to retain and maintain in good condition until 3 years after completion or termination of this agreement, all data necessary to achieve practical application. In the event of exercise of the Government’s march-in rights as set forth under the Article entitled Inventions, the recipient agrees, upon written request from the Government, to deliver at no additional cost to the Government, all data necessary to achieve practical application within 60 days from the date of the written request. The Government shall have unlimited rights to this delivered data.
- (3) With respect to data generated under this agreement, including data delivered pursuant to Part 7 of this agreement, “Technical and Financial Reporting,” the Government shall receive Government Purpose rights.” In the event Perpetua asserts “Limited Rights” on any data, the Government may need to add a “Limited Rights” marking under paragraph (c) of this article.

(c) Marking of Data:

- (1) Pursuant to subparagraph (b)(3) above, any data delivered under this agreement shall be marked with the following legend:

Government Purpose Rights

Agreement No.:

Recipient’s Name:

Recipient’s Address:

The Government may use, modify, reproduce, release, perform, display or disclose these data within the Government without restriction, and may release or disclose outside the Government and authorize persons to whom such release or disclosure has been made to use, modify, reproduce, release, perform, display or disclose that data for United States Government purposes, including competitive procurement.

- (2) Any trade secrets and commercial or financial information the recipient wishes to protect from release under Freedom of Information Act (FOIA) requirements must be marked with a legend identifying it as privileged or confidential information.

- (d) Lower Tier Agreements:** The recipient shall include this article, suitably modified to identify the parties, in all subcontracts or lower tier agreements, regardless of tier, for experimental, developmental, or research work.

6.03 INVENTIONS / PATENTS (NOV 2011) (TAILORED)

- (a) The clause entitled Patent Rights (Small Business Firms and Nonprofit Organizations, (37 CFR 401.14(a)) is hereby incorporated by reference and is modified as follows: replace the word “contractor” with “recipient”; replace the words “agency,” “Federal Agency” and “funding Federal Agency” with “Government”; replace the word “contract” with “agreement”; delete paragraphs (g)(2), (g)(3) and the words “to be performed by a small business firm or domestic nonprofit organization” from paragraph (g)(1). Paragraph (l), Communications, point of contact on matters relating to this clause will be the servicing Staff Judge Advocate’s office.
- (b) Interim or final Invention Reports 1) listing subject invention(s) and stating that all subject inventions have been disclosed, or 2) stating that there are no such inventions, shall be sent to both the Administrative Agreements Officer at the address located in the agreement and to the Agreements Officer / patent administrator at [***], with a courtesy copy (cc:) to the government Program Manager/Project Engineer. Please include in the subject line of the e-mail the contract number followed by the words “Invention Reporting.” Also include in the body of the e-mail the names of the Government Project Engineer/Program Manager and his/her office symbol. The recipient shall file Invention (Patent) Reports on the DD Form 882, Report of Inventions and Subcontracts, as of the close of each performance year and at the end of the term for this agreement. Annual reports are due 90 days after the end of each year of performance and final reports are due 90 days after the expiration of the final performance period. Negative reports are also required annually.
- (c) The DD Form 882 may also be used for the notification of any subaward(s) for experimental, developmental or research work which contain a “Patent Rights” clause, with a cc: to the Government Program Manager/Project Engineer.
- (d) All other notifications (e.g., disclosure of each subject invention to the Agreements Officer within 2 months after the inventor discloses it) shall also be sent to the e-mail address above, with a cc: to the Government Program Manager/Project Engineer.
- (e) This provision also constitutes the request for the following information for any subject invention for which the recipient has retained ownership: 1) the filing date, 2) serial number and title, 3) a copy of the patent application and 4) patent number and issue date. Submittal shall be to the Agreements Officer / patent administrator e-mail address listed above, with a cc: to the government Program Manager/Project Engineer.

6.04 FOREIGN ACCESS TO TECHNOLOGY (APR 2000)

(a) **Definitions:**

“**Foreign Firm or Institution**” means a firm or institution organized or existing under the laws of a country other than the United States, its territories, or possessions. The term includes, for purposes of this agreement, any agency or instrumentality of a foreign government, and firms, institutions or business organizations which are owned or substantially controlled by foreign governments, firms, institutions, or individuals.

“**Know-how**” means all information including, but not limited to, discoveries, formulas, materials, inventions, processes, ideas, approaches, concepts, techniques, methods, software, programs, documentation, procedures, firmware, hardware, technical data, specifications, devices, apparatus and machines.

“**Technology**” means discoveries, innovations, know-how and inventions, whether patentable or not, including computer software, recognized under U.S. law as intellectual creations to which rights of ownership accrue, including, but not limited to, patents, trade secrets, mask works, and copyrights developed under this agreement.



(b) **General:** The parties agree that research findings and technology developments in the production of antimony trisulfide may constitute a significant enhancement to the national defense, and to the economic vitality of the United States. Accordingly, access to important technology developments under this agreement by foreign firms or institutions must be carefully controlled. The controls contemplated in this article are in addition to, and are not intended to change or supersede, the provisions of the International Traffic in Arms Regulation (22 CFR pt. 120 et seq.), the DOD Industrial Security Regulation (DOD 5220.22-R) and the Department of Commerce Export Regulation (15 CFR pt. 770 et seq.).

(c) **Restrictions on Sale or Transfer of Technology to Foreign Firms or Institutions.**

- (1) In order to promote the national security interests of the United States and to effectuate the policies that underlie the regulations cited above, the procedures stated in subparagraphs C.2, C.3, and C.4 below shall apply to any transfer of technology. For purposes of this paragraph, a transfer includes a sale of the company, and sales or licensing of technology. Transfers do not include:
 - (i) Sales of products or components, or
 - (ii) Licenses of software or documentation related to sales of products or components, or
 - (iii) Transfer to foreign subsidiaries of the recipient (recipient participants) for purposes related to this agreement, or
 - (iv) Transfer which provides access to technology to a foreign firm or institution which is an approved source of supply or source for the conduct of research under this agreement provided that such transfer shall be limited to that necessary to allow the firm or institution to perform its approved role under this agreement.
 - (2) The recipient shall provide timely notice to the Government of any proposed transfer from the recipient of technology developed under this agreement to foreign firms or institutions. If the Government determines that the transfer may have adverse consequences to the national security interests of the United States, the recipient, its vendors, and the Government shall jointly endeavor to find alternatives to the proposed transfer which obviate or mitigate potential adverse consequences of the transfer but which provide substantially equivalent benefits to the recipient.
 - (3) In any event, the recipient shall provide written notice to the Agreements Officer and Government program manager of any proposed transfer to a foreign firm or institution at least 60 days prior to the proposed date of transfer. Such notice shall cite this article and shall state specifically what is to be transferred and the general terms of the transfer. Within 30 days of receipt of the recipient's written notification, the Agreements Officer shall advise the recipient whether it consents to the proposed transfer. In cases where the Government does not concur or 60 days after receipt and the Government provides no decision, the recipient may utilize the procedures under the article entitled Claims, Disputes and Appeals. No transfer shall take place until a decision is rendered.
 - (4) Except as provided in subparagraph C.1 above and in the event the transfer of technology to foreign firms or institutions is not approved by the Government, but the transfer is made nonetheless, the recipient shall (a) refund to the Government the funds paid for the development of the technology and (b) negotiate a license with the Government to the technology under terms that are reasonable under the circumstances.
- (d) **Lower Tier Agreements:** The recipient shall include this article, suitably modified to identify the parties, in all subcontracts or lower tier agreements, regardless of tier, for experimental, development, or research work.

(e) This article shall remain in effect during the term of the agreement and for 5 years thereafter.



- (a) For the purpose of this article,
 - (1) Foreign person is any person who is not a citizen or national of the U.S. or lawfully admitted to the U.S. for permanent residence under the Immigration and Nationality Act, and includes foreign corporations, international organizations, and foreign governments;
 - (2) Foreign representative is anyone, regardless of nationality or citizenship, acting as an agent, representative, official, or employee of a foreign government, a foreign-owned or influence firm, corporation or person;
 - (3) Foreign sources are those sources (vendors, subcontractors, and suppliers) owned and controlled by a foreign person.
- (b) The Recipient shall place an article/clause in subawards/subcontracts containing appropriate export control restrictions, set forth in this article.
- (c) Nothing in this article waives any requirement imposed by any other U.S. Government agency with respect to employment of foreign nationals or export-controlled data and information.
- (d) All information generated and delivered under this agreement shall be reviewed to determine whether it is subject to additional requirements under the International Traffic in Arms Regulation (ITAR), 22 CFR Sections 121 through 128. If any information is determined to be subject to additional requirements, it shall be protected accordingly. An export license may be required before assigning any foreign source to perform work under this agreement or before granting access to foreign persons to any information generated or delivered during performance (see 22 CFR Section 125).

7.00 FINAL REPORT (JUN 2001) (TAILORED)

- (a) The Final Report shall be submitted within 90 days of the end of the technical effort. Two (2) copies of the report shall be provided to the following person(s) listed in the article entitled Administrative Responsibilities: Government Program Manager. The technical portion of the report should be suitable for publication and is to provide a recap of the program and program accomplishments. With the approval of the Government Program Manager, reprints of published articles may be submitted or attached to the technical portion of the Final Report. The business portion of the report shall contain separate discussion of total cost incurred, total costs contributed by each Recipient member with an explanation for any deviation from the original business plan.
- (b) The report shall be tailored to include the official "Title III/OSD" emblem to be placed in the upper right hand corner of the front cover with affected entries adjusted as required (AFRL will supply a copy of the emblem). Draft report shall be unbound, in standard size type, double-spaced and single sided. Reproducible shall be:
 - 1) Camera ready, unbound, suitable for offset reproduction, and
 - 2) On CD-ROM or ZIP drive disk compatible with MS-Office for Windows, and both shall incorporate all changes made in the corrected draft.
 - 3) All photos shall be glossy finished. Submit the reproducible(s) with the final corrected version only.
- (c) The Recipient is reminded that the National Industrial Security Program Operating Manual, DOD 5220.22-M, Chapter 4, Paragraph 4-208(a), dated January 1995 requires that records be maintained when documents derive classified from multiple sources.



- (d) The Recipient shall receive approval/disapproval by letter from the Air Force Program Manager within 30 days after receipt of Air Force comments. Disapproval requires correction/resubmission within 30 days after receipt of Air Force comments.
- (e) The Final Report submission to the Government is exempt from disclosure requirements of 5 U.S.C. 552 (Freedom of Information Act - Exemption 4 thereunder) for a period of 5 years from the date identifying the documents as being submitted on a confidential basis.
- (f) **Distribution Statement.** In addition to any other required legend, mark all data delivered under this agreement with the distribution statement located in Article 7.007.

7.01 REPORTING SUBAWARDS AND EXECUTIVE COMPENSATION (OCT 2010) (TAILORED)

(a) Reporting of First-Tier Subawards:

- (1) **Applicability.** Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a subaward to an entity (see definitions in paragraph e. of this award term).
- (2) **Where and When to Report:**
 - (i) You must report each obligating action described in paragraph (a)(1) of this award term to <http://www.fsr.gov>.
 - (ii) For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)
- (3) **What to Report.** You must report the information about each obligating action that the submission instructions posted at <http://www.fsr.gov> specify.

(b) Reporting Total Compensation of Recipient Executives:

- (1) **Applicability and What to Report.** You must report total compensation for each of your 5 most highly compensated executives for the preceding completed fiscal year, if
 - (i) The total Federal funding authorized to date under this award is \$25,000 or more;
 - (ii) In the preceding fiscal year, you received-
 - (A) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
 - (B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
 - (iii) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the

compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/excomp.htm>.)

- (2) **Where and When to Report:** You must report executive total compensation described in paragraph (b)(1) of this award term:

- (i) As part of your registration profile at <https://SAM.gov>
- (ii) By the end of the month following the month in which this award is made, and annually thereafter.

(c) **Reporting of Total Compensation of Subrecipient Executives:**

(1) **Applicability and what to report.** Unless you are exempt as provided in paragraph d. of this award term, for each first-tier subrecipient under this award, you shall report the names and total compensation of each of the subrecipients' five most highly compensated executives for the subrecipients preceding completed fiscal year, if-

(i) In the subrecipients preceding fiscal year, the subrecipient received-

(A) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and

(ii) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/excomp.htm>.)

(2) **Where and When to Report.** You must report subrecipient executive total compensation described in paragraph (c)(1) of this award term:

(i) **To the Recipient:**

(ii) By the end of the month following the month during which you make the subaward. For example, if a subaward is obligated on any date during the month of October of a given year (i.e., between October 1 and 31), you must report any required compensation information of the subrecipient by November 30 of that year.

(d) **Exemptions:** If, in the previous tax year, you had gross income, from all sources, under \$300,000, you are exempt from the requirements to report:

(1) Subawards, and

(2) The total compensation of the five most highly compensated executives of any subrecipient.

(e) **Definitions.** For purposes of this award term:

(1) **“Entity”** means all of the following, as defined in 2 CFR part 25:

(i) A Governmental organization, which is a State, local government, or Indian tribe;

(ii) A foreign public entity;

(iii) A domestic or foreign nonprofit organization;

- (iv) A domestic or foreign for-profit organization;
 - (v) A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.
- (2) **“Executive”** means officers, managing partners, or any other employees in management positions.
- (3) **“Subaward”**:
- (i) This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
 - (ii) The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see 2 CFR part 200, subpart F, “Audit Requirements”).
 - (iii) A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.
- (4) **“Subrecipient”** means an entity that:
- (i) Receives a subaward from you (the recipient) under this award; and
 - (ii) Is accountable to you for the use of the Federal funds provided by the subaward.
- (5) Total compensation means the cash and noncash dollar value earned by the executive during the recipient’s or subrecipients preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):
- (i) Salary and bonus.
 - (ii) Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
 - (iii) Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
 - (iv) Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
 - (v) Above-market earnings on deferred compensation which is not tax-qualified.
 - (vi) Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

7.02 FUNDS AND MANHOURLY EXPENDITURE REPORT (SEP 2005)

- (a) The Funds and Man-hour Expenditure Report shall be submitted on a quarterly basis. First submission shall commence at the close of the Recipient's monthly accounting period. One copy of the Report shall be provided to the following persons listed in the Article entitled "Administrative Responsibilities": Government Program Manager, Agreements Officer, Financial Management, and Administration Office. Report may be submitted via e-mail. This report shall contain the following:
- (1) A tabular listing of funding and man-hour expenditures inclusive of the reporting period compared to original baseline values, including to-completion estimates;
 - (2) A graphical plot of planned versus actual funding expenditures to include Government and Cost Share Funding, and
 - (3) A graphical plot of planned and actual percentage of work completed.
- (b) Each task, job-order, sub-task, or unit of work will be separately addressed. If schedule or milestone reporting is also a reporting requirement under the Agreement, the breakdown of work task elements should be consistent with that reporting. Attachment 5 entitled Funds and Man-hour Report is provided for use in meeting this requirement.
- (c) The report identified in paragraph (a) above, shall contain the following data elements:
- (1) **Original Negotiated Agreement** - A summary of all cost elements associated with the original negotiated Agreement. This is defined as the Recipient's original cost proposal, as negotiated and accepted by the Government. It is that cost as it appears on the original award document. Its elements shall contain that cost estimate breakdown by category (i.e., direct labor, burden/overhead, material/parts, travel, subsistence, fringe, General and Administrative, fee, outstanding commitments, etc.) as provided in the accepted proposal. Items and amounts specified in this entry shall remain constant on successive reports during the term of the award.
 - (2) **Latest Negotiated Agreement Changes** - A summary of the latest negotiated Agreement changes. It shall be a recapitulation of the Original Negotiated Agreement data elements provided above reflecting all subsequent changes resulting from agreement modifications. Breakdown by category shall "none" if revised proposals have no effect.
 - (3) **Reporting Period Expenditures** - Expenditure data for the current reporting period for the work task categories used in Original Negotiated Agreement and Latest Negotiated Agreement Changes (as applicable), and covering man hours, funds, and the change (new orders minus fulfilled orders) in outstanding commitments.
 - (4) **Cumulative Expenditure to Date** - Cumulative man hour, funds, and outstanding commitments expenditure data through the current reporting period for the work task categories used in Original Negotiated Agreement and Latest Negotiated Agreement Changes (as applicable). Additionally, how cumulative costs as a percentage of those costs.
 - (5) **Estimated Cost-to-Complete** - The estimated costs required to complete the work task from the reporting date to the date of completion. This estimate shall be defined by categories as they appear in the Original Negotiated Agreement and Latest Negotiated Agreement Changes. All estimates shall be justified.
 - (6) **Latest Cost Estimate** - An estimate of the final cost at completion of the work effort. This is derived from Cumulative Expenditure to Date and Estimated Cost-to-Complete. Deviations between the original award and/or latest negotiated award change shall be justified/explained in footnote remarks.
- (d) The Funds Expenditure Graph identified above, shall contain the following:

The graph shall be reproducible to enable periodic changes reflecting current award funding status to be entered. The graph shall portray, on a periodic basis, the planned versus actual total dollar expenditures and the percentage of the total award dollars that the expenditure represents.

(e) The Work Completed Graph identified in paragraph (c) above, shall contain the following:

- (1) A Work Completed Graph shall reflect the percentage of work completed by the awardee through the current reporting period. The graph shall plot actual completion versus planned completion, and shall be maintained current and be fully legible and reproducible.

Distribution Statement. In addition to any other required legend, mark all data delivered under this Agreement with the distribution statement located in Article 7.007 below.

7.03 RECIPIENT'S PROGRESS, STATUS AND MANAGEMENT REPORT (SEPT 2005)

The Recipient's Progress, Status, and Management Report shall be submitted on a quarterly basis. First submission shall commence at the close of the Recipient's monthly accounting period. The report can be tailored to allow Recipient's format. One copy each shall be provided to the following persons as listed in the article entitled, Administrative Responsibilities: Government Program Manager. Report may be submitted via e-mail.

This report shall contain the following:

- (a) A front cover sheet, which includes the Recipient's name and address, the agreement number, the name of the program, the date of the report, the period covered by the report, the title of the report, the security classification and the name of the issuing Government activity.
- (b) Description of the progress made against milestones during the reporting period.
- (c) Results, positive or negative, obtained related to previously identified program areas, with conclusions and recommendations.
- (d) Any significant changes to the Recipient's organization or method of operation, to the project management network, or to the milestone chart.
- (e) Problem areas affecting technical or scheduling elements, with background and any recommendations for solutions beyond the scope of the agreement.
- (f) Problem areas affecting cost elements, with background and any recommendations for solutions beyond the scope of the agreement.
- (g) Any trips and significant results.
- (h) Agreement schedule status.
- (i) Plans for activities during the following reporting period.
- (j) Name and telephone number of preparer of the report.
- (k) Appendices for any necessary tables, references, photographs, illustrations, and charts.
- (l) A Gantt chart in Microsoft Project or other available software to include:
 - (i) Tasks and subtasks

(ii) Milestones



- (iii) Equipment milestones on material delivery, payment schedule, and installation dates
 - (iv) Percent of work complete for each task and subtask.
- (m) Distribution Statement. In addition to any other required legend, mark all data delivered under this agreement with the distribution statement located in Article 7.007.

7.04 STRATEGIC BUSINESS PLAN (SEP 2005)

- (a) The Strategic Business Plan shall be submitted no later than 9 months after agreement award. Attachment 4 may be used as an outline for the topic areas to be addressed in the report. The report can be tailored to allow the Recipient's format. One copy of the report shall be provided to the following persons listed in the article entitled Administrative Responsibilities: Government Program Manager.
- (b) Report may be submitted via e-mail. The Recipient shall receive approval or disapproval by letter from the Air Force Program Manager within 30 days after receipt. Disapproval requires correction/resubmission within 30 days after receipt of Air Force comments. Submit reproducible on media compatible with MS-Office for Windows.
- (c) Strategic Business Plan submissions to the Government are exempt from disclosure requirements of 5 U.S.C. 552 (Freedom of Information Act - Exemption 4 thereunder) for a period of five years from the date the Department receives the information. The Recipient shall mark such information with a legend identifying the documents as being submitted on a confidential basis.
- (d) Distribution Statement: In addition to any other required legend, mark all data delivered under this agreement with the distribution statement located in Article 7.007.

7.05 PROPERTY CONTROL LIST (JAN 2009)

Attachment 7, Property Control List, shall be utilized for the tracking of property under this agreement and shall be submitted quarterly to the Government Program Manager identified in Article 1.002 Administrative Responsibilities. Report may be submitted via e-mail. This list shall track:

- 1) Federally owned equipment,
- 2) Equipment acquired in whole or in part with Federal funds, and
- 3) Equipment provided by the recipient as their non-federal share (cost share) contribution.

Distribution Statement. In addition to any other required legend, mark all data delivered under this agreement with the distribution statement located in Article 7.007.

7.06 PRESENTATION MATERIAL (APR 2005)

Presentation Material shall be submitted after each briefing or review as appropriate. The maximum quantity of view graphs shall not exceed 250 per presentation. If requested, the Government may remove any Recipient insignia, trade names or symbols from presentation material. One electronic copy (via email or CD) shall be provided to the following persons as listed in the article entitled Administrative Responsibilities: Government Program Manager. Submit reproducible in a PowerPoint file on media compatible with MS- Office for Windows.

If requested, some presentation material shall include text information in sufficient detail to explain key points pertaining to the individual chart(s). The text shall include the following statement: "The publication of this material does not constitute approval by the Government of the findings or conclusion herein. Wide

distribution or announcement of this material shall not be made without specific approval by the sponsoring Government activity.”

Distribution Statement: In addition to any other required legend, mark all data delivered under this agreement with this distribution statement located in Article 7.007.

7.07 DISTRIBUTION STATEMENT (AUG 2007)

DISTRIBUTION STATEMENT B. Distribution authorized to US Government agencies and approved DoD contractors functioning as technical advisors to the Government Title III program team. Other requests shall be referred to:

AFRL/RXM
2977 Hobson Way, Building 653
Wright-Patterson AFB, OH 45433-7739

All non-government personnel having access to data obtained/created/developed under this agreement will be required to sign non-disclosure agreement.

This statement may be used on unclassified and classified technical documents.

7.08 MARKETING PLAN (JUN 2006)

- (a) The Marketing Plan shall be submitted no later than 6 months after Agreement award. The report can be tailored to allow for Recipient’s desired format. Attachment 6 is provided to guide the Recipient in the level of detailed required. One copy each shall be provided to the following persons as listed in the article entitled “Administrative Responsibilities: Government Program Manager”.
- (b) The report may be submitted via e-mail. The Recipient shall receive approval or disapproval by letter from the Air Force Program Manager within 30 days after receipt. Disapproval requires correction/resubmission within 30 days after receipt of Air Force comments. Submit reproducible on media compatible with MS-Office for Windows.
- (c) Marketing Plan submissions to the Government are exempt from disclosure requirements of 5 U.S.C 552 (Freedom of Information Act - Exemption 4 thereunder) for a period of five years from the date the Department receives the information. The Recipient shall mark such information with a legend identifying the documents as being submitted on a confidential basis.
- (d) Distribution Statement: In addition to any other legend, mark all data delivered under this agreement with the distribution statement located in Article 7.007.

7.09 DISCLOSURE OF INFORMATION (MAY 2005)

- (a) The Recipient shall not release to anyone outside the Recipient’s organization any unclassified information, regardless of medium (e.g. film, tape, document, media announcements, etc.) pertaining to any part of this agreement or any program related to this agreement unless –
 - (1) The Agreements Officer has given prior written approval; or
 - (2) The information is otherwise in the public domain before the date of release.
- (b) Requests for approval shall identify the specific information to be released, the medium to be used, and the purpose for the release. The Recipient shall submit its request to the Agreements Officer at least 65 days before the proposed date for release.

- (c) The Recipient agrees to include a similar requirement in each sub-agreement under this agreement. Sub-recipients shall submit requests for authorization to release through the prime Recipient to the Agreements Officer.

8.000 ADMINISTRATIVE REQUIREMENTS FOR SUBAWARDS AND CONTRACTS (APR 2000) (TAILORED)

- (a) The recipients shall apply to each subaward the administrative requirements of 2 CFR 200 applicable to awards to universities or other nonprofit organizations and awards to state and local governments, and DoDGARs Part 34 shall be applied to for-profit entities.
- (b) Recipients awarding contracts under this agreement shall assure that contracts awarded contain, as a minimum, the provisions in Appendix A to DoDGARs Part 34.

8.01 PROCUREMENT STANDARDS (AUG 2001)

The recipient will:

- (a) Follow basic principles of business intended to produce rational decisions and fair treatment in all contracts entered into under this agreement.
- (b) Comply with federal statutes, executive orders, regulations, and other legal requirements applicable to contracts entered into under this agreement.
- (c) The recipient shall comply with DoDGARS 37.705 and 32 CFR 34.31 Purchasing Standards under this TIA.

8.02 CLOSEOUT (AUG 2001)

- (a) The cognizant Administrative Agreements Officer shall, at least 60 days prior to the expiration date of the award, contact the recipient to establish:
 - (1) All steps needed to close out the award, including submission of financial and performance reports, liquidation of obligations, and decisions on property disposition.
 - (2) A schedule for completing those steps.
- (b) The following provisions shall apply to the closeout:
 - (1) The responsible Agreements Officer and payment office shall expedite completion of steps needed to close out awards and make prompt, final payments to a recipient for allowable reimbursable costs under the award being closed out.
 - (2) The recipient shall promptly refund any unobligated balances of cash that the DoD Component has advanced or paid and that is not authorized to be retained by the recipient for use in other projects. For unreturned amounts that become delinquent debts see DoDGARs 22.820.
 - (3) The Agreements Officer may make a settlement for any downward adjustments to the Federal share of costs after closeout reports are received.
 - (4) The recipient shall account for any real property and personal property acquired with Federal funds or received from the Federal Government in accordance with the terms of the agreement.

- (5) If a final audit is required and has not been performed prior to the closeout of an award, the DoD Component shall retain the right to recover an appropriate amount after fully considering the recommendations on disallowed costs resulting from the final audit.
- (c) The closeout of an award does not affect any of the following:
- (1) The right of the Department of Defense to disallow costs and recover funds on the basis of a later audit or other review.
 - (2) The obligation of the recipient to return any funds due as a result of later refunds, corrections, or other transactions.
 - (3) Any specified audit requirements.
 - (4) Any specified property management requirements.
 - (5) Records retention as required by the agreement.
- (d) After closeout of an award, a relationship created under an award may be modified or ended in whole or in part with the consent of the Agreements Officer and the recipient, provided the responsibilities of the recipient referred to in the agreement, including those for property management as applicable, are considered and provisions made for continuing responsibilities of the recipient, as appropriate.

8.03 SYSTEM FOR AWARD MANAGEMENT AND UNIVERSAL ENTITY IDENTIFIER REQUIREMENTS (APR 2022)

- (a) Requirement for System for Award Management (SAM): Unless you are exempted from this requirement under 2 CFR 25.110, you as the recipient must maintain the currency of your information in the SAM until you submit the final financial report required under this award or receive the final payment, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another award term.
- (b) Requirement for Unique Entity Identifier (UEI): If you are authorized to make subawards under this award, you:
- (1) Must notify potential subrecipients that no entity (see definition in paragraph C of this award term) may receive a subaward from you unless the entity has provided its UEI to you.
 - (2) May not make a subaward to an entity unless the entity has provided its UEI to you.
- (c) **Definitions:** For purposes of this award term:
- (1) **System for Award Management (SAM)** means the Federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the SAM Internet site (currently at <https://SAM.gov>).
 - (2) **Unique Entity Identifier (UEI)** number means the unique identifier established and assigned by the General Services Administration (GSA) within the SAM.gov website.
 - (3) Entity, as it is used in this award term, means all of the following, as defined at 2 CFR part 25, subpart C:
 - (i) A Governmental organization, which is a State, local government, or Indian Tribe;

- (ii) A foreign public entity;
 - (iii) A domestic or foreign nonprofit organization;
 - (iv) A domestic or foreign for-profit organization; and
 - (v) A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.
- (4) **Subaward:**
- (i) This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
 - (ii) The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see 2 CFR part 200, subpart F).
 - (iii) A subaward may be provided through any legal agreement, including an agreement that you consider a contract.
- (5) Subrecipient means an entity that:
- (i) Receives a subaward from you under this award; and
 - (ii) Is accountable to you for the use of the Federal funds provided by the subaward.

9.000 ASSURANCES (FEB 2001)

- (a) By signing or accepting funds under the agreement, the recipient assures that it will comply with applicable provisions of the following National policies on:
- (1) Prohibiting discrimination:
 - (i) On the basis of race, color, or national origin, in Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d, et seq.), as implemented by DoD regulations at 32 CFR part 195;
 - (ii) On the basis of age, in the Age Discrimination Act of 1975 (42 U.S.C. 6101, et seq.) as implemented by Department of Health and Human Services regulations at 45 CFR part 90;
 - (iii) On the basis of handicap, in Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by Department of Justice regulations at 28 CFR part 41 and DoD regulations at 32 CFR part 56;
 - (2) The Clean Air Act (42 U.S.C. 7401, et seq.) and Clean Water Act (33 U.S. 1251, et seq.), as implemented by Executive Order 11738 (3 CFR, 1971-1975 Comp., p. 799).
- (b) The recipient shall obtain assurances of compliance from contractors and recipients at lower tiers.

9.001 U.S. FLAG AIR CARRIERS (NOV 1999)

Travel supported by U.S. Government funds under this agreement shall use US-flag air carriers (air carriers holding certificates under 49 U.S.C. 41102) for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974 (49

U.S.C. 40118) and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B138942. (See

General Services Administration amendment to the Federal Travel Regulations, Federal Register (Vol 63, No. 219, 63417-63421.)

9.002 PROHIBITION ON USING FUNDS UNDER GRANTS AND COOPERATIVE AGREEMENTS WITH ENTITIES THAT REQUIRE CERTAIN INTERNAL CONFIDENTIALITY AGREEMENTS (JUN 2015)

- (a) The recipient may not require its employees, contractors, or subrecipients seeking to report fraud, waste, or abuse to sign or comply with internal confidentiality agreements or statements prohibiting investigative or law enforcement representative of a Federal department or agency authorized to receive such information.
- (b) The recipient must notify its employees, contractors, or subrecipients that the prohibitions and restrictions of any internal confidentiality agreements inconsistent with paragraph (a) of this award provisions are no longer in effect.
- (c) The prohibition in paragraph a of this award provision does not contravene requirements applicable to Standard Form 312, Form 4414, or any other form issued by a Federal department or agency governing the nondisclosure of classified information.
- (d) If the Government determines that the recipient is not in compliance with this award provision it:
 - (1) Will prohibit the recipient's use of funds under this award, in accordance with section 743 of Division E of the Consolidated and Further Continuing Resolution Appropriations Act, 2015 (Pub. L. 113- 235) or any successor provision of law; and
 - (2) May pursue other remedies available for the recipient's material failure to comply with award terms and conditions.

9.03 SAFEGUARDING COVERED DEFENSE INFORMATION AND CYBER INCIDENT REPORTING (DEC 2019)

(a) **Definitions.** As used in this article –

Adequate security means protective measures that are commensurate with the consequences and probability of loss, misuse, or unauthorized access to, or modification of information.

Compromise means disclosure of information to unauthorized persons, or a violation of the security policy of a system, in which unauthorized intentional or unintentional disclosure, modification, destruction, or loss of an object, or the copying of information to unauthorized media may have occurred.

Recipient attributional/proprietary information means information that identifies the recipient(s), whether directly or indirectly, by the grouping of information that can be traced back to the recipient(s) (e.g., program description, facility locations), personally identifiable information, as well as trade secrets, commercial or financial information, or other commercially sensitive information that is not customarily shared outside of the company.

Controlled technical information means technical information with military or space application that is subject to controls on the access, use, reproduction, modification, performance, display, release, disclosure, or dissemination. Controlled technical information would meet the criteria, if disseminated, for distribution statements B through F using the criteria set forth in DoD Instruction 5230.24, Distribution Statements on Technical Documents. The term does not include information that is lawfully publicly available without restrictions.

Covered recipient information system means an unclassified information system that is owned, or operated by or for, a recipient and that processes, stores, or transmits covered defense information.

Covered defense information means unclassified controlled technical information or other information, as described in the Controlled Unclassified Information (CUI) Registry at <http://www.archives.gov/cui/registry/category-list.html>, that requires safeguarding or dissemination controls pursuant to and consistent with law, regulations, and Government wide policies, and is -

- (1) Marked or otherwise identified in the agreement and provided to the recipient by or on behalf of DoD in support of the performance of the agreement; or
- (2) Collected, developed, received, transmitted, used, or stored by or on behalf of the recipient in support of the performance of the agreement.

Cyber incident means actions taken through the use of computer networks that result in a compromise or an actual or potentially adverse effect on an information system and/or the information residing therein.

Forensic analysis means the practice of gathering, retaining, and analyzing computer-related data for investigative purposes in a manner that maintains the integrity of the data.

Information system means a discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information.

Malicious software means computer software or firmware intended to perform an unauthorized process that will have adverse impact on the confidentiality, integrity, or availability of an information system.

This definition includes a virus, worm, Trojan horse, or other code-based entity that infects a host, as well as spyware and some forms of adware.

Media means physical devices or writing surfaces including, but is not limited to, magnetic tapes, optical disks, magnetic disks, large-scale integration memory chips, and printouts onto which covered defense information is recorded, stored, or printed within a covered recipient information system.

Operationally critical support means supplies or services designated by the Government as critical for airlift, sealift, intermodal transportation services, or logistical support that is essential to the mobilization, deployment, or sustainment of the Armed Forces in a contingency operation.

Rapidly report means within 72 hours of discovery of any cyber incident.

Technical information means technical data or computer software. Examples of technical information include research and engineering data, engineering drawings, and associated lists, specifications, standards, process sheets, manuals, technical reports, technical orders, catalog-item identifications, data sets, studies and analyses and related information, and computer software executable code and source code.

(b) **Adequate security.** The Recipient shall provide adequate security on all covered recipient information systems. To provide adequate security, the Recipient shall implement, at a minimum, the following information security protections:

- (1) For covered recipient information systems that are part of an information technology (IT) service or system operated on behalf of the Government, the following security requirements apply:
 - (i) Cloud computing services shall be subject to the security requirements specified in the 48 CFR §252.239-7010, Cloud Computing Services.

- (ii) Any other such IT service or system (*i.e.*, other than cloud computing) shall be subject to the security requirements specified elsewhere in this Agreement.

- (2) For covered recipient information systems that are not part of an IT service or system operated on behalf of the Government and therefore are not subject to the security requirement specified at paragraph (b)(1) of this article, the following security requirements apply:
- (i) Except as provided in paragraph (b)(2)(ii) of this article, the covered recipient information system shall be subject to the security requirements in National Institute of Standards and Technology (NIST) Special Publication (SP) 800-171, “Protecting Controlled Unclassified Information in Nonfederal Information Systems and Organizations” (available via the internet at <http://dx.doi.org/10.6028/NIST.SP.800-171>) in effect at the time the solicitation is issued or as authorized by the Agreements officer.
 - (ii)
 - (A) The Recipient shall implement NIST SP 800-171, as soon as practical, but not later than December 31, 2017. For all agreements awarded prior to October 1, 2017, the Recipient shall notify the DoD Chief Information Officer (CIO), via email at [***], within 30 days of contract/agreement award, of any security requirements specified by NIST SP 800-171 not implemented at the time of contract or agreement award.
 - (B) The Recipient shall submit requests to vary from NIST SP 800-171 in writing to the Agreements officer, for consideration by the DoD CIO. The Recipient need not implement any security requirement adjudicated by an authorized representative of the DoD CIO to be nonapplicable or to have an alternative, but equally effective, security measure that may be implemented in its place.
 - (C) If the DoD CIO has previously adjudicated the recipient’s requests indicating that a requirement is not applicable or that an alternative security measure is equally effective, a copy of that approval shall be provided to the Agreements officer when requesting its recognition under this agreement.
 - (D) If the Recipient intends to use an external cloud service provider to store, process, or transmit any covered defense information in performance of this agreement, the Recipient shall require and ensure that the cloud service provider meets security requirements equivalent to those established by the Government for the Federal Risk and Authorization Management Program (FedRAMP) Moderate baseline (<https://www.fedramp.gov/resources/documents/>) and that the cloud service provider complies with requirements in paragraphs (c) through (g) of this article for cyber incident reporting, malicious software, media preservation and protection, access to additional information and equipment necessary for forensic analysis, and cyber incident damage assessment.
- (3) Apply other information systems security measures when the Recipient reasonably determines that information systems security measures, in addition to those identified in paragraphs (b)(1) and (2) of this article, may be required to provide adequate security in a dynamic environment or to accommodate special circumstances (e.g., medical devices) and any individual, isolated, or temporary deficiencies based on an assessed risk or vulnerability. These measures may be addressed in a system security plan.

(c) *Cyber incident reporting requirement.*

- (1) When the Recipient discovers a cyber incident that affects a covered recipient information system or the covered defense information residing therein, or that affects the recipient’s ability to perform the requirements of the agreement that are designated as operationally critical support and identified in the agreement, the Recipient shall –
- (i) Conduct a review for evidence of compromise of covered defense information, including, but not limited to, identifying compromised computers, servers, specific data, and user accounts. This review

shall also include analyzing covered recipient information system(s) that were part of the cyber incident, as well as other information systems on the Recipient's network(s), that may have been accessed as a result of the incident in order to identify compromised covered defense information, or that affect the Recipient's ability to provide operationally critical support; and

- (ii) Rapidly report cyber incidents to DoD at <https://dibnet.dod.mil>.
- (2) **Cyber incident report.** The cyber incident report shall be treated as information created by or for DoD and shall include, at a minimum, the required elements at <https://dibnet.dod.mil>.
- (3) **Medium assurance certificate requirement.** In order to report cyber incidents in accordance with this article, the Recipient or Subrecipients/Subcontractors shall have or acquire a DoD-approved medium assurance certificate to report cyber incidents. For information on obtaining a DoD-approved medium assurance certificate, see <https://public.cyber.mil/eca/>.
- (d) **Malicious software.** When the Recipient or subrecipients/subcontractors discover and isolate malicious software in connection with a reported cyber incident, submit the malicious software to DoD Cyber Crime Center (DC3) in accordance with instructions provided by DC3 or the Agreements officer. Do not send the malicious software to the Agreements officer.
- (e) **Media preservation and protection.** When a Recipient discovers a cyber incident has occurred, the Recipient shall preserve and protect images of all known affected information systems identified in paragraph (c)(1)(i) of this article and all relevant monitoring/packet capture data for at least 90 days from the submission of the cyber incident report to allow DoD to request the media or decline interest.
- (f) **Access to additional information or equipment necessary for forensic analysis.** Upon request by DoD, the Recipient shall provide DoD with access to additional information or equipment that is necessary to conduct a forensic analysis.
- (g) **Cyber incident damage assessment activities.** If DoD elects to conduct a damage assessment, the Agreements officer will request that the Recipient provide all of the damage assessment information gathered in accordance with paragraph (e) of this article.
- (h) **DoD safeguarding and use of recipient attributional/proprietary information.** The Government shall protect against the unauthorized use or release of information obtained from the recipient (or derived from information obtained from the recipient) under this article that includes recipient attributional/proprietary information, including such information submitted in accordance with paragraph (c). To the maximum extent practicable, the Recipient shall identify and mark attributional/proprietary information. In making an authorized release of such information, the Government will implement appropriate procedures to minimize the recipient attributional/proprietary information that is included in such authorized release, seeking to include only that information that is necessary for the authorized purpose(s) for which the information is being released.
- (i) **Use and release of recipient attributional/proprietary information not created by or for DoD.** Information that is obtained from the recipient (or derived from information obtained from the recipient) under this article that is not created by or for DoD is authorized to be released outside of DoD –
 - (1) To entities with missions that may be affected by such information;
 - (2) To entities that may be called upon to assist in the diagnosis, detection, or mitigation of cyber incidents;
 - (3) To Government entities that conduct counterintelligence or law enforcement investigations;

- (4) For national security purposes, including cyber situational awareness and defense purposes (including with Defense Industrial Base (DIB) participants in the program at 32 CFR part 236); or

- (5) To a support services contractor (“recipient”) that is directly supporting Government activities under a contract/ agreement that includes 48 CFR §252.204-7009, Limitations on the Use or Disclosure of Third-Party Contractor Reported Cyber Incident Information.
- (j) **Use and release of recipient attributional/proprietary information created by or for DoD.** Information that is obtained from the recipient (or derived from information obtained from the recipient) under this article that is created by or for DoD (including the information submitted pursuant to paragraph (c) of this article) is authorized to be used and released outside of DoD for purposes and activities authorized by paragraph (i) of this article, and for any other lawful Government purpose or activity, subject to all applicable statutory, regulatory, and policy based restrictions on the Government’s use and release of such information.
- (k) The Recipient shall conduct activities under this article in accordance with applicable laws and regulations on the interception, monitoring, access, use, and disclosure of electronic communications and data.
- (l) **Other safeguarding or reporting requirements.** The safeguarding and cyber incident reporting required by this article in no way abrogates the Recipient’s responsibility for other safeguarding or cyber incident reporting pertaining to its unclassified information systems as required by other applicable articles of this agreement, or as a result of other applicable U.S. Government statutory or regulatory requirements.
- (m) **Subrecipients/Subcontracts.** The Recipient shall -
- (1) Include this article, including this paragraph (m), to subrecipient or subcontracts or similar contractual instruments, for operationally critical support, or for which subrecipient/subcontract performance will involve covered defense information, including subcontracts for commercial items, without alteration, except to identify the parties. The Recipient shall determine if the information required for subrecipient/subcontractor performance retains its identity as covered defense information and will require protection under this article, and, if necessary, consult with the Agreements Officer; and
 - (2) Require subrecipients/subcontractors to -
 - (i) Notify the prime Recipient (or next higher-tier subrecipient/subcontractor) when submitting a request to vary from a NIST SP 800-171 security requirement to the Agreements Officer, in accordance with paragraph (b)(2)(ii)(B) of this article; and
 - (ii) Provide the incident report number, automatically assigned by DoD, to the prime Recipient (or next higher-tier subrecipient/subcontractor) as soon as practicable, when reporting a cyber incident to DoD as required in paragraph (c) of this article.

9.04 RECIPIENT COUNTERFEIT ELECTRONIC PART DETECTION AND AVOIDANCE SYSTEM (AUG 2016)

- (a) This article applies only to recipients and agreements that are subject to Cost Accounting Standards as stated in 41 U.S.C §1502(c).
- (b) Definitions. As used in this article—

“Authorized aftermarket manufacturer” means an organization that fabricates a part under a contract or agreement with, or with the express written authority of, the original component manufacturer based on the original component manufacturer’s designs, formulas, and/or specifications.

“Authorized supplier” means a supplier, distributor, or an aftermarket manufacturer with a contractual arrangement with, or the express written authority of, the original manufacturer or

current design activity to buy, stock, repackage, sell, or distribute the part.

“Contract manufacturer” means a company that produces goods under contract for another company under the label or brand name of that company.

“Contractor-approved supplier” means a supplier that does not have a contractual agreement with the original component manufacturer for a transaction, but has been identified as trustworthy by a contractor or subcontractor.

“Counterfeit electronic part” means an unlawful or unauthorized reproduction, substitution, or alteration that has been knowingly mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified electronic part from the original manufacturer, or a source with the express written authority of the original manufacturer or current design activity, including an authorized aftermarket manufacturer. Unlawful or unauthorized substitution includes used electronic parts represented as new, or the false identification of grade, serial number, lot number, date code, or performance characteristics.

“Electronic part” means an integrated circuit, a discrete electronic component (including, but not limited to, a transistor, capacitor, resistor, or diode), or a circuit assembly (section 818(f)(2) of Pub. L. 112-81).

“Obsolete electronic part” means an electronic part that is no longer available from the original manufacturer or an authorized aftermarket manufacturer.

“Original component manufacturer” means an organization that designs and/or engineers a part and is entitled to any intellectual property rights to that part.

“Original equipment manufacturer” means a company that manufactures products that it has designed from purchased components and sells those products under the company’s brand name.

“Original manufacturer” means the original component manufacturer, the original equipment manufacturer, or the contract manufacturer.

“Suspect counterfeit electronic part” means an electronic part for which credible evidence (including, but not limited to, visual inspection or testing) provides reasonable doubt that the electronic part is authentic.

(c) Acceptable counterfeit electronic part detection and avoidance system. The Awardee shall establish and maintain an acceptable counterfeit electronic part detection and avoidance system. Failure to maintain an acceptable counterfeit electronic part detection and avoidance system, as defined in this article, may result in disapproval of the purchasing system by the Agreements Officer and/or withholding of payments and affect the allowability of costs of counterfeit electronic parts or suspect counterfeit electronic parts and the cost of rework or corrective action that may be required to remedy the use or inclusion of such parts (see 48 CFR §231.205-71).

(d) System criteria. A counterfeit electronic part detection and avoidance system shall include risk-based policies and procedures that address, at a minimum, the following areas:

(1) The training of personnel.

(2) The inspection and testing of electronic parts, including criteria for acceptance and rejection. Tests and inspections shall be performed in accordance with accepted Government- and industry-recognized techniques. Selection of tests and inspections shall be based on minimizing risk to the Government. Determination of risk shall be based on the assessed probability of receiving a counterfeit electronic part; the probability that the inspection or test selected will detect a counterfeit electronic part; and the potential negative consequences of a counterfeit electronic part being installed

(e.g., human safety, mission success) where such consequences are made known to the Awardee.

(3) Processes to abolish counterfeit parts proliferation.

(4) Risk-based processes that enable tracking of electronic parts from the original manufacturer to product acceptance by the Government, whether the electronic parts are supplied as discrete electronic parts or are contained in assemblies, in accordance with paragraph (c) of the clause at 252.246-7008, Sources of Electronic Parts (also see paragraph (c)(2) of this article).

(5) Use of suppliers in accordance with the clause at 48 CFR §252.246-7008.

(6) Reporting and quarantining of counterfeit electronic parts and suspect counterfeit electronic parts. Reporting is required to the Agreements Officer and to the Government-Industry Data Exchange Program (GIDEP) when the Awardee becomes aware of, or has reason to suspect that, any electronic part or end item, component, part, or assembly containing electronic parts purchased by the DoD, or purchased by a Recipient for delivery to, or on behalf of, the DoD, contains counterfeit electronic parts or suspect counterfeit electronic parts. Counterfeit electronic parts and suspect counterfeit electronic parts shall not be returned to the seller or otherwise returned to the supply chain until such time that the parts are determined to be authentic.

(7) Methodologies to identify suspect counterfeit parts and to rapidly determine if a suspect counterfeit part is, in fact, counterfeit.

(8) Design, operation, and maintenance of systems to detect and avoid counterfeit electronic parts and suspect counterfeit electronic parts. The Awardee may elect to use current Government- or industry-recognized standards to meet this requirement.

(9) Flow down of counterfeit detection and avoidance requirements, including applicable system criteria provided herein, to subcontractors/subrecipients at all levels in the supply chain that are responsible for buying or selling electronic parts or assemblies containing electronic parts, or for performing authentication testing.

(10) Process for keeping continually informed of current counterfeiting information and trends, including detection and avoidance techniques contained in appropriate industry standards, and using such information and techniques for continuously upgrading internal processes.

(11) Process for screening GIDEP reports and other credible sources of counterfeiting information to avoid the purchase or use of counterfeit electronic parts.

(12) Control of obsolete electronic parts in order to maximize the availability and use of authentic, originally designed, and qualified electronic parts throughout the product's life cycle.

(e) The Awardee shall include the substance of this article in subcontracts and subrecipients, including subcontracts for commercial items, for electronic parts or assemblies containing electronic parts.

9.05 PROHIBITION ON MAKING AWARDS FOR CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT (AUG 2020)

(a) *Definitions.* As used in this article—

Backhaul means intermediate links between the core network, or backbone network, and the small subnetworks at the edge of the network (e.g., connecting cell phones/towers to the core telephone

network). Backhaul can be wireless (e.g., microwave) or wired (e.g., fiber optic, coaxial cable, Ethernet).

Covered foreign country means The People's Republic of China.

Covered telecommunications equipment or services means—

- (1) Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities);
- (2) For the purpose of public safety, security of Government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);
- (3) Telecommunications or video surveillance services provided by such entities or using such equipment; or
- (4) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

Critical technology means—

- (1) Defense articles or defense services included on the United States Munitions List set forth in the International Traffic in Arms Regulations under subchapter M of chapter I of title 22, Code of Federal Regulations;
- (2) Items included on the Commerce Control List set forth in Supplement No. 1 to part 774 of the Export Administration Regulations under subchapter C of chapter VII of title 15, Code of Federal Regulations, and controlled—
 - (i) Pursuant to multilateral regimes, including for reasons relating to national security, chemical and biological weapons proliferation, nuclear nonproliferation, or missile technology; or
 - (ii) For reasons relating to regional stability or surreptitious listening;
- (3) Specially designed and prepared nuclear equipment, parts and components, materials, software, and technology covered by part 810 of title 10, Code of Federal Regulations (relating to assistance to foreign atomic energy activities);
- (4) Nuclear facilities, equipment, and material covered by part 110 of title 10, Code of Federal Regulations (relating to export and import of nuclear equipment and material);
- (5) Select agents and toxins covered by part 331 of title 7, Code of Federal Regulations, part 121 of title 9 of such Code, or part 73 of title 42 of such Code; or
- (6) Emerging and foundational technologies controlled pursuant to section 1758 of the Export Control Reform Act of 2018 (50 U.S.C. 4817).

Interconnection arrangements means arrangements governing the physical connection of two or more networks to allow the use of another's network to hand off traffic where it is ultimately delivered

(e.g., connection of a customer of telephone provider A to a customer of telephone company B) or sharing data and other information resources.

Reasonable inquiry means an inquiry designed to uncover any information in the entity's possession about the identity of the producer or provider of covered telecommunications equipment or services used by the entity that excludes the need to include an internal or third-party audit.

Roaming means cellular communications services (e.g., voice, video, data) received from a visited network when unable to connect to the facilities of the home network either because signal coverage is too weak or because traffic is too high.

Substantial or essential component means any component necessary for the proper function or performance of a piece of equipment, system, or service.

(b) Prohibition.

- (1) Section 889(a)(1)(A) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the head of an executive agency on or after August 13, 2019, from procuring or obtaining, or extending or renewing an award to procure or obtain, any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. The Recipient is prohibited from providing to the Government any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system, unless an exception at paragraph (c) of this article applies or the covered telecommunication equipment or services are covered by a waiver by the Secretary of the Air Force in consultation with the Office of the Director of National Intelligence (ODNI).
- (2) Section 889(a)(1)(B) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the head of an executive agency on or after August 13, 2020, from entering into an award, or extending or renewing an award, with an entity that uses any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system, unless an exception at paragraph (c) of this article applies or the covered telecommunication equipment or services are covered by a waiver by the Secretary of the Air Force in consultation with the Office of the Director of National Intelligence (ODNI). This prohibition applies to the use of covered telecommunications equipment or services, regardless of whether that use is in performance of work under a Federal award.

(c) *Exceptions*. This article does not prohibit Recipients from providing—

- (1) A service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or
- (2) Telecommunications equipment that cannot route or redirect user data traffic or permit visibility into any user data or packets that such equipment transmits or otherwise handles.

(d) *Reporting requirement*.

- (1) In the event the Recipient identifies covered telecommunications equipment or services used as a substantial or essential component of any system, or as critical technology as part of any system, during award performance, or the Recipient is notified of such by a subrecipient at any tier or by any other source, the Recipient shall report the information in paragraph (d)(2) of this article to the Agreements Officer, unless elsewhere in this award are established procedures for reporting the information; in the case of the Department of Defense, the Recipient shall report to the website at

<https://dibnet.dod.mil>. For indefinite delivery agreements, the Recipient shall report to the Agreements Officer for the indefinite delivery agreement and the Agreements Officer(s) for any affected order or, in the case of the Department of Defense, identify both the indefinite delivery award and any affected orders in the report provided at <https://dibnet.dod.mil>.

- (2) The Recipient shall report the following information pursuant to paragraph (d)(1) of this article:
- (i) Within one business day from the date of such identification or notification: The award number; the order number(s), if applicable; supplier name; supplier unique entity identifier (if known); supplier Commercial and Government Entity (CAGE) code (if known); brand; model number (original equipment manufacturer number, manufacturer part number, or wholesaler number); item description; and any readily available information about mitigation actions undertaken or recommended.
 - (ii) Within 10 business days of submitting the information in paragraph (d)(2)(i) of this article: Any further available information about mitigation actions undertaken or recommended. In addition, the Recipient shall describe the efforts it undertook to prevent use or submission of covered telecommunications equipment or services, and any additional efforts that will be incorporated to prevent future use or submission of covered telecommunications equipment or services.
- (e) *Subawards*. The Recipient shall insert the substance of this article, including this paragraph (e) and excluding paragraph (b)(2), in all subawards and other contractual instruments, including awards for the acquisition of commercial items.

9.06 PROHIBITION ON A BYTEDANCE COVERED APPLICATION (JUN 2023)

- (a) Definitions. As used in this article—

Covered application means the social networking service TikTok or any successor application or service developed or provided by ByteDance Limited or an entity owned by ByteDance Limited.

Information technology, as defined in 40 U.S.C. 11101(6)—

- (1) Means any equipment or interconnected system or subsystem of equipment, used in the automatic acquisition, storage, analysis, evaluation, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the executive agency, if the equipment is used by the executive agency directly or is used by an awardee under an award with the executive agency that requires the use—
 - (i) Of that equipment; or
 - (ii) Of that equipment to a significant extent in the performance of a service or the furnishing of a product;
 - (2) Includes computers, ancillary equipment (including imaging peripherals, input, output, and storage devices necessary for security and surveillance), peripheral equipment designed to be controlled by the central processing unit of a computer, software, firmware and similar procedures, services (including support services), and related resources; but
 - (3) Does not include any equipment acquired by a Federal awardee incidental to a Federal award.
- (b) Prohibition. Section 102 of Division R of the Consolidated Appropriations Act, 2023 (Pub. L. 117-328), the No TikTok on Government Devices Act, and its implementing guidance under Office of Management and Budget (OMB) Memorandum M-23-13, dated February 27, 2023, “No TikTok on Government Devices” Implementation Guidance, collectively prohibit the presence or use of a covered application on executive agency information

technology, including certain equipment used by Federal awardee(s). The Awardee is prohibited from having or using a covered application on any information technology owned or

managed by the Government, or on any information technology used or provided by the Awardee under this award, including equipment provided by the Awardee's employees; however, this prohibition does not apply if the Grants Office/Agreements Officer provides written notification to the Awardee that an exception has been granted in accordance with OMB Memorandum M-23-13.

- (c) Subcontracts/Subrecipients. The Awardee shall insert the substance of this article, including this paragraph (c), in all subawards, including subawards for the acquisition of commercial products or commercial services.

9.07 AIR FORCE RESEARCH LABORATORY – WRIGHT RESEARCH SITE SECURITY REQUIREMENTS (SEP 2023)

- (a) Definitions. As used in this article -

Air Force Research Laboratory (AFRL) - managed facilities means -

- (1) AFRL buildings, areas, test facilities, and laboratories located at the AFRL Wright Research Site, Wright - Patterson Air Force Base (WPAFB), Ohio;
- (2) Buildings owned or facility space leased by the AFRL Wright Research Site, whether for single or multi - tenant occupancy, and its grounds and approaches, all or any portion of which is under the jurisdiction, custody, or control of the AFRL Wright Research Site;
- (3) Commercial space managed by the AFRL Wright Research Site that is shared with non - government tenants. For example, if the AFRL Wright Research Site leased the 10th floor of a commercial building, the directive applies to the 10th floor only;
- (4) Awardee - operated facilities owned by the AFRL Wright Research Site, including laboratories engaged in national defense research and production activities.

Augmented reality (AR) device means a device that is capable of, or assists in, augmented reality by enhancing or creating digital overlays. AR is used to enhance natural environments or situations and offers perceptually enriched and interactive experiences achieved through digital visual elements, sounds, and other sensory stimuli via holographic technology. Examples include, but are not limited to, hardware components such as display sensors, computers, projectors, input devices, mobile devices, eyewear, wireless communication devices, and cameras.

Data storage device means computer hardware used to remember/store data. Examples include, but are not limited to, remote or autonomous drones, CDs, DVDs, Blue - Rays, USB flash drives, jump/stick/pen drives, external hard drives, solid state drives, cloud storage, mainframes, laptops, desktops, and flopp disks.

Formal investigation means the process of investigation ordered by a competent U.S. Government authority that involves the questioning of involved parties and gathering of data with the intent to determine if classified or controlled unclassified information (CUI) was lost, compromised, suspected to be compromised, or not compromised at all.

Personal means items that are owned by an individual, person, or private entity and not provided for use under this grant or agreement by the U.S. Government.

Physical computer network means interconnected computing devices of any kind that can exchange data and share resources or communicate with other types of devices to execute operations or store information of any kind.

Security Incident Investigation (SII) means a formal investigation that occurs when there is a known or suspected loss of national security information (NSI) or CUI. U.S. Government security personnel conduct SIIs to (1) determine the circumstances surrounding an actual or potential compromise of NSI or CUI; (2) ascertain individual responsibility; (3) notify outside stakeholders, when necessary; and (4) make recommendations to prevent similar occurrences in the future.

Virtual device means a device with no associated hardware. A virtual device mimics a physical hardware device when, in fact, it exists only in software form. Therefore, the device makes the system believe that a particular hardware exists when in reality it does not. Examples include, but are not limited to, a computer, tablet, or smartphone that is simulated in a computer.

- (b) Prohibition. The following is prohibited within AFRL - managed facilities, except when explicitly authorized by a U.S. Government grant or agreement:

- (1) Prohibited activities -
 - a. Photography
 - b. Videography
 - c. Live Streaming
 - d. Recordings of any kind (e.g., audio)
- (2) Prohibited personal networks and devices -
 - a. AR devices
 - b. Virtual devices
 - c. Wi - Fi networks
 - d. Physical computer networks
 - e. Data storage devices
- (c) Waivers. A request for a waiver to the prohibitions outlined in paragraph (b) shall be submitted in writing to the Government Program Manager for internal Government coordination and approval. If a waiver request is granted, written approval shall be provided by the cognizant AFRL Operations Security (OPSEC) coordinator and Security Chief. The specific format for a waiver request will be provided upon request to the Government Program Manager.
- (d) Incident Reporting Requirement. If the awardee discovers a prohibited activity identified in paragraph (b) (1) has occurred within an AFRL - managed facility and/or a prohibited personal network or device identified in paragraph (b) (2) has been brought into an AFRL - managed facility without a valid waiver, as specified in paragraph (c), the incident shall be immediately reported in writing to the Government Program Manager with a courtesy copy to the Grant/Agreement Officer.
- (e) Violations. If a violation of this article occurs or is suspected to have occurred, the cognizant AFRL security organization will lead and conduct a formal investigation. If a violation or suspected violation may involve classified material, the cognizant AFRL security organization will lead and conduct a Security Incident Investigation (SII). Depending on the outcome of the investigation and the information involved, penalties for violations can range from a written warning to removal from the AFRL - managed facility and/or installation. Violations and potential penalties will be governed by the applicable articles (s), law (s), or regulation (s).
- (f) Subawards/Subcontracts. The awardee shall include this article in all subawards/subcontracts or similar contractual instruments/agreements relating to work performed under this grant or agreement.

(End of Article)

**TRANSITION AND SEPARATION AGREEMENT AND
GENERAL RELEASE OF CLAIMS**

This TRANSITION AND SEPARATION AGREEMENT AND GENERAL RELEASE OF CLAIMS (“*Agreement*”) is entered into this 10th day of May, 2024 by and between PERPETUA RESOURCES IDAHO, INC. (f/k/a Midas Gold Idaho Inc. and herein, the “*Company*”), and L. MICHAEL BOGERT (“*Employee*”). The Company and Employee are referred to individually as a “*Party*” and collectively as the “*Parties*.”

WHEREAS, Employee and the Company previously entered that certain Employment Agreement, dated August 21, 2018 (the “*Employment Agreement*”), pursuant to which Employee is employed by the Company as its General Counsel;

WHEREAS, via good faith communication, Employee has notified the Company of his intention to terminate his employment without Good Reason (as defined in the Employment Agreement);

WHEREAS, Employee and the Company have agreed that, effective as of May 10, 2024 (the “*Transition Date*”), Employee shall cease to serve as an executive officer of the Company and shall continue in employment pursuant to the terms set forth herein solely as a non-officer employee of the Company;

WHEREAS, the Parties desire to enter into this Agreement in order to memorialize Employee’s transition of his duties and eventual separation from employment;

WHEREAS, provided that Employee enters into this Agreement and satisfies the terms herein, then the Company will provide Employee with the compensation and benefits as set forth herein; and

WHEREAS, the Parties wish to resolve any and all claims that Employee has or may have against the Company or any of the other Company Parties (as defined below), including any claims that Employee may have arising out of Employee’s employment or the end of such employment.

NOW, THEREFORE, in consideration of the promises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Employee and the Company, the Parties hereby acknowledge and agree as follows:

1. Separation from Employment; Transition Period.

(a) Employee acknowledges and agrees that he has submitted his notice of resignation without Good Reason pursuant to Section 9(c) of the Employment Agreement. The Parties agree that, unless earlier terminated at the election of the Company or Employee, Employee’s employment with the Company shall end May 10, 2025. As used herein, the “*Separation Date*” means May 10, 2025, or such earlier date that Employee’s employment with the Company actually terminates.

(b) As of Transition Date, Employee hereby resigns from all roles, if any, as director, officer or trustee of the Company or any other Company Party. For the avoidance of doubt, Employee has not resigned from his employment as of the Transition Date. As of the Separation Date, Employee will have no further employment relationship with the Company or any other Company Party. As of the Separation Date, Employee will automatically be deemed to have resigned from all other positions held with the Company and each other Company Party.

(c) The Parties agree that, except with respect to those provisions of the Employment Agreement that survive its termination and as referenced in this Agreement, the Employment Agreement is terminated effective as of the Transition Date.

(d) From the Transition Date through the Separation Date (such period, the “**Transition Period**”), Employee shall be employed by the Company in the non-officer role of Special Counsel, and for all services provided during the Transition Period, Employee shall receive the base salary for which he was eligible immediately prior to the Transition Date. During the Transition Period, Employee shall continue to perform Employee’s duties as may be requested by the Company and shall provide such cooperation and assistance as the Company may reasonably request with respect to the transition of his duties and responsibilities.

2. Compensation During Transition Period. Provided that Employee (a) timely executes (and does not revoke) this Agreement pursuant to the terms set forth in Section 6(a) below, (b) timely executes (and does not revoke) the Confirming Release, and (c) abides by each of Employee’s commitments set forth herein (collectively, the “**Release Requirements**”), then the Company shall employ Employee during the Transition Period and provide Employee with the following payments and benefits:

(a) Base Salary. From the Transition Date through the end of the Transition Period, Employee shall continue to receive a base salary at the annualized rate of \$217,548 subject to applicable taxes and withholdings, (payable in accordance with ordinary payroll practices). In the event the Company elects for Employee’s termination date to be earlier than May 10, 2025, and such earlier termination is not due to Cause (as defined in the Employment Agreement), provided that Employee has complied with the Release Requirements, then the Company shall provide Employee with a payment in an amount equal to Employee’s base salary (then in effect as of the Transition Date) for the period of time between Employee’s actual earlier Separation Date and May 10, 2025, less applicable taxes and withholdings, paid in a lump sum payment on the Company’s first regularly scheduled payroll date that occurs at least five (5) days after the Confirming Release Effective Date (as defined in the Confirming Release) (the “**Payment Date**”).

(b) Benefits. From the Transition Date through the end of the Transition Period, Employee shall remain eligible for all employee medical, life insurance, disability insurance and such other similar insurance benefits or benefit plans offered to executives of the Company for which Employee is eligible as of the Transition Date, subject to applicable plan terms as in effect from time to time. The Company reserves the right to amend, modify or discontinue its benefit programs from time to time and nothing herein will be construed to limit such right.

(c) 2024 Annual Bonus. Employee shall continue to be eligible to participate in the Company’s annual incentive plan for the 2024 performance period on the same terms and

conditions as in effect immediately prior to the Transition Date and as set forth on Schedule C of the Employment Agreement. Employee's 2024 annual bonus (the "2024 Bonus"), to the extent earned, shall be paid in 2025 at the same time as executive bonuses are paid generally under the Company's annual incentive plan; provided, however, that in the event the Company elects for Employee's termination date to be earlier than May 10, 2025 and prior to the date that the 2024 Bonus is paid, and such earlier termination is not due to Cause, provided that Employee has complied with the Release Requirements, then the Company shall provide Employee with a 2024 Bonus in an amount no less than Employee's actual bonus payment received for the 2023 performance period, less applicable taxes and withholdings, paid in a lump sum payment on the Payment Date.

(d) 2025 Annual Bonus. In addition, Employee shall be eligible to earn a pro-rata annual incentive bonus for a portion of the 2025 performance period, which amount shall be equal to the amount paid for the 2024 performance period, but pro-rated based on the number of days Employee is employed in 2025 through the last day of the Transition Period. The 2025 annual bonus shall be paid on the Payment Date. Employee shall not participate in the Company's annual incentive cash bonus program for any period following the Separation Date.

(e) Equity Awards. Employee shall not be eligible to receive new awards under the Company's equity incentive compensation programs following the Transition Date. However, any equity awards held by Employee as of the Transition Date will remain outstanding and subject to the terms and conditions of the applicable plan documents and governing award agreements. Any equity awards held by Employee as of the Separation Date shall be treated as follows, subject to the terms of the applicable plan and award agreement:

(i) Options. Outstanding options granted pursuant to the 2011 Evergreen Incentive Stock Option Plan maintained by Perpetua Resources Corp (the "**Parent**" and f/k/a Midas Gold) and as amended from time to time (the "**Evergreen Plan**") that remain unvested on the Separation Date shall be forfeited, and any options granted pursuant to the Evergreen Plan that are vested as of the Separation Date (the "**Options**") shall remain exercisable for a period of 30 days following the Separation Date, or if sooner, the expiration of the Option Period (as such term is defined in the Evergreen Plan) for such Option.

(ii) Restricted Stock Units. Outstanding restricted stock units ("**RSUs**") granted pursuant to the Parent's Omnibus Equity Incentive Plan, as amended from time to time (the "**Omnibus Plan**") shall become vested in a pro-rata amount through the Separation Date, calculated based on the pro-ration formula provided in the applicable award agreement.

(iii) Performance Share Units. Outstanding performance share units ("**PSUs**") granted pursuant to the Omnibus Plan shall become vested in a pro-rata amount through the Separation Date, calculated based on the pro-ration formula provided in the applicable award agreement and with such pro-rated amount based on the target number of PSUs.

(iv) Withholding. All applicable tax withholding obligations with respect to any Options, RSUs, and PSUs that become vested or exercised in accordance with Section 2(e) hereof will be subject to withholding in accordance with the terms of the applicable plan and award agreement.

3. Satisfaction of Company Obligations; Receipt of Leaves, Bonuses, and Other Compensation. Employee expressly acknowledges and agrees that he would not be entitled to ongoing employment through the Transition Period and the consideration in Section 2 above but for his entry into this Agreement and compliance with the terms herein. Employee further represents, acknowledges and agrees that, with the exception of: 1) any unpaid base salary earned by him in the pay period in which Employee's date of signing this Agreement occurred; and 2) any sums to which Employee may be entitled pursuant to this Agreement, including his base salary and bonuses during the Transition Period and his continued vesting in his equity awards, Employee has been paid in full all bonuses, been provided all benefits, and otherwise received all wages, compensation, and other sums owed by the Company and the other Company Parties to Employee. Employee further represents, acknowledges and agrees that he has received all leaves (paid and unpaid) that he has been entitled to receive from the Company and the other Company Parties through the Transition Date. Employee further acknowledges and agrees that he has no rights to payments, severance pay or benefits from any Company Party other than as set forth in Sections 1 and 2 above.

4. Complete Release of Claims.

(a) For good and valuable consideration, including the Company's agreement to employ Employee during the Transition Period pursuant to the terms of this Agreement and the consideration set forth in Section 2 above, or any part of it, Employee forever releases and discharges the Company, the Parent, and each of their subsidiaries, predecessors, successors, assigns and affiliated entities, along with each of the foregoing entities' respective past, present, and future owners, affiliates, subsidiaries, stockholders, partners, officers, directors, members, managers, employees, agents, attorneys, successors, administrators, fiduciaries, insurers and benefit plans and the trustees and fiduciaries of such plans, in their personal and representative capacities (collectively, the "**Company Parties**"), from, and Employee hereby waives, any and all claims, demands, liabilities and causes of action of any kind that Employee has or could have, whether known or unknown, whether statutory or common law, including any claim for salary, benefits, payments, expenses, costs, damages, penalties, compensation, remuneration, contractual entitlements, and all claims or causes of action relating to Employee's employment relationship with any Company Party, the termination of such employment relationship, or any other acts or omissions related to any matter occurring or existing on or prior to the date Employee signs this Agreement, including (i) claims arising under or for any alleged violation of: (A) the Age Discrimination in Employment Act of 1967 (including as amended by the Older Worker Benefit Protection Act); (B) Title VII of the Civil Rights Act of 1964; (C) the Civil Rights Act of 1991; (D) Sections 1981 through 1988 of Title 42 of the United States Code; (E) the Employee Retirement Income Security Act of 1974 ("**ERISA**"); (F) the Immigration Reform Control Act; (G) the Americans with Disabilities Act of 1990; (H) the Occupational Safety and Health Act; (I) the Family and Medical Leave Act of 1993; (J) the Sarbanes-Oxley Act of 2002; (K) the Dodd Frank Wall Street Reform and Consumer Protection Act of 2010; (L) the Fair Labor Standards Act and any other federal, state, or local wage law; (M) the Idaho Claims for Wages Act and the Idaho Human Rights Act; (N) any other local, state or federal anti-discrimination or anti-retaliation law; (O) any other local, state or federal law, regulation or ordinance; (ii) claims arising out of or for any alleged violation of any public policy, contract, tort, or common law claim, or claim for defamation, emotional distress, fraud or misrepresentation of any kind, estoppel, breach of any implied duty of good faith and fair dealing, breach of implied or express contract, breach

of fiduciary duty or wrongful discharge; (iii) any allegation for costs, fees, or other expenses including attorneys' fees incurred in the matters referenced herein; (iv) any claim, whether direct or derivative, arising from, or relating to, Employee's status as a holder of any shares or interests in any Company Party; and (v) any and all claims Employee may have arising as the result of any alleged breach of any contract, incentive compensation plan or agreement, restricted unit agreement, or equity-based compensation plan or agreement with any Company Party (collectively, the "**Released Claims**"). This Agreement is not intended to indicate that any such claims exist or that, if they do exist, they are meritorious. Rather, Employee is simply agreeing that, in exchange for the consideration received by Employee through this Agreement, any and all potential claims that Employee may have against the Company Parties, regardless of whether they actually exist, are expressly settled, compromised and waived. **THIS RELEASE INCLUDES MATTERS KNOWN OR UNKNOWN AND ATTRIBUTABLE TO THE SOLE OR PARTIAL NEGLIGENCE (WHETHER GROSS OR SIMPLE) OR OTHER FAULT, INCLUDING STRICT LIABILITY, OF THE COMPANY OR COMPANY PARTIES.**

(b) Notwithstanding the foregoing, nothing in this Agreement shall prohibit or restrict Employee from lawfully: (i) initiating communications directly with, cooperating with, providing information to, causing information to be provided to, or otherwise assisting in an investigation by, any governmental authority regarding a possible violation of any law; (ii) responding to any inquiry or legal process directed to Employee from any such governmental authority; (iii) testifying, participating or otherwise assisting in any action or proceeding by any such governmental authority relating to a possible violation of law; (iv) discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Employee has reason to believe is unlawful; or (v) making any other disclosures that are protected under the whistleblower provisions of any applicable law. Nothing in this Agreement requires Employee to obtain prior authorization before engaging in any conduct described in this paragraph, or to notify the Company that Employee has engaged in any such conduct. Notwithstanding the foregoing, Employee understands and agrees that Employee is waiving any and all rights to recover any monetary or personal relief or recovery from a Company Party as a result of any governmental agency proceeding or subsequent legal actions. Nothing herein waives Employee's right to receive an award for information provided to a governmental agency. Further, in no event shall the Released Claims include (i) any claim to enforce Employee's rights under this Agreement; (ii) any claim to vested benefits under an employee benefit plan that is subject to ERISA and that cannot be released pursuant to ERISA; (iii) any claim for unemployment compensation benefits or workers' compensation benefits; or (iv) any other claim that cannot legally be released under applicable law.

5. Confirming Release. On the Separation Date or within twenty (21) days thereafter, Employee shall execute the Confirming Release Agreement that is attached as Exhibit A (the "**Confirming Release**"), which is incorporated by reference as if fully set forth herein, and return the executed Confirming Release to the Company, care of Jon Cherry, Chief Executive Officer, via e-mail to [***], so that it is received by the Company no later than twenty (21) days after the Separation Date.

6. Review of Agreement.

(a) The Company hereby advises Employee to consult with an attorney of Employee's choosing prior to signing this Agreement. Employee acknowledges and agrees that, (i) Employee has been fully informed and is fully aware of Employee's right to discuss any and all aspects of this Agreement with an attorney of Employee's choice; (ii) Employee has had sufficient time to consider this Agreement before signing it; (iii) Employee is receiving, pursuant to this Agreement, consideration in addition to anything of value to which he is already entitled; (iv) neither the Company nor any other Company Party has provided any tax or legal advice to Employee regarding this Agreement, and Employee has had an adequate opportunity to receive sufficient tax and legal advice from advisors of his own choosing such that Employee enters into this Agreement voluntarily and with full understanding of the tax and legal implications thereof; and (v) Employee fully understands the final and binding effect of this Agreement, is signing this Agreement knowingly, voluntarily, and of his own free will, and understands and agrees to each of the terms and conditions of this Agreement. Employee must return the signed Agreement to the Company, care of Jon Cherry, Chief Executive Officer, via e-mail to [***] so that it is received by the Company no later than 11:59 p.m. Central Time on the twenty-second (22nd) day after Employee received this Agreement.

(b) Employee may revoke Employee's signature on (and therefore the effectiveness of) this Agreement within the seven (7)-day period beginning on the date Employee signs this Agreement (such seven (7)-day period being referred to herein as the "**Revocation Period**"). To be effective, such revocation must be in writing signed by Employee and must be received by Jon Cherry, Chief Executive Officer, via e-mail to [***] so that it is received by the Company no later than 11:59 p.m. Central Time, on the last day of the Revocation Period. Notwithstanding the foregoing, in no event shall Employee's revocation of this Agreement service to revoke his voluntary resignation from employment. This Agreement shall become effective and irrevocable as of the eighth (8th) day after the Employee signs this Agreement (the "**Effective Date**").

7. Return of Company Property. Employee agrees that, not later than the Separation Date, Employee shall return (without retaining copies of) all property belonging to the Company or any other Company Party, including the originals and all copies of any records, documents, electronically stored information, computer files or drives, or other materials which contain information about the Company's business or were provided to Employee by the Company or any other Company Party in the course of Employee's employment. As of the Separation Date, Employee agrees to perform a search of Employee's personal electronic storage devices and return to the Company and delete all of the Company's business and confidential and proprietary information from Employee's personal electronic devices, including smartphones, tables, computers, and other storage devices.

8. Non-Disparagement. Employee agrees that Employee will not make any statement, oral or written, which Employee knows or reasonably should know to be (i) a disparaging or negative comment concerning the Company or any other person or entity that Employee knows to be a Company Party or (ii) otherwise detrimental to the reputation or goodwill of the Company or any other person Employee knows to be a Company Party, and Employee shall refrain from directing anyone else to make such disparaging, negative or detrimental comment. Notwithstanding the foregoing, nothing in this Agreement prevents Employee from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination

or any other conduct that Employee has reason to believe is unlawful, or otherwise from making disclosures to any governmental agency, making disclosures permitted by the whistleblower provisions or applicable law, or making any statement required by law or compelled by legal process.

9. Trade Secrets and Confidential Information.

(a) Employee acknowledges and agrees that, in connection with Employee's employment with the Company, Employee has obtained confidential information belonging to the Company or another Company Party. Employee agrees that any and all confidential information of any Company Party learned, obtained or developed by Employee during the course of Employee's employment, whether developed by Employee alone or otherwise, shall be and is the exclusive property of the Company Parties. During the Transition Period and at all times thereafter, Employee agrees to use best efforts (a) to hold all confidential information of the Company Parties in the strictest confidence and (b) not to disclose, use, publicize, lecture upon or publish any confidential information of the Company Parties, in each case other than (i) to a Company Party or (ii) to the extent reasonable and necessary in connection with Employee's duties on behalf of a Company Party during the Transition Period.

(b) Notwithstanding the foregoing, nothing in this Agreement shall prohibit or restrict Employee from lawfully: (i) initiating communications directly with, cooperating with, providing information to, causing information to be provided to, or otherwise assisting in an investigation by, any governmental authority regarding a possible violation of any law; (ii) responding to any inquiry or legal process directed to Employee from any such governmental authority; (iii) testifying, participating or otherwise assisting in any action or proceeding by any such governmental authority relating to a possible violation of law; or (iv) making any other disclosures that are protected under the whistleblower provisions of any applicable law. Additionally, pursuant to the federal Defend Trade Secrets Act of 2016, Employee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (A) is made (1) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney and (2) solely for the purpose of reporting or investigating a suspected violation of law; (B) is made to Employee's attorney in relation to a lawsuit for retaliation against Employee for reporting a suspected violation of law; or (C) is made in a complaint or other document filed in a lawsuit or proceeding, if such filing is made under seal. Nothing in this Agreement requires Employee to obtain prior authorization before engaging in any conduct described in this paragraph.

10. No Waiver. No failure by either Party at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

11. Applicable Law and Venue. This Agreement is entered into under, and shall be governed for all purposes by, the laws of the State of Idaho without reference to the principles of conflicts of law thereof. Any dispute, controversy or claim between Employee and the Company or any Company Party arising out of out of or relating to this Agreement shall be brought in state or federal court, as applicable, located in Ada County, Idaho. EACH OF THE PARTIES HERETO

HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY OR A COURT TRIAL IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

12. Interpretation. In this Agreement, (a) the use herein of the word “including” following any general statement, term or matter shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as “without limitation”, “but not limited to”, or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter; (b) references to Sections refer to Sections of this Agreement; (c) the words “this Agreement,” “herein,” “hereof,” “hereby,” “hereunder” and words of similar import refer to this Agreement as a whole, and not to any particular subdivision unless expressly so limited; (d) references in any Section or definition to any clause means such clause of such Section or definition; (e) reference to any agreement (including this Agreement), document or instrument means such agreement, document or instrument as amended or modified (including any waiver or consent) and in effect from time to time in accordance with the terms thereof; (f) reference to any law means such law as amended, modified, codified, reenacted or replaced and in effect from time to time; and (g) references to “or” shall be interpreted to mean “and/or”. The Section titles and headings in this Agreement are inserted for convenience of reference only and are not intended to be a part of, or to affect the meaning or interpretation of, this Agreement. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any party hereto, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by each of the parties hereto and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the parties.

13. Severability. To the extent permitted by applicable law, the Company and Employee hereby agree that any term or provision of this Agreement that renders such term or provision or any other term or provision hereof invalid or unenforceable in any respect shall be severable and shall be modified or severed to the extent necessary to avoid rendering such term or provision invalid or unenforceable, and such modification or severance shall be accomplished in the manner that most nearly preserves the benefit of the parties’ bargain hereunder.

14. Withholding of Taxes and Other Employee Deductions. The Company may withhold from all payments made pursuant to this Agreement all federal, state, local, and other taxes and withholdings as may be required pursuant to any law or governmental regulation or ruling.

15. Section 409A. The payments provided for in this Agreement are intended to be exempt from the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the “*Code*”), and the Treasury regulations and interpretive guidance issued thereunder (collectively, “*Section 409A*”) and shall be construed and administered in accordance with such intent. For purposes of Section 409A, each installment payment hereunder shall each be treated as a separate payment. Notwithstanding the foregoing, the Company makes no representations that the benefits provided under this Agreement are exempt from the requirements of Section 409A and in no event shall the Company or any other Company Party be liable for all or any portion of

any taxes, penalties, interest, or other expenses that may be incurred by Employee on account of non-compliance with Section 409A.

16. Counterparts. This Agreement may be executed in one or more counterparts (including portable document format (.pdf) and facsimile counterparts), each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement.

17. Third-Party Beneficiaries; Assignment. Each Company Party that is not a signatory hereto shall be an intended third-party beneficiary of Employee's covenants, representations, and release of claims set forth in this Agreement and shall be entitled to enforce such covenants, representations, and release as if a party hereto. The Company has the right to assign this Agreement, including to any successor, but Employee does not. This Agreement inures to the benefit of the successors and assigns of the Company, who are intended third party beneficiaries of this Agreement.

18. Entire Agreement; Amendment. This Agreement represents the entire agreement between the Company and Employee regarding the subject matter herein and, except with respect to Section 8 of the Employment Agreement (which section shall survive the Separation Date) or to the extent specifically provided herein, supersedes all prior and contemporaneous agreements and understandings, oral or written between the parties hereto concerning the subject matter hereof, including but not limited to the Employment Agreement. Subject to Section 13, this Agreement may not be changed orally but only by an agreement in writing agreed to and signed by Employee and the Company.

[Signatures begin on the following page]

IN WITNESS WHEREOF, the parties hereto have knowingly and voluntarily executed this Agreement with the intent to be legally bound.

L. MICHAEL BOGERT

/s/ L. Michael Bogert

Date: 5/10/2024

PERPETUA RESOURCES IDAHO, INC

By: /s/ Jonathan Cherry

Name: Jonathan Cherry

Title: President and Chief Executive Officer

Date: 5/10/2024

Exhibit A

CONFIRMING RELEASE AGREEMENT

This Confirming Release Agreement (the “*Confirming Release*”) is that certain Confirming Release referenced in Section 5 of the Transition and Separation Agreement and General Release of Claims (the “*Separation Agreement*”), entered into by and between PERPETUA RESOURCES IDAHO, INC. (the “*Company*”), and L. MICHAEL BOGERT (“*Employee*”). Capitalized terms used herein that are not otherwise defined have the meanings assigned to them in the Separation Agreement. In signing below, Employee agrees as follows:

1. Complete Release of Claims.

(a) For good and valuable consideration, including the Company’s agreement to permit Employee to remain employed following his notice of resignation pursuant to the terms of the Separation Agreement and the consideration set forth in Section 2 of the Separation Agreement, Employee forever releases and discharges the Company and each other Company Party from, and Employee waives, any and all claims, demands, liabilities and causes of action of any kind that Employee has or could have, whether known or unknown, whether statutory or common law, including any claim for salary, benefits, payments, expenses, costs, damages, penalties, compensation, remuneration, contractual entitlements, and all claims or causes of action relating to Employee’s employment relationship with any Company Party, the termination of such employment relationship, or any other acts or omissions related to any matter occurring or existing on or prior to the date that Employee signed this Confirming Release, including (i) claims arising under or for any alleged violation of: (A) the Age Discrimination in Employment Act of 1967 (including as amended by the Older Worker Benefit Protection Act); (B) Title VII of the Civil Rights Act of 1964; (C) the Civil Rights Act of 1991; (D) Sections 1981 through 1988 of Title 42 of the United States Code; (E) the Employee Retirement Income Security Act of 1974 (“*ERISA*”); (F) the Immigration Reform Control Act; (G) the Americans with Disabilities Act of 1990; (H) the Occupational Safety and Health Act; (I) the Family and Medical Leave Act of 1993; (J) the Sarbanes-Oxley Act of 2002; (K) the Dodd Frank Wall Street Reform and Consumer Protection Act of 2010; (L) the Fair Labor Standards Act and any other federal, state, or local wage law; (M) the Idaho Claims for Wages Act and the Idaho Human Rights Act; (N) any other local, state or federal anti-discrimination or anti-retaliation law; (O) any other local, state or federal law, regulation or ordinance; (ii) claims arising out of or for any alleged violation of any public policy, contract, tort, or common law claim, or claim for defamation, emotional distress, fraud or misrepresentation of any kind, estoppel, breach of any implied duty of good faith and fair dealing, breach of implied or express contract, breach of fiduciary duty or wrongful discharge; (iii) any allegation for costs, fees, or other expenses including attorneys’ fees incurred in the matters referenced herein; (iv) any claim, whether direct or derivative, arising from, or relating to, Employee’s status as a holder of any shares or interests in any Company Party; and (v) any and all claims Employee may have arising as the result of any alleged breach of any contract (including under the Confidentiality Agreement), incentive compensation plan or agreement, restricted unit agreement, or equity-based compensation plan or agreement with any Company Party (collectively, the “*Confirming Released Claims*”). This Confirming Release is not intended to indicate that any such claims exist or that, if they do exist, they are meritorious. Rather, Employee is simply agreeing that, in exchange for the consideration received by Employee through the

Separation Agreement, any and all potential claims that Employee may have against the Company Parties, regardless of whether they actually exist, are expressly settled, compromised and waived. **THIS RELEASE INCLUDES MATTERS KNOWN OR UNKNOWN AND ATTRIBUTABLE TO THE SOLE OR PARTIAL NEGLIGENCE (WHETHER GROSS OR SIMPLE) OR OTHER FAULT, INCLUDING STRICT LIABILITY, OF THE COMPANY OR COMPANY PARTIES.**

(b) Notwithstanding the foregoing, nothing in this Confirming Release shall prohibit or restrict Employee from lawfully: (i) initiating communications directly with, cooperating with, providing information to, causing information to be provided to, or otherwise assisting in an investigation by, any governmental authority regarding a possible violation of any law; (ii) responding to any inquiry or legal process directed to Employee from any such governmental authority; (iii) testifying, participating or otherwise assisting in any action or proceeding by any such governmental authority relating to a possible violation of law; (iv) discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Employee has reason to believe is unlawful; or (v) making any other disclosures that are protected under the whistleblower provisions of any applicable law. Nothing in this Confirming Release requires Employee to obtain prior authorization before engaging in any conduct described in this paragraph, or to notify the Company that Employee has engaged in any such conduct. Notwithstanding the foregoing, Employee understands and agrees that Employee is waiving any and all rights to recover any monetary or personal relief or recovery from a Company Party as a result of any governmental agency proceeding or subsequent legal actions. Nothing herein waives Employee's right to receive an award for information provided to a governmental agency. Further, in no event shall the Released Claims include (i) any claim to enforce Employee's rights under the Separation Agreement; (ii) any claim to vested benefits under an employee benefit plan that is subject to ERISA and that cannot be released pursuant to ERISA; (iii) any claim for unemployment compensation benefits or workers' compensation benefits; or (iv) any other claim that cannot legally be released under applicable law.

2. Satisfaction of Obligations; Receipt of Leaves, Bonuses, and Other Compensation.

Employee acknowledges and agrees that Employee has been paid in full all bonuses, been provided all benefits, been afforded all rights and otherwise received all wages, compensation, and other sums that Employee has been owed or ever could be owed by each Company Party (with the exception of any sums, if still unpaid on the date Employee signs this Confirming Release, to which Employee may be entitled pursuant to Section 2 of the Separation Agreement and, if still unpaid on the date Employee signs this Confirming Release, any unpaid base salary for the pay period in which the Separation Date occurred). Employee further acknowledges and agrees that Employee has received all leaves (paid and unpaid) that Employee has been entitled to receive from each Company Party.

3. Employee's Acknowledgments. The Company hereby advises Employee to consult with an attorney of Employee's choosing prior to signing this Confirming Release. In executing and delivering this Confirming Release, Employee expressly acknowledges that: (a) Employee has carefully read this Confirming Release and has had sufficient time (and at least twenty-one (21) days) to consider this Confirming Release before its execution and delivery to the Company; (b) Employee is receiving, pursuant to the Separation Agreement and Employee's execution of this Confirming Release, consideration in addition to anything of value to which Employee is already

entitled; (c) Employee has been advised to discuss this Confirming Release with an attorney of Employee's choice before signing this Confirming Release, and Employee has had an adequate opportunity to do so prior to executing this Confirming Release; (d) Employee fully understands the final and binding effect of this Confirming Release; the only promises made to Employee to sign this Confirming Release are those contained herein and in the Separation Agreement; and Employee is signing this Confirming Release knowingly, voluntarily and of Employee's own free will, and Employee understands and agrees to each of the terms of this Confirming Release; and (e) the only matters relied upon by Employee and causing Employee to sign this Confirming Release are the provisions set forth in writing within this Confirming Release and the Separation Agreement.

4. Revocation Right. Employee may revoke the delivery (and therefore the effectiveness) of this Confirming Release within the seven-day period beginning on the date Employee executes this Confirming Release (such seven-day period being referred to herein as the "**Confirming Release Revocation Period**"). To be effective, such revocation must be in writing signed by Employee and must be received by the Company care of Jon Cherry, Chief Executive Officer, via e-mail to [***], so that it is received by the Company no later than 11:59 p.m. Central Time, on the last day of the Confirming Release Revocation Period. In the event Employee exercises his revocation right as set forth herein, this Confirming Release will be of no force or effect, Employee will not be entitled to the consideration set forth in Section 2 of the Separation Agreement and all other provisions of the Separation Agreement shall remain in full force and effect. This Confirming Release shall become effective and irrevocable as of the eighth (8th) day after Employee signs it (the "**Confirming Release Effective Date**").

5. Return of Property. Employee represents and warrants that Employee has returned to the Company (without retaining copies of) all property belonging to the Company or any other Company Party, including the originals and all copies of any records, documents, electronically stored information, computer files or drives, or other materials which contain information about the Company's business or were provided to Employee by the Company or any other Company Party in the course of Employee's employment. Employee represents and warrants that Employee has performed a search of Employee's personal electronic storage devices and returned to the Company and deleted all of the Company's business and confidential and proprietary information from Employee's personal electronic devices, including smartphones, tables, computers, and other storage devices.

EMPLOYEE HAS CAREFULLY READ THIS CONFIRMING RELEASE, FULLY UNDERSTANDS EMPLOYEE'S AGREEMENT, AND SIGNS IT AS EMPLOYEE'S OWN FREE ACT.

/s/ L. Michael Bogert

L. Michael Bogert

Date: 5/10/2024

First Amendment to the Perpetua Resources Corp. Omnibus Equity Incentive Plan

This First Amendment (this “First Amendment”) to the Perpetua Resources Corp. Omnibus Equity Incentive Plan (the “Plan”) is made and adopted by the Board of Directors (the “Board”) of Perpetua Resources Corp. (the “Company”) effective as of the Effective Date (as defined below). All capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Plan.

WHEREAS, the Company has previously adopted, and the Company’s shareholders have previously approved, the Plan;

WHEREAS, pursuant to Section 12.1 of the Plan, the Board has the authority to amend the Plan, subject to certain limitations specified therein;

WHEREAS, the Board believes it is in the best interests of the Company and its shareholders to amend the Plan as set forth herein;

WHEREAS, 4,280,530 shares of the Company’s common stock were initially reserved under the Plan, and as of December 31, 2023, approximately 900,352 shares remained available for issuance under the Plan; and

WHEREAS, this First Amendment shall become effective subject to and upon the approval of this First Amendment by the Company’s shareholders at the annual meeting of shareholders to be held on May 16, 2024 (the date of such approval, the “Effective Date”).

NOW, THEREFORE, BE IT RESOLVED, that the Plan is hereby amended as follows, effective as of the Effective Date:

2. Section 3.6(a) of the Plan is amended and restated in its entirety, as follows:

(a) Subject to adjustment as provided for in Article 10, and any subsequent amendment to this Plan, the maximum aggregate number of Shares that may be issued pursuant to Awards granted under the Plan shall not exceed 8,280,530 Shares. Such maximum number of Shares consists of (i) 2,747,515 Shares issuable pursuant to stock options previously granted and, if applicable, outstanding under the Corporation’s stock option plan as of the Effective Date, which Awards are covered by this Plan, and (ii) 5,533,015 additional Shares that may be issued pursuant to Awards to be granted under this Plan. Shares delivered under the Plan shall be authorized but unissued shares, treasury shares or shares purchased on the open market or by private purchase.

3. Section 11.2 of the Plan is hereby amended to increase the aggregate number of Shares reserved for issuance as ISOs (as defined in section 11.1 of the Plan) by 4,000,000.

IN WITNESS WHEREOF, the Company has executed this First Amendment to the Omnibus Equity Incentive Plan as of May 16, 2024.

PERPETUA RESOURCES CORP.

/s/ Jonathan Cherry

Jonathan Cherry

President and Chief Executive Officer

**CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES
EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Jonathan Cherry, President and Chief Executive Officer of Perpetua Resources Corp. certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 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 registrant, as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) 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 registrant 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 registrant, 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 registrant'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 registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (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 registrant'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 registrant's internal control over financial reporting.

Date: August 9, 2024

/s/ Jonathan Cherry

Jonathan Cherry

President and Chief Executive Officer



**CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES
EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Jessica Largent, Chief Financial Officer of Perpetua Resources Corp. certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 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 registrant, as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) 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 registrant 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 registrant, 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 registrant'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 registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (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 registrant'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 registrant's internal control over financial reporting.

Date: August 9, 2024

/s/ Jessica Largent

Jessica Largent
Chief Financial Officer



**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 Quarterly Report of Perpetua Resources Corp., (the “Company”) on Form 10-Q for the quarter ended June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jonathan Cherry, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (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 presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 9, 2024

/s/ Jonathan Cherry

Jonathan Cherry
President and Chief Executive Officer

**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 Quarterly Report of Perpetua Resources Corp., (the “Company”) on Form 10-Q for the quarter ended June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jessica Largent, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (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 presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 9, 2024

/s/ Jessica Largent

Jessica Largent
Chief Financial Officer

**Document and Entity
Information - shares**

**6 Months Ended
Jun. 30, 2024**

Aug. 02, 2024

Document and Entity Information

<u>Document Type</u>	10-Q	
<u>Document Quarterly Report</u>	true	
<u>Document Period End Date</u>	Jun. 30, 2024	
<u>Document Transition Report</u>	false	
<u>Securities Act File Number</u>	001-39918	
<u>Entity Registrant Name</u>	Perpetua Resources Corp.	
<u>Entity Incorporation, State or Country Code</u>	CA	
<u>Entity Tax Identification Number</u>	00-0000000	
<u>Entity Address, Address Line One</u>	405 S. 8th Street	
<u>Entity Address, Address Line Two</u>	Ste 201	
<u>Entity Address, State or Province</u>	ID	
<u>Entity Address, City or Town</u>	Boise	
<u>Entity Address, Postal Zip Code</u>	83702	
<u>City Area Code</u>	208	
<u>Local Phone Number</u>	901-3060	
<u>Title of 12(b) Security</u>	Common Shares, without par value	
<u>Trading Symbol</u>	PPTA	
<u>Security Exchange Name</u>	NASDAQ	
<u>Entity Current Reporting Status</u>	Yes	
<u>Entity Interactive Data Current</u>	Yes	
<u>Entity Filer Category</u>	Non-accelerated Filer	
<u>Entity Small Business</u>	true	
<u>Entity Emerging Growth Company</u>	true	
<u>Entity Ex Transition Period</u>	false	
<u>Entity Shell Company</u>	false	
<u>Entity Common Stock, Shares Outstanding</u>		64,595,447
<u>Entity Central Index Key</u>	0001526243	
<u>Current Fiscal Year End Date</u>	--12-31	
<u>Document Fiscal Year Focus</u>	2024	
<u>Document Fiscal Period Focus</u>	Q2	
<u>Amendment Flag</u>	false	

**CONDENSED
CONSOLIDATED
BALANCE SHEETS
(Unaudited) - USD (\$)**

Jun. 30, 2024 Dec. 31, 2023

CURRENT ASSETS

<u>Cash and cash equivalents</u>	\$ 1,882,785	\$ 3,229,462
<u>Receivables</u>	7,609,136	3,181,152
<u>Prepaid expenses</u>	754,752	443,312
<u>TOTAL CURRENT ASSETS</u>	10,246,673	6,853,926

NON-CURRENT ASSETS

<u>Buildings and equipment, net</u>	504,899	385,049
<u>Right-of-use assets</u>	60,722	27,898
<u>Environmental reclamation bond (Note 5)</u>	3,000,000	3,000,000
<u>Mineral properties and interest (Note 3)</u>	64,485,250	72,820,365
<u>TOTAL ASSETS</u>	78,297,544	83,087,238

CURRENT LIABILITIES

<u>Trade and other payables</u>	4,326,321	4,997,226
<u>Lease liabilities</u>	60,721	27,897
<u>CWA settlement payable (Note 6)</u>	1,500,000	2,000,000
<u>Environmental reclamation liabilities (Note 5)</u>	786,972	764,607
<u>TOTAL CURRENT LIABILITIES</u>	6,674,014	7,789,730

NON-CURRENT LIABILITIES

<u>CWA settlement payable (Note 6)</u>	3,000,000	3,000,000
<u>TOTAL LIABILITIES</u>	9,674,014	10,789,730

COMMITMENTS AND CONTINGENCIES (Note 6)

SHAREHOLDERS' EQUITY (Note 4)

<u>Common shares, no par value, unlimited shares authorized, 64,593,552 and 64,123,456 shares outstanding, respectively</u>	621,022,849	618,581,910
<u>Additional paid-in capital</u>	34,916,885	34,413,562
<u>Accumulated deficit</u>	(587,316,204)	(580,697,964)
<u>TOTAL SHAREHOLDERS' EQUITY</u>	68,623,530	72,297,508
<u>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</u>	\$ 78,297,544	\$ 83,087,238

**CONDENSED
CONSOLIDATED
BALANCE SHEETS
(Unaudited) - \$ / shares**

Jun. 30, 2024 Dec. 31, 2023

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

<u>Common stock, par value (in dollars per share)</u>	\$ 0	\$ 0
<u>Common stock, shares outstanding</u>	64,593,552	64,123,456

**CONDENSED
CONSOLIDATED
STATEMENTS OF
OPERATIONS (Unaudited)
- USD (\$)**

	3 Months Ended		6 Months Ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
<u>EXPENSES</u>				
<u>Corporate salaries and benefits</u>	\$ 579,431	\$ 421,185	\$ 1,046,178	\$ 812,168
<u>Depreciation</u>	31,392	18,748	57,753	35,702
<u>Directors' fees</u>	54,449	58,848	317,082	280,110
<u>Exploration</u>	10,464,037	6,312,627	17,006,397	12,019,052
<u>Environmental liability expense</u>	414,197	(536,366)	567,626	581,937
<u>CWA settlement expense (Note 6)</u>		5,000,000		5,000,000
<u>General and administration</u>	121,353	131,791	263,137	294,279
<u>Professional fees</u>	385,536	367,601	793,015	645,084
<u>Shareholder and regulatory</u>	139,323	145,717	263,865	297,130
<u>OPERATING LOSS</u>	12,189,718	11,920,151	20,315,053	19,965,462
<u>OTHER EXPENSES (INCOME)</u>				
<u>Grant income</u>	(8,475,643)	(4,085,746)	(13,645,381)	(7,367,457)
<u>Interest income</u>	(42,821)	(163,587)	(59,358)	(326,050)
<u>Other expenses (income)</u>	2,461	1,934	7,926	890
<u>Total other expenses (income)</u>	(8,516,003)	(4,247,399)	(13,696,813)	(7,692,617)
<u>NET LOSS</u>	\$ 3,673,715	\$ 7,672,752	\$ 6,618,240	\$ 12,272,845
<u>NET LOSS PER SHARE, BASIC</u>	\$ (0.06)	\$ (0.12)	\$ (0.10)	\$ (0.19)
<u>NET LOSS PER SHARE, DILUTED</u>	\$ (0.06)	\$ (0.12)	\$ (0.10)	\$ (0.19)
<u>WEIGHTED AVERAGE COMMON SHARES OUTSTANDING, BASIC</u>	64,514,387	63,164,231	64,317,594	63,091,673
<u>WEIGHTED AVERAGE COMMON SHARES OUTSTANDING, DILUTED</u>	64,514,387	63,164,231	64,317,594	63,091,673

**CONDENSED
CONSOLIDATED
STATEMENTS OF
CHANGES IN
SHAREHOLDERS'
EQUITY (Unaudited) - USD
(\$)**

	Common Shares	Additional Paid in Capital	Accumulated Deficit	Total
<u>Beginning balance at Dec. 31, 2022</u>	\$ 615,553,448	\$ 32,203,858	\$ (561,926,784)	\$ 85,830,522
<u>Beginning balance (in shares) at Dec. 31, 2022</u>	63,011,777			
<u>Share based compensation</u>		840,827		840,827
<u>Share units distributed</u>	\$ 449,909	(449,909)		
<u>Share units distributed (in shares)</u>	115,256			
<u>Exercise of options</u>	\$ 64,687	(24,015)		40,672
<u>Exercise of options (in shares)</u>	12,500			
<u>Net loss for the period</u>			(4,600,093)	(4,600,093)
<u>Ending balance at Mar. 31, 2023</u>	\$ 616,068,044	32,570,761	(566,526,877)	82,111,928
<u>Ending balance (in shares) at Mar. 31, 2023</u>	63,139,533			
<u>Beginning balance at Dec. 31, 2022</u>	\$ 615,553,448	32,203,858	(561,926,784)	85,830,522
<u>Beginning balance (in shares) at Dec. 31, 2022</u>	63,011,777			
<u>Net loss for the period</u>				(12,272,845)
<u>Ending balance at Jun. 30, 2023</u>	\$ 616,189,014	33,275,592	(574,199,629)	75,264,977
<u>Ending balance (in shares) at Jun. 30, 2023</u>	63,165,367			
<u>Beginning balance at Dec. 31, 2022</u>	\$ 615,553,448	32,203,858	(561,926,784)	85,830,522
<u>Beginning balance (in shares) at Dec. 31, 2022</u>	63,011,777			
<u>Ending balance at Dec. 31, 2023</u>	\$ 618,581,910	34,413,562	(580,697,964)	72,297,508
<u>Ending balance (in shares) at Dec. 31, 2023</u>	64,123,456			
<u>Beginning balance at Mar. 31, 2023</u>	\$ 616,068,044	32,570,761	(566,526,877)	82,111,928
<u>Beginning balance (in shares) at Mar. 31, 2023</u>	63,139,533			
<u>Share based compensation</u>		784,282		784,282
<u>Share units distributed</u>	\$ 54,936	(54,936)		
<u>Share units distributed (in shares)</u>	13,334			
<u>Exercise of options</u>	\$ 66,034	(24,515)		41,519
<u>Exercise of options (in shares)</u>	12,500			
<u>Net loss for the period</u>			(7,672,752)	(7,672,752)
<u>Ending balance at Jun. 30, 2023</u>	\$ 616,189,014	33,275,592	(574,199,629)	75,264,977
<u>Ending balance (in shares) at Jun. 30, 2023</u>	63,165,367			

<u>Beginning balance at Dec. 31, 2023</u>	\$			
	618,581,910	34,413,562	(580,697,964)	72,297,508
<u>Beginning balance (in shares) at Dec. 31, 2023</u>	64,123,456			
<u>Share based compensation</u>		1,008,077		1,008,077
<u>Share units distributed</u>	\$ 846,107	(846,107)		
<u>Share units distributed (in shares)</u>	228,422			
<u>Net loss for the period</u>			(2,944,525)	(2,944,525)
<u>Ending balance at Mar. 31, 2024</u>	\$			
	619,428,017	34,575,532	(583,642,489)	70,361,060
<u>Ending balance (in shares) at Mar. 31, 2024</u>	64,351,878			
<u>Beginning balance at Dec. 31, 2023</u>	\$			
	618,581,910	34,413,562	(580,697,964)	72,297,508
<u>Beginning balance (in shares) at Dec. 31, 2023</u>	64,123,456			
<u>Net loss for the period</u>				(6,618,240)
<u>Ending balance at Jun. 30, 2024</u>	\$			
	621,022,849	34,916,885	(587,316,204)	68,623,530
<u>Ending balance (in shares) at Jun. 30, 2024</u>	64,593,552			
<u>Beginning balance at Mar. 31, 2024</u>	\$			
	619,428,017	34,575,532	(583,642,489)	70,361,060
<u>Beginning balance (in shares) at Mar. 31, 2024</u>	64,351,878			
<u>Share based compensation</u>		950,158		950,158
<u>Restricted and performance shares units distributed</u>	\$ 54,932	(54,932)		
<u>Restricted and performance shares units distributed (in shares)</u>	13,333			
<u>Exercise of options</u>	\$ 1,539,900	(553,873)		986,027
<u>Exercise of options (in shares)</u>	228,341			
<u>Net loss for the period</u>			(3,673,715)	(3,673,715)
<u>Ending balance at Jun. 30, 2024</u>	\$			
	621,022,849	\$ 34,916,885	\$ (587,316,204)	\$ 68,623,530
<u>Ending balance (in shares) at Jun. 30, 2024</u>	64,593,552			

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited) - USD (\$)	3 Months Ended		6 Months Ended		12 Months Ended
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023	Dec. 31, 2023
<u>OPERATING ACTIVITIES:</u>					
<u>Net loss</u>			\$	\$	
			(6,618,240)	(12,272,845)	
<u>Adjustments to reconcile net loss to net cash used in operating activities:</u>					
<u>Share based compensation (Note 4)</u>			1,958,235	1,625,109	
<u>Depreciation</u>	\$ 31,392	\$ 18,748	57,753	35,702	
<u>Change in fair value of warrant derivative</u>				(1,732)	
<u>Environmental liability expense</u>	414,197	(536,366)	567,626	581,937	
<u>Unrealized foreign exchange loss (gain)</u>			3,089	(1,794)	
<u>Gain on sale of equipment</u>			(13,333)	(25,000)	
<u>Changes in:</u>					
<u>Receivables</u>			(4,427,984)	(2,907,450)	
<u>Prepaid expenses</u>			(311,440)	(321,157)	
<u>Trade and other payables</u>			(670,905)	2,146,619	
<u>CWA settlement payable</u>			(500,000)	5,000,000	
<u>Environmental reclamation liabilities</u>			(545,261)	(2,375,690)	
<u>Net cash used in operating activities</u>			(10,500,460)	(8,516,301)	
<u>INVESTING ACTIVITIES:</u>					
<u>Proceeds from sale of silver royalty</u>			8,335,115		
<u>Purchase of building and equipment</u>			(176,270)	(154,719)	
<u>Proceeds from sale of equipment</u>			12,000	25,000	
<u>Net cash provided by (used in) investing activities</u>			8,170,845	(129,719)	
<u>FINANCING ACTIVITIES:</u>					
<u>Proceeds from exercise of share purchase options</u>			986,027	82,191	
<u>Net cash provided by financing activities</u>			986,027	82,191	
<u>Effect of foreign exchange on cash and cash equivalents</u>			(3,089)	1,794	
<u>Net increase (decrease) in cash and cash equivalents</u>			(1,346,677)	(8,562,035)	
<u>Cash and cash equivalents, beginning of period</u>			3,229,462	22,667,047	\$ 22,667,047
<u>Cash and cash equivalents, end of period</u>	1,882,785	14,105,012	1,882,785	14,105,012	3,229,462
<u>NONCASH INVESTING AND FINANCING ACTIVITIES</u>					
<u>Recognition of operating lease liability and right-of-use asset</u>			65,972	65,061	
<u>CASH AND CASH EQUIVALENTS</u>					
<u>Cash</u>	1,030,335	3,481,313	1,030,335	3,481,313	

<u>Investment savings accounts</u>	852,450	6,415,345	852,450	6,415,345	
<u>GICs and term deposits</u>		4,208,354		4,208,354	
<u>Total cash and cash equivalents</u>	\$	\$	\$ 1,882,785	\$	\$ 3,229,462
	1,882,785	14,105,012		14,105,012	

Nature of Operations and Going Concern Assessment

6 Months Ended
Jun. 30, 2024

Nature of Operations and Going Concern Assessment

Nature of Operations and Going Concern Assessment

1. Nature of Operations and Basis of Presentation

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

The unaudited condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and include the accounts of Perpetua Resources Corp. and its wholly owned subsidiaries, Perpetua Resources Idaho, Inc. and Idaho Gold Resource Company, LLC. Intercompany transactions and balances have been eliminated.

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

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

The Company’s latest liquidity forecast indicates that available cash resources and other sources of liquidity are expected to be exhausted in the fourth quarter of 2024. Although the Company’s current capital resources and liquidity include up to \$59.2 million in funding awarded under the modified Technology Investment Agreement (“TIA”) pursuant to Title III of the Defense Production Act (“DPA”), such funding is available only for the specified costs related to permitting, environmental baseline data monitoring, environmental and technical studies, and advancing construction readiness and is not available to fund the Company’s costs pursuant to its Administrative Settlement and Order on Consent (“ASAOC”) obligations and certain corporate expenses, including payments under the Settlement Agreement (as defined below). Absent additional financing, the Company would no longer be able to meet its ongoing obligations or progress critical permitting efforts. The Company continues to explore various funding opportunities, which may include the issuance of additional equity, new debt, or project specific debt; government funding; and/or other financing opportunities. However, there can be no assurance that the Company will be successful in obtaining such funding.

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

the program, at acceptable share prices or at all. As of June 30, 2024, \$17.2 million remains available under the program.

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

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

Loss per share

Basic loss per share is computed by dividing the net loss by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of share purchase options and vesting and distribution of awarded share units, if dilutive. The Company's potential dilutive common shares include outstanding share purchase options, restricted share units, performance share units, and deferred share units. Potentially dilutive shares as of June 30, 2024 and 2023, are as follows:

	June 30	
	2024	2023
Share purchase options	1,086,534	1,765,750
Share units	2,258,428	1,380,407
Balance	3,344,962	3,146,157

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

Recently Issued Accounting Pronouncements

**6 Months Ended
Jun. 30, 2024**

[Recently Issued Accounting Pronouncements](#)

[Recently Issued Accounting Pronouncements](#)

2. **Recently Issued Accounting Pronouncements**

In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, amending reportable segment disclosure requirements to include disclosure of incremental segment information on an annual and interim basis. Among the disclosure enhancements are new disclosures regarding significant segment expenses that are regularly provided to the chief operating decision-maker and included within each reported measure of segment profit or loss, as well as other segment items bridging segment revenue to each reported measure of segment profit or loss. The amendments in ASU 2023-07 are effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024, and are applied retrospectively. Early adoption is permitted. We continue to evaluate the impact of this update however we do not expect any significant changes to our consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvement to Income Tax Disclosures, amending income tax disclosure requirements for the effective tax rate reconciliation and income taxes paid. The amendments in ASU 2023-09 are effective for fiscal years beginning after December 15, 2024 and are applied prospectively. Early adoption and retrospective application of the amendments are permitted. We continue to evaluate the impact of this update however we do not expect any significant changes to our consolidated financial statements.

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

Mineral Properties and Interest

6 Months Ended
Jun. 30, 2024

Mineral Properties and Interest

Mineral Properties and Interest 3.

Mineral Properties and Interest

The Company's mineral properties and interest at the Stibnite Gold Project totaled \$64,485,250 and \$72,820,365 as of June 30, 2024 and December 31, 2023, respectively.

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

On March 21, 2024, Perpetua Resources and its subsidiaries granted a perpetual 100% NSR royalty on the future payable silver production from the Project to Franco-Nevada Idaho Corporation ("Franco-Nevada") for gross proceeds of \$8,500,000. The silver royalty agreement applies to the same properties as the gold royalty previously purchased by Franco-Nevada in 2013. The silver royalty agreement provides a mechanism whereby Franco-Nevada can receive minimum payments equal to 100% of the payable silver from the sale of dore commencing in the seventh calendar year following commercial production and ending upon the completion of the fifteenth calendar year following commercial production. The silver royalty agreement also provides Franco-Nevada an option upon the occurrence of certain conditions precedent (including achieving commercial production) to pay the Company a contingent payment and receive a royalty on any silver payable from the production of antimony concentrate from the Project. The Company incurred costs of \$164,835 associated with this transaction. The net proceeds of \$8,335,115 were recorded as a reduction to the carrying value of the mineral properties and interests during the six months ended June 30, 2024.

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

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

As of June 30, 2024, it has not yet been determined that the Project's mining deposits can be economically and legally extracted or produced because the Project's estimated reserves do not yet meet the definition of proven reserves under the United States SEC Regulation S-K 1300.

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

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

Shareholders' Equity

6 Months Ended
Jun. 30, 2024

[Shareholders' Equity](#) [Shareholders' Equity](#)

4. Shareholders' Equity

a. Authorized

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

b. ATM Offering

On May 12, 2023, the Company entered into the Sales Agreement providing for the sale by the Company, from time to time, of the Company's common shares having an aggregate gross offering price of up to \$20 million (the "ATM Offering"). The Company expects to raise relatively small amounts of money over time through the ATM Offering for general corporate purposes, which may include, among other things, general corporate, legal and administrative expenses. For the twelve month period ended December 31, 2023, the Company sold 894,882 common shares in exchange for proceeds of approximately \$10.0 million, net of offering costs of approximately \$0.7 million. No common shares were sold during the three and six months ended June 30, 2024. As of June 30, 2024, 1,086,534 shares remained available under the program.

c. Share based compensation

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

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Exploration	\$ 500,819	\$ 442,549	\$ 947,929	\$ 812,549
Corporate salaries and benefits	394,890	282,606	693,224	603,224
Directors' fees	54,449	59,127	317,082	317,082
Total	\$ 950,158	\$ 784,282	\$ 1,958,235	\$ 1,732,855

Share purchase options

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

	Number of Options	Weighted Average Exercise Price
Balance December 31, 2022	1,945,650	\$ 10.41
Options exercised	(25,000)	
Options cancelled or forfeited	(35,500)	
Options expired	(219,400)	
Balance December 31, 2023	1,665,750	\$ 10.41
Options exercised	(228,341)	
Options cancelled or forfeited	—	
Options expired	(350,875)	
Balance June 30, 2024	1,086,534	\$ 10.41

During the three and six months ended June 30, 2024 and 2023, the Company's total share based compensation from options was \$950,158 (2023: \$784,282), respectively. No options were granted during the six months ended June 30, 2024 nor 2023. During the three and six months ended June 30, 2024 and 2023, the intrinsic value of share purchase options exercised was \$441,143 (2023: \$18,124) and \$441,143 (2023: \$30,594), respectively.

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

Range of Exercise Prices (C\$)	Options Outstanding			Options Exercisable	
	Number	Price (C\$) ¹	Remaining Life ²	Number	Price (C\$) ¹
\$3.50 - \$5.90	20,000	3.50	0.72	20,000	3.50
\$5.91 - \$7.20	198,534	6.20	0.52	198,534	6.20
\$7.21 - \$9.70	130,000	9.13	1.70	40,000	9.13
\$9.71 - \$11.80	738,000	11.80	1.56	738,000	11.80
\$3.50 - \$11.80	1,086,534	10.31	1.37	996,534	10.41

¹ Weighted Average Exercise Price (C\$)

² Weighted Average Remaining Contractual Life (Years)

As of June 30, 2024, all unvested options are expected to vest and there is no unvested compensation. As of June 30, 2024, the intrinsic value of exercisable share purchase options is \$185,211 and \$185,211, respectively.

Restricted Share Units

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

	Share Units	Weighted Grant Fair
Unvested, December 31, 2022	371,956	\$
Granted	385,039	
Distributed (vested)	(147,506)	
Cancelled	(7,849)	
Unvested, December 31, 2023	601,640	
Granted	515,128	
Distributed (vested)	(241,755)	
Cancelled	(2,285)	
Unvested, June 30, 2024	872,728	\$

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

During the three and six months ended June 30, 2024 and 2023, the Company has recognized \$363,142 (2023: \$350,791) and \$1.6 million, respectively, in compensation expense related to RSUs and expects to record an additional \$1.6 million in compensation expense over the next six months. The unvested units of June 30, 2024 are scheduled to vest as follows:

Remainder of 2024	
2025	
2026	
2027	
Total	

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

Performance Share Units

A summary of performance share units (“PSUs”) and market-based performance share units (“MPSUs”) awarded under the Plan for the three and six months ended June 30, 2024 and 2023 is as follows:

	Share Units	Weighted Grant Fair
Unvested, December 31, 2022	263,266	\$
Granted	301,035	
Distributed	(12,725)	
Cancelled	(4,993)	
Unvested, December 31, 2023	546,583	\$
Granted	509,502	
Distributed	—	
Cancelled	(1,142)	
Unvested, June 30, 2024	1,054,943	\$

During the three and six months ended June 30, 2024 and 2023, the Company has recognized \$532,567 (2023: \$287,579) and \$1.9 million, respectively, in compensation expense related to PSUs and MPSUs and expects to record an additional \$3.3 million in compensation expense over the next six months. The unvested units of June 30, 2024 are scheduled to vest as follows:

Remainder of 2024	
2025	
2026	
2027	
Total	

PSUs: These PSUs vest upon completion of the performance period and specific performance conditions set forth for each individual grant. The Company determines the factor to be applied to that target number of PSUs, with the level of achievement of the performance conditions. Upon the achievement of the conditions, any unvested PSUs become fully vested. During the six months ended June 30, 2024, the Company awarded 120,000 PSUs (2023: 3,500 PSUs) that had a weighted average grant date fair value of \$3.95 (2023: \$3.95) or approximately \$16.7 million in total.

Market-based PSUs: During the six months ended June 30, 2024 and 2023, the Company granted MPSUs where vesting is based on the Company's total shareholder return (“TSR”) as compared to the constituents that comprise the VanEck Junior Gold Miners ETF (“GDXJ Index”) and a basket of mining companies, over a three year period (the “Performance Period”). The ultimate number of MPSUs that vest may range from 0% to 100% of the target number of shares depending on the relative achievement of the TSR performance measure at the end of the Performance Period. Because the number of shares that are earned will be based on the Company's TSR over the Performance Period, the MPSUs are considered subject to a market condition. The MPSUs are recognized ratably over the Performance Period regardless as to whether the market condition is actually satisfied; however, the compensation expense is recognized if the employee terminates prior to satisfying the requisite service period.

During the six months ended June 30, 2024, the Company awarded 389,502 MPSUs (2023: 277,535 MPSUs) that had a weighted average grant date fair value of \$5.98 per MPSU or approximately \$1.9 million (2023: \$1.7 million) in total. The grant date fair value of MPSUs was estimated using the Black-Scholes option pricing model.

model. Assumptions and estimates utilized in the model include expected volatilities of the Corporation's share price and the GDXJ Index, risk-free interest rate and expected dividends. The probabilities of the actual number of MPSUs expected to vest and resultant actual number of shares to be awarded are reflected in the grant date fair values of the various MPSU awards. The per MPSU grant date fair value for the market is based on the following variables:

	2024	2023
Grant date fair value	\$ 5.00	\$ 5.00
Risk-free interest rate	4.38 %	4.38 %
Expected term (in years)	3.0	3.0
Expected share price volatility	57.36 %	57.36 %
Expected dividend yield	—	—

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

Deferred Share Units

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

	Share Units	Weighted Grant Date Fair Value
Outstanding, December 31, 2022	145,675	\$ 728,375
Granted	112,465	562,275
Distributed	(31,566)	(157,833)
Outstanding, December 31, 2023	226,574	1,132,817
Granted	104,183	520,915
Distributed	—	—
Outstanding, June 30, 2024	330,757	1,653,732

Under the Plan, the Company may issue DSUs to non-employee directors. During the three and six months ended June 30, 2024, 10,471 (2023: 83,098) share units, respectively, with a fair value of \$54,449 (2023: \$62,190) and \$353,087 (2023: \$302,511) were granted to directors and the related compensation expense was charged to directors' fees in the unaudited condensed consolidated statements of operations.

d. Warrants

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

**Environmental Reclamation
Liability**

**6 Months Ended
Jun. 30, 2024**

**Environmental Reclamation
Liability**

**Environmental Reclamation
Liability** 5.

Environmental Reclamation Liability

On January 15, 2021, the Company agreed to an ASAOC. The Company has accounted for its obligation under the ASAOC as an environmental reclamation liability. The provision for the liability associated with the terms of the ASAOC is based on cost estimates developed with the use of engineering consultants, independent contractor quotes and the Company's internal development team. The timing of cash flows is based on the latest schedule for early action items. The estimated environmental reclamation liability may be subject to change based on changes to cost estimates and is adjusted for actual work performed. During the six months ended June 30, 2024, the Company spent \$0.5 million on ASAOC activities and estimates \$0.8 million in remaining work to be completed in 2024. Movements in the environmental reclamation liability during the six months ended June 30, 2024 and 2023 are as follows:

	Six months ended June 30,	
	2024	2023
Balance at beginning of period	\$ 764,607	\$ 10,800,936
Additions	567,626	581,937
Work performed on early action items	(545,261)	(2,375,690)
Balance at end of period	\$ 786,972	\$ 9,007,183
Current portion	\$ 786,972	\$ 8,412,823
Non-current portion	—	594,360
Balance at end of period	\$ 786,972	\$ 9,007,183

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

6. **Commitments and Contingencies**

a. *Mining Claim Assessments*

The Company currently holds mining claims and mill sites for which it has an annual assessment obligation of \$275,992 to maintain the claims. The Company is committed to these payments indefinitely. Related to the mining claims assessments is a \$335,000 bond related to the Company.

b. *Stibnite Foundation*

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

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

c. *Option Payments on Other Properties*

The Company is obligated to make option payments on mineral properties in order to maintain an option to purchase these properties. As of June 30, 2024, option payments due on these properties in 2024 are approximately \$180,000, which will be paid this year. The agreements include options to purchase mineral properties.

d. *Off Balance Sheet Arrangements*

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

e. *Legal Update*

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

On August 8, 2023, the Company and the Nez Perce Tribe filed a final Settlement Agreement (the “Settlement Agreement”) to resolve the litigation. The parties jointly asked the court to approve the Settlement Agreement and dismiss the case without prejudice. The Settlement Agreement requires the Company to pay the Nez Perce Tribe \$5 million by Perpetua over a four-year period. This includes \$4 million of contributions by Perpetua to a South Fork Salmon River Water Quality Fund (the “Fund”) to be used by the Nez Perce Tribe to support water quality improvement projects in the South Fork Salmon River watershed. The Settlement Agreement also requires the Company to reimburse the Nez Perce Tribe for legal expenses. Following a 45-day review period by the United States Justice Department, the United States District Court for the District of Idaho approved the Stipulation for Dismissal and entered a Judgment on October 2, 2023 which resulted in the case being dismissed without prejudice. Under the Settlement Agreement, a dismissal with full prejudice will follow after completion of Perpetua's payment obligations under the Settlement Agreement, the parties will submit a Stipulation of Dismissal with prejudice. Perpetua has satisfied its payment obligations under the Settlement Agreement, the parties will submit a Stipulation of Dismissal with prejudice. The Company recognized an expense of \$5 million during the second quarter of 2023. During the six month period ended June 30, 2024, the Company paid \$500,000 legal expense payment. As of June 30, 2024, CWA settlement payable current portion is \$1,500,000 with the remaining \$3,000,000 due over the next three years.

The voluntary CERCLA ASAOC entered into by the Corporation, the U.S. EPA, and the United States Department of Agriculture requires the Corporation to fund and implement cleanup actions to occur over the next several years at the Stibnite Gold Project site (the “Stibnite Site”). Perpetua Resources Idaho, Inc. is presently implementing Phase 1 early cleanup actions (known under CERCLA as “time critical removal actions”) that, after final work plan approval by the federal government, will be used to efficiently improve water quality in a number of areas on the Stibnite Site. Construction of time critical removal actions began in the second quarter of 2023. Significant progress was achieved to complete the voluntary Phase 1 Stibnite Site cleanup during the limited work seasons. During the first quarter of 2024, the Company spent \$0.5 million on ASAOC activities and estimates \$0.8 million in remaining work to be completed in 2024. Other cleanup actions relating to Project operations are being evaluated through the NEPA process.

Government Grants

6 Months Ended
Jun. 30, 2024

Government Grants

Government Grants

7. Government Grants

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

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

Government Grant	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
SBIR	\$ —	\$ 25,000	\$ —	\$ 99,998
DPA	8,440,373	4,060,746	11,049,634	7,267,459
DOTC	35,270	—	2,595,747	—
Total	<u>\$8,475,643</u>	<u>\$4,085,746</u>	<u>\$13,645,381</u>	<u>\$7,367,457</u>

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

	June 30,	December 31,
	2024	2023
DPA	\$7,531,166	\$1,232,025
DOTC	25,000	1,895,745
Total	<u>\$7,556,166</u>	<u>\$3,127,770</u>

Information regarding each individual grant is as follows:

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

Defense Production Act (“DPA”) Grant: On December 16, 2022, the Company entered into an undefinitized Technology Investment Agreement (“TIA”) with the DOD - Air Force Research Laboratory for an award of up to \$24.8 million under Title III of the DPA. On July 25, 2023, the TIA was definitized with the DOD, establishing the full not-to-exceed amount of \$24.8 million and on May 2, 2024, the TIA was modified with an additional \$34.4 million in funding, bringing the total amount of the TIA to \$59.2 million. The funding objective of the TIA is to complete environmental and engineering studies necessary to obtain a Final Environmental Impact Statement, a Final Record of Decision, and other ancillary permits to sustain the domestic production of antimony trisulfide capability for defense energetic materials at the Stibnite Gold Project. Proceeds from the grant will be used primarily to reimburse the Company for certain costs incurred through June 16, 2025 related to environmental baseline data monitoring, environmental and technical studies and other activities related to advancing

the Company's construction readiness and the permitting process for the Stibnite Gold Project. The Company anticipates recognizing approximately \$15,000,000 of additional grant income for the three months ended September 30, 2024. During the three and six months ended June 30, 2024, the Company was reimbursed \$1,793,364 (2023: \$2,184,944) and \$4,750,495 (2023: \$4,244,605), respectively, for certain costs incurred.

DOD Ordnance Technology Consortium ("DOTC") Grant: On August 18, 2023, the Company's wholly owned subsidiary, Perpetua Resources Idaho, Inc., was awarded an Ordnance Technology Initiative Agreement ("OTIA") of up to \$15.5 million under the Prototype Other Transaction Authority of the DOD through the DOTC. The funding objective of the OTIA is to demonstrate a fully domestic antimony trisulfide supply chain using ore from the Stibnite Gold Project site. The OTIA designates funding to the Company to conduct activities to meet this objective, including obtaining additional core samples from the Project site, conducting a pilot plant study to produce mil-spec antimony trisulfide from the samples, designing a full-scale process circuit, and delivering a modular pilot plant for the DOD to use in further investigations. Under the OTIA, the Company will be reimbursed for these activities on a cost-plus fixed fee basis over the 24-month period of performance. The current estimated amount is \$15.5 million, which is subject to adjustment by the DOD based on scope, costs, budget, or other factors as the program advances. Perpetua will be entitled to reimbursement for all costs incurred under the agreement, with the negotiated fee being 12%. The OTIA contains customary terms and conditions for OTIAs, including ongoing reporting obligations. The Company anticipates recognizing approximately \$900,000 of additional grant income for the next three months ended September 30, 2024. During the three and six months ended June 30, 2024, the Company received cash from this grant of \$976,352 and \$4,466,493 respectively, for reimbursement of certain costs incurred of \$871,743 and \$3,987,940 and 12% fee income of \$104,609 and \$478,553, respectively. During the three month and six months ended June 30, 2024, grant income includes \$3,779 and \$278,116, respectively, of 12% fee income earned on costs incurred. No grant income was earned during the six months ended June 30, 2023.

Pay vs Performance Disclosure - USD (\$)	3 Months Ended				6 Months Ended	
	Jun. 30, 2024	Mar. 31, 2024	Jun. 30, 2023	Mar. 31, 2023	Jun. 30, 2024	Jun. 30, 2023
<u>Pay vs Performance Disclosure</u>						
<u>Net Income (Loss)</u>	\$ (3,673,715)	\$ (2,944,525)	\$ (7,672,752)	\$ (4,600,093)	\$ (6,618,240)	\$ (12,272,845)

**Insider Trading
Arrangements**

**3 Months Ended
Jun. 30, 2024**

Trading Arrangements, by Individual

<u>Rule 10b5-1 Arrangement Adopted</u>	false
<u>Non-Rule 10b5-1 Arrangement Adopted</u>	false
<u>Rule 10b5-1 Arrangement Terminated</u>	false
<u>Non-Rule 10b5-1 Arrangement Terminated</u>	false

**Nature of Operations and
Basis of Presentation
(Tables)**

**6 Months Ended
Jun. 30, 2024**

Nature of Operations and Going Concern Assessment
Schedule of potentially dilutive shares

	June 30	
	2024	2023
Share purchase options	1,086,534	1,765,750
Share units	<u>2,258,428</u>	<u>1,380,407</u>
Balance	<u><u>3,344,962</u></u>	<u><u>3,146,157</u></u>

**Shareholders' Equity
(Tables)**

**6 Months Ended
Jun. 30, 2024**

[Schedule of share based compensation
recognized in the consolidated statement
of operations](#)

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Exploration	\$ 500,819	\$ 442,549	\$ 947,929	\$ 815,236
Corporate salaries and benefits	394,890	282,606	693,224	529,576
Directors' fees	54,449	59,127	317,082	280,297
Total	<u>\$ 950,158</u>	<u>\$ 784,282</u>	<u>\$ 1,958,235</u>	<u>\$ 1,625,109</u>

[Schedule of options activity](#)

	Number of Options	Weighted Average Exercise Price (C\$)
Balance December 31, 2022	1,945,650	\$ 9.23
Options exercised	(25,000)	4.40
Options cancelled or forfeited	(35,500)	11.48
Options expired	(219,400)	7.07
Balance December 31, 2023	1,665,750	\$ 9.54
Options exercised	(228,341)	5.91
Options cancelled or forfeited	—	—
Options expired	(350,875)	9.52
Balance June 30, 2024	<u>1,086,534</u>	<u>\$ 10.31</u>

[Schedule of option exercise price ranges](#)

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

Range of Exercise Prices (C\$)	Options Outstanding			Options Exercisable		
	Number	Price (C\$) ¹	Remaining	Number	Price (C\$) ¹	Remaining
			Life ²			Life ²
\$3.50 - \$5.90	20,000	3.50	0.72	20,000	3.50	0.72
\$5.91 - \$7.20	198,534	6.20	0.52	198,534	6.20	0.52
\$7.21 - \$9.70	130,000	9.13	1.70	40,000	9.13	1.70
\$9.71 - \$11.80	738,000	11.80	1.56	738,000	11.80	1.56
\$3.50 - \$11.80	<u>1,086,534</u>	<u>10.31</u>	<u>1.37</u>	<u>996,534</u>	<u>10.41</u>	<u>1.34</u>

¹ Weighted Average Exercise Price (C\$)

² Weighted Average Remaining Contractual Life (Years)

[Schedule of activity for restricted share units awarded](#)

	Share Units	Weighted Average Grant Date Fair Value
Unvested, December 31, 2022	371,956	\$ 4.13
Granted	385,039	3.40
Distributed (vested)	(147,506)	4.23
Cancelled	(7,849)	3.72
Unvested, December 31, 2023	601,640	3.64

Granted	515,128	3.02
Distributed (vested)	(241,755)	3.72
Cancelled	(2,285)	3.72
Unvested, June 30, 2024	<u>872,728</u>	<u>\$ 3.25</u>

[Schedule of restricted share units
scheduled to vest](#)

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

[Schedule of activity for performance
share units](#)

	Share Units	Weighted Average Grant Date Fair Value
Unvested, December 31, 2022	263,266	\$ 6.77
Granted	301,035	5.80
Distributed	(12,725)	2.74
Cancelled	(4,993)	5.03
Unvested, December 31, 2023	546,583	\$ 6.35
Granted	509,502	4.75
Distributed	—	—
Cancelled	(1,142)	5.15
Unvested, June 30, 2024	<u>1,054,943</u>	<u>\$ 5.58</u>

[Schedule of performance share units
scheduled to vest](#)

Remainder of 2024	3,500
2025	377,233
2026	283,862
2027	328,448
Total	<u>993,043</u>

[Schedule of activity in deferred share
units](#)

	Share Units	Weighted Average Grant Date Fair Value
Outstanding, December 31, 2022	145,675	\$ 3.82
Granted	112,465	3.53
Distributed	(31,566)	3.77
Outstanding, December 31, 2023	226,574	3.68
Granted	104,183	3.39
Distributed	—	—
Outstanding, June 30, 2024	<u>330,757</u>	<u>3.59</u>

[MPSU's](#)

[Schedule of assumptions to value options
and performance shares](#)

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

**Environmental Reclamation
Liability (Tables)**

**6 Months Ended
Jun. 30, 2024**

Environmental Reclamation Liability

**Schedule of movements in the environmental reclamation
liability**

	Six months ended June 30,	
	2024	2023
Balance at beginning of period	\$ 764,607	\$10,800,936
Additions	567,626	581,937
Work performed on early action items	(545,261)	(2,375,690)
Balance at end of period	<u>\$ 786,972</u>	<u>\$ 9,007,183</u>
Current portion	\$ 786,972	\$ 8,412,823
Non-current portion	—	594,360
Balance at end of period	<u>\$ 786,972</u>	<u>\$ 9,007,183</u>

Government Grants (Tables)

6 Months Ended
Jun. 30, 2024

Government Grants

Schedule of grant income recognized in the Consolidated Statement of Operations

Government Grant	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
SBIR	\$ —	\$ 25,000	\$ —	\$ 99,998
DPA	8,440,373	4,060,746	11,049,634	7,267,459
DOTC	35,270	—	2,595,747	—
Total	<u>\$8,475,643</u>	<u>\$4,085,746</u>	<u>\$13,645,381</u>	<u>\$7,367,457</u>

Schedule of grant receivable recognized in Consolidated Balance Sheets

	June 30, 2024	December 31, 2023
DPA	\$7,531,166	\$1,232,025
DOTC	25,000	1,895,745
Total	<u>\$7,556,166</u>	<u>\$3,127,770</u>

Nature of Operations and Basis of Presentation (Details)	6 Months Ended				
	May 02, 2024 USD (\$)	May 12, 2023 USD (\$)	Jun. 30, 2024 USD (\$) segment	Jul. 25, 2023 USD (\$)	Dec. 16, 2022 USD (\$)
<u>Nature of Operations and Going Concern Assessment</u>					
<u>Number of operating segments segment</u>			1		
<u>Effective tax rate</u>			0.00%		
<u>Income tax provision (benefit)</u>			\$ 0		
<u>DPA</u>					
<u>Nature of Operations and Going Concern Assessment</u>					
<u>Amount of grants awarded</u>	\$ 59,200,000		59,200,000		
<u>Estimated additional grant income</u>	\$ 34,400,000				
<u>Maximum DPA</u>					
<u>Nature of Operations and Going Concern Assessment</u>					
<u>Amount of grants awarded</u>				\$ 24,800,000	
<u>Maximum DPA TIA</u>					
<u>Nature of Operations and Going Concern Assessment</u>					
<u>Amount of grants awarded</u>					\$ 24,800,000
<u>Maximum Controlled Equity Offering</u>					
<u>Nature of Operations and Going Concern Assessment</u>					
<u>Common shares aggregate gross offering price</u>		\$ 20,000,000.0	\$ 17,200,000		
<u>Subsidiaries that control the Stibnite Gold Project.</u>					
<u>Nature of Operations and Going Concern Assessment</u>					
<u>Principal asset percentage of ownership</u>			100.00%		

**Nature of Operations and
Basis of Presentation - Loss
per share (Details) - shares**

**6 Months Ended
Jun. 30, 2024 Jun. 30, 2023**

Nature of Operations and Basis of Presentation

Balance 3,344,962 3,146,157

Employee Stock Option

Nature of Operations and Basis of Presentation

Balance 1,086,534 1,765,750

Share units

Nature of Operations and Basis of Presentation

Balance 2,258,428 1,380,407

**Mineral Properties and
Interest (Details) - USD (\$)**

	Mar. 21, 2024	6 Months Ended Jun. 30, 2024	Dec. 31, 2023
<u>Oil and Gas, Full Cost Method, Capitalized Cost Excluded from Amortization [Line Items]</u>			
<u>Mineral properties and interest</u>		\$ 64,485,250	\$ 72,820,365
<u>Annual payments due under option agreements</u>		180,000	
<u>Gross proceeds from royalty</u>	\$ 8,500,000		
<u>Incurred costs</u>	\$ 164,835		
<u>Proceeds from sale of silver royalty Franco-Nevada Idaho Corporation</u>		\$ 8,335,115	
<u>Oil and Gas, Full Cost Method, Capitalized Cost Excluded from Amortization [Line Items]</u>			
<u>Percentage of net smelter returns royalty Stibnite Gold Project</u>	100.00%		
<u>Oil and Gas, Full Cost Method, Capitalized Cost Excluded from Amortization [Line Items]</u>			
<u>Percentage of net smelter returns royalty</u>		1.70%	

**Shareholders' Equity -
Authorized (Details) - USD
(\$)
\$ / shares in Units, \$ in
Millions**

6 Months Ended 12 Months Ended

May 12, 2023 Jun. 30, 2024 Dec. 31, 2023

Shareholders' Equity

Common stock, shares authorized (unlimited)

Unlimited

Common stock, no par value

\$ 0

Common stock, shares outstanding

64,593,552

64,123,456

Maximum | ATM offering

Shareholders' Equity

Common shares aggregate gross offering price \$ 20.0

Common Shares | ATM offering

Shareholders' Equity

Shares sold through offering (in shares)

0

894,882

Net proceeds from stock issuance

\$ 2.1

Share issuance costs

\$ 0.7

Share prices

17,200,000

First preferred shares

Shareholders' Equity

Preferred stock, shares authorized (unlimited)

Unlimited

Preferred stock, no par value

\$ 0

Second preferred shares

Shareholders' Equity

Preferred stock, shares authorized (unlimited)

Unlimited

Preferred stock, no par value

\$ 0

Shareholders' Equity - Share based compensation recognized in condensed consolidated statements of operations (Details) - USD (\$)

	3 Months Ended		6 Months Ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
<u>Shareholders' Equity</u>				
<u>Share based compensation</u>	\$ 950,158	\$ 784,282	\$ 1,958,235	\$ 1,625,109
<u>Exploration</u>				
<u>Shareholders' Equity</u>				
<u>Share based compensation</u>	500,819	442,549	947,929	815,236
<u>Corporate salaries and benefits</u>				
<u>Shareholders' Equity</u>				
<u>Share based compensation</u>	394,890	282,606	693,224	529,576
<u>Directors' fees</u>				
<u>Shareholders' Equity</u>				
<u>Share based compensation</u>	\$ 54,449	\$ 59,127	\$ 317,082	\$ 280,297

**Shareholders' Equity - Share
purchase option activity
within the Company's share-
based compensation plan
(Details) - Stock Option Plan
- Employee Stock Option - \$
/ shares**

6 Months Ended 12 Months Ended

Jun. 30, 2024 Dec. 31, 2023

Number of Options

<u>Balance, beginning of the year</u>	1,665,750	1,945,650
<u>Options expired</u>	(350,875)	(219,400)
<u>Options exercised</u>	(228,341)	(25,000)
<u>Options cancelled or forfeited</u>		(35,500)
<u>Balance, end of the year</u>	1,086,534	1,665,750

Weighted Average Exercise Price (C\$)

<u>Balance, beginning of the year, Weighted Average Exercise Price</u>	\$ 9.54	\$ 9.23
<u>Options expired, Weighted Average Exercise Price</u>	9.52	7.07
<u>Options cancelled or forfeited, Weighted Average Exercise Price</u>		11.48
<u>Options exercised, Weighted Average Exercise Price</u>	5.91	4.40
<u>Balance, end of the year, Weighted Average Exercise Price</u>	\$ 10.31	\$ 9.54

**Shareholders' Equity -
Analysis of outstanding
share purchase options
(Details) - Stock Option Plan
- Employee Stock Option - \$
/ shares**

6 Months Ended

Jun. 30, 2024

Dec. 31, 2023 Dec. 31, 2022

Shareholders' Equity

<u>Options Outstanding, Number</u>	1,086,534	1,665,750	1,945,650
<u>Options Outstanding, Price</u>	\$ 10.31	\$ 9.54	\$ 9.23

\$3.50 - \$5.90

Shareholders' Equity

<u>Range of Exercise Prices, minimum</u>	3.50
<u>Range of Exercise Prices, maximum</u>	\$ 5.90
<u>Options Outstanding, Number</u>	20,000
<u>Options Outstanding, Price</u>	\$ 3.50
<u>Options Outstanding, Remaining Life</u>	8 months 19 days
<u>Options Exercisable, Number</u>	20,000
<u>Options Exercisable, Price</u>	\$ 3.50
<u>Options Exercisable, Remaining Life</u>	8 months 19 days

\$5.91 - \$7.20

Shareholders' Equity

<u>Range of Exercise Prices, minimum</u>	\$ 5.91
<u>Range of Exercise Prices, maximum</u>	\$ 7.20
<u>Options Outstanding, Number</u>	198,534
<u>Options Outstanding, Price</u>	\$ 6.20
<u>Options Outstanding, Remaining Life</u>	6 months 7 days
<u>Options Exercisable, Number</u>	198,534
<u>Options Exercisable, Price</u>	\$ 6.20
<u>Options Exercisable, Remaining Life</u>	6 months 7 days

\$7.21 - \$9.70

Shareholders' Equity

<u>Range of Exercise Prices, minimum</u>	\$ 7.21
<u>Range of Exercise Prices, maximum</u>	\$ 9.70
<u>Options Outstanding, Number</u>	130,000
<u>Options Outstanding, Price</u>	\$ 9.13
<u>Options Outstanding, Remaining Life</u>	1 year 8 months 12 days
<u>Options Exercisable, Number</u>	40,000
<u>Options Exercisable, Price</u>	\$ 9.13
<u>Options Exercisable, Remaining Life</u>	1 year 8 months 12 days

\$9.71 - \$11.80

Shareholders' Equity

<u>Range of Exercise Prices, minimum</u>	\$ 9.71
<u>Range of Exercise Prices, maximum</u>	\$ 11.80
<u>Options Outstanding, Number</u>	738,000

Options Outstanding, Price \$ 11.80
Options Outstanding, Remaining Life 1 year 6 months 21 days
Options Exercisable, Number 738,000
Options Exercisable, Price \$ 11.80
Options Exercisable, Remaining Life 1 year 6 months 21 days
\$3.50 - \$11.80

Shareholders' Equity

Range of Exercise Prices, minimum \$ 3.50
Range of Exercise Prices, maximum \$ 11.80
Options Outstanding, Number 1,086,534
Options Outstanding, Price \$ 10.31
Options Outstanding, Remaining Life 1 year 4 months 13 days
Options Exercisable, Number 996,534
Options Exercisable, Price \$ 10.41
Options Exercisable, Remaining Life 1 year 4 months 2 days

Shareholders' Equity - Share purchase options (Details) - USD (\$)	3 Months Ended		6 Months Ended		18 Months Ended
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024
<u>Shareholders' Equity</u>					
<u>Share based compensation</u>	\$ 950,158	\$ 784,282	\$ 1,958,235	\$ 1,625,109	
<u>Stock Option Plan</u>					
<u>Shareholders' Equity</u>					
<u>Unvested compensation not yet recognized</u>	0		0		\$ 0
<u>Stock Option Plan Employee Stock Option</u>					
<u>Shareholders' Equity</u>					
<u>Share based compensation</u>		83,722		164,042	
<u>Options granted</u>					0
<u>Intrinsic value of outstanding share purchase options</u>	185,211		185,211		\$ 185,211
<u>Intrinsic value of exercisable share purchase options</u>	185,211		185,211		\$ 185,211
<u>Intrinsic value of share purchase options exercised</u>	\$ 441,143	\$ 18,124	\$ 441,143	\$ 30,594	

Shareholders' Equity - Activity for restricted share units awarded (Details) - USD (\$)	3 Months Ended		6 Months Ended		12 Months Ended
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023	Dec. 31, 2023
<u>Shareholders' Equity</u>					
<u>Share based compensation</u>	\$ 950,158	\$ 784,282	\$ 1,958,235	\$	1,625,109
<u>Stock Option Plan</u>					
<u>Shareholders' Equity</u>					
<u>Unvested compensation not yet recognized</u>	\$ 0		\$ 0		
<u>Restricted Share Units</u>					
<u>Shareholders' Equity</u>					
<u>Unvested shares balance at beginning of the year</u>			601,640	371,956	371,956
<u>Granted (in shares)</u>			515,128	370,039	385,039
<u>Distributed (vested), (in shares)</u>			241,755		147,506
<u>Cancelled (in shares)</u>			(2,285)		(7,849)
<u>Unvested shares balance at end of the year</u>	872,728		872,728		601,640
<u>Unvested, Weighted Average Grant Date Fair Value, balance at beginning of the year</u>			\$ 3.64	\$ 4.13	\$ 4.13
<u>Granted, Weighted Average Grant Date Fair Value</u>			3.02	\$ 3.42	3.40
<u>Distributed (vested), Weighted Average Grant Date Fair Value</u>			3.72		4.23
<u>Cancelled, Weighted Average Grant Date Fair Value</u>			3.72		3.72
<u>Unvested, Weighted Average Grant Date Fair Value, balance at end of the year</u>	\$ 3.25		\$ 3.25		\$ 3.64
<u>Weighted average grant date fair value</u>	\$		\$		\$
	1,600,000	1,300,000	\$ 1,600,000		1,300,000
<u>Share based compensation</u>	363,142	350,791	691,941		650,419
<u>Unvested compensation not yet recognized</u>	1,600,000		\$ 1,600,000		
<u>Remaining life of exercisable options</u>			1 year 6 months 25 days		
<u>Employee Stock Option Stock Option Plan</u>					
<u>Shareholders' Equity</u>					
<u>Share based compensation</u>		83,722		164,042	
<u>Grant date fair value</u>	\$ 441,143	\$ 18,124	\$ 441,143	\$ 30,594	

**Shareholders' Equity -
Restricted share units and Jun. 30, 2024
Performance share units shares
scheduled to vest (Details)**

Restricted Share Units

Shareholders' Equity

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

PSUs and MPSUs

Shareholders' Equity

<u>Remainder of 2024</u>	3,500
<u>2025</u>	377,233
<u>2026</u>	283,862
<u>2027</u>	328,448
<u>Total</u>	993,043

Shareholders' Equity - Activity for Performance share units (Details) - USD (\$)	3 Months Ended		6 Months Ended		12 Months Ended
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023	Dec. 31, 2023
<u>Shareholders' Equity</u>					
<u>Share based compensation</u>	\$ 950,158	\$ 784,282	\$ 1,958,235	\$ 1,625,109	
<u>PSUs and MPSUs</u>					
<u>Shareholders' Equity</u>					
<u>Unvested shares balance at beginning of the year</u>			546,583	263,266	263,266
<u>Granted (in shares)</u>			509,502		301,035
<u>Distributed (vested), Shares</u>					(12,725)
<u>Cancelled (in shares)</u>			(1,142)		(4,993)
<u>Unvested shares balance at end of the year</u>	1,054,943		1,054,943		546,583
<u>Unvested, Weighted Average Grant Date Fair Value, balance at beginning of the year</u>			\$ 6.35	\$ 6.77	\$ 6.77
<u>Granted, Weighted Average Grant Date Fair Value</u>			4.75		5.80
<u>Distributed (vested), Weighted Average Grant Date Fair Value</u>					2.74
<u>Cancelled, Weighted Average Grant Date Fair Value</u>			5.15		5.03
<u>Unvested, Weighted Average Grant Date Fair Value, balance at end of the year</u>	\$ 5.58		\$ 5.58		\$ 6.35
<u>Share based compensation</u>	\$ 532,567	\$ 287,579	\$ 913,206	\$ 508,137	
<u>Unvested compensation not yet recognized</u>	\$ 3,300,000		\$ 3,300,000		
<u>Unvested compensation period for recognition</u>			2 years		
<u>Performance Share Units</u>					
<u>Shareholders' Equity</u>					
<u>Fair value of distributed</u>			\$ 474,000	\$ 16,765	

Shareholders' Equity - PSUs, MPSUs and Deferred share units (Details) - USD (\$)	3 Months Ended		6 Months Ended		18 Months Ended
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024
<u>Deferred Share Units</u>					
<u>Shareholders' Equity</u>					
<u>Share units granted</u>	10,471	16,023	104,183	83,098	
<u>Grant date fair value of options granted</u>	\$ 54,449	\$ 62,190	\$ 353,087	\$ 302,511	
<u>MPSU's</u>					
<u>Shareholders' Equity</u>					
<u>Total fair value of units awarded</u>			\$ 1,900,000	\$ 1,700,000	
<u>Performance Period</u>					3 years
<u>Granted, Weighted Average Grant Date Fair Value</u>			\$ 5.00	\$ 5.98	
<u>Granted (in shares)</u>			389,502	277,535	
<u>MPSU's Minimum</u>					
<u>Shareholders' Equity</u>					
<u>Vesting right percentage</u>					0.00%
<u>MPSU's Maximum</u>					
<u>Shareholders' Equity</u>					
<u>Vesting right percentage</u>					200.00%
<u>PSU's</u>					
<u>Shareholders' Equity</u>					
<u>Share units granted</u>			120,000	3,500	
<u>Weighted average grant date fair value option granted</u>			\$ 3.95	\$ 4.79	
<u>Total fair value of units awarded</u>			\$ 474,000	\$ 16,765	

Shareholders' Equity -
Weighted average inputs
used in the Monte Carlo
simulation model (Details) - **6 Months Ended**
\$ / shares **Jun. 30, 2024** **Jun. 30, 2023**

Shareholders' Equity

<u>Grant date fair value</u>	\$ 5.00	\$ 5.98
<u>Risk-free interest rate</u>	4.38%	4.15%
<u>Expected term (in years)</u>	3 years	3 years
<u>Expected share price volatility</u>	57.36%	65.74%

Shareholders' Equity - Activity for deferred share units (Details)	6 Months Ended		12 Months Ended		18 Months Ended	
	Jun. 30, 2024	Jun. 30, 2024	Dec. 31, 2023	Dec. 31, 2023	Jun. 30, 2024	Jun. 30, 2024
	\$ / shares	\$ / shares	\$ / shares	\$ / shares	\$ / shares	\$ / shares
<u>Deferred Share Units</u>						
Shareholders' Equity						
<u>Balance, beginning of the year</u>	226,574	226,574	145,675	145,675	145,675	145,675
<u>Granted</u>	104,183	104,183	112,465	112,465		
<u>Distributed (vested), Shares</u>			(31,566)	(31,566)		
<u>Balance, end of the year</u>	330,757	330,757	226,574	226,574	330,757	330,757
<u>Balance, beginning of the year, Weighted Average Exercise Price \$ / shares</u>		\$ 3.68		\$ 3.82		\$ 3.82
<u>Granted, Weighted Average Exercise Price \$ / shares</u>		3.39		3.53		
<u>Distributed (vested), Weighted Average Grant Date Fair Value \$ / shares</u>				3.77		
<u>Balance, end of the year, Weighted Average Exercise Price \$ / shares</u>		\$ 3.59		\$ 3.68		\$ 3.59
<u>Employee Stock Option Stock Option Plan</u>						
Shareholders' Equity						
<u>Balance, beginning of the year</u>	1,665,750	1,665,750	1,945,650	1,945,650	1,945,650	1,945,650
<u>Granted</u>					0	0
<u>Balance, end of the year</u>	1,086,534	1,086,534	1,665,750	1,665,750	1,086,534	1,086,534
<u>Balance, beginning of the year, Weighted Average Exercise Price \$ / shares</u>	\$ 9.54		\$ 9.23		\$ 9.23	
<u>Balance, end of the year, Weighted Average Exercise Price \$ / shares</u>	\$ 10.31		\$ 9.54		\$ 10.31	

Shareholders' Equity - Dec. 31, 2022
Warrants (Details) shares

Shareholders' Equity

Number of warrants outstanding 200,000

Environmental Reclamation Liability (Details) - USD (\$)	6 Months Ended					
	Jan. 15, 2021	Jun. 30, 2024	Jun. 30, 2023	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021
<u>Environmental Reclamation Liability</u>						
<u>Environmental reclamation liability</u>		\$ 786,972	\$ 9,007,183	\$ 764,607	\$ 10,800,936	
<u>Cash collateral for a surety bond</u>	\$ 3,000,000.0					
<u>Payment for cash collateral</u>						\$ 7,500,000
<u>Work performed on early action items</u>		\$ 545,261	\$ 2,375,690			

Environmental Reclamation Liability - Movements in the environmental reclamation liability (Details) - USD (\$)	3 Months Ended		6 Months Ended		Dec. 31, 2023
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023	
<u>Environmental Reclamation Liability</u>					
<u>Balance at beginning of period</u>			\$ 764,607	\$ 10,800,936	
<u>Additions</u>	\$ 414,197	\$ (536,366)	\$ 567,626	\$ 581,937	
<u>Environmental Loss Contingency Statement Of Financial Position Extensible Enumeration Not Disclosed Flag</u>			true	true	
<u>Work performed on early action items</u>			\$ (545,261)	\$ (2,375,690)	
<u>Current portion</u>	786,972	8,412,823	786,972	8,412,823	\$ 764,607
<u>Non-current portion</u>		594,360		594,360	
<u>Balance at end of period</u>	\$ 786,972	\$ 9,007,183	\$ 786,972	\$ 9,007,183	

Commitments and Contingencies (Details)	Aug. 08, 2023 USD (\$)	Feb. 26, 2019 USD (\$) community shares	3 Months Ended			6 Months Ended	
			Jun. 30, 2023 USD (\$)	Jun. 30, 2024 USD (\$)	Jun. 30, 2023 USD (\$)	Dec. 31, 2023 USD (\$)	Dec. 31, 2022 USD (\$)
<u>Commitment and Contingencies</u>							
<u>Off-balance sheet arrangements</u>				\$ 0			
<u>Settlement payable, current</u>				1,500,000		\$ 2,000,000	
<u>Settlement payable, long-term</u>				3,000,000		3,000,000	
<u>Environmental reclamation liability</u>			\$ 9,007,183	786,972	\$ 9,007,183	\$ 764,607	\$ 10,800,936
<u>Work performed on early action items</u>				545,261		\$ 2,375,690	
<u>CWA litigation settlement agreement</u>							
<u>Commitment and Contingencies</u>							
<u>Settlement amount awarded to other party</u>	\$ 5,000,000						
<u>Litigation settlement amount payable period</u>			4 years				
<u>Review period to request court approval of Dismissal and Settlement Agreement</u>			45 days				
<u>CWA settlement expense</u>				\$ 5,000,000			
<u>Legal expense payment settlement</u>				500,000			
<u>Settlement payable, current</u>				1,500,000			
<u>Settlement payable, long-term</u>				3,000,000			
<u>Nez Perce Tribe CWA litigation settlement agreement</u>							
<u>Commitment and Contingencies</u>							
<u>Settlement amount to be paid to the South Fork Salmon Water Quality Enhancement Fund</u>	\$ 4,000,000						
<u>Settlement amount to be paid to reimburse other party for legal expenses</u>	\$ 1,000,000						
<u>Related Party Stibnite Foundation</u>							
<u>Commitment and Contingencies</u>							
<u>Capital commitments payable in common shares shares</u>		150,000					

<u>Percentage of total comprehensive income payable</u>	1.00%	
<u>Minimum payments to be made during commercial production</u>	\$ 500,000	
<u>Number of communities with whom Community Agreement was established community</u>	8	
<u>Related Party Stibnite Foundation Minimum</u>		
<u>Commitment and Contingencies</u>		
<u>Commitments payable</u>	\$ 100,000	
<u>Related Party Stibnite Foundation Maximum</u>		
<u>Commitment and Contingencies</u>		
<u>Commitments payable</u>	\$ 1,000,000	
<u>Mining Claim Assessments</u>		
<u>Commitment and Contingencies</u>		
<u>Annual assessment obligation</u>		275,992
<u>Bond issued</u>		335,000
<u>Option Payments On Other Properties</u>		
<u>Commitment and Contingencies</u>		
<u>Commitments payable</u>		\$ 180,000

Government Grants - Grant income, which is included within Other income (expense) (Details) - USD (\$)	3 Months Ended		6 Months Ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
Government Grants				
<u>Grant income</u>	\$ 8,475,643	\$ 4,085,746	\$ 13,645,381	\$ 7,367,457
<u>SBIR</u>				
Government Grants				
<u>Grant income</u>		25,000		99,998
<u>DPA</u>				
Government Grants				
<u>Grant income</u>	8,440,373	\$ 4,060,746	11,049,634	\$ 7,267,459
<u>DOTC</u>				
Government Grants				
<u>Grant income</u>	\$ 35,270		\$ 2,595,747	

**Government Grants - Grant
receivable, which is included
in Receivables (Detail) - USD
(\$)**

Jun. 30, 2024

Dec. 31, 2023

Government Assistance, Asset [Abstract]

Government grants receivable

\$ 7,556,166

\$ 3,127,770

Government Assistance, Asset, Current,
Statement of Financial Position [Extensible
Enumeration]

Accounts Receivable, after
Allowance for Credit Loss,
Current

Accounts Receivable, after
Allowance for Credit Loss,
Current

DPA

Government Assistance, Asset [Abstract]

Government grants receivable

\$ 7,531,166

\$ 1,232,025

DOTC

Government Assistance, Asset [Abstract]

Government grants receivable

\$ 25,000

\$ 1,895,745

Government Grants (Details)	May 02, 2024 USD (\$)	Aug. 18, 2023 USD (\$)	1	3 Months Ended		6 Months Ended				
			Months Ended Sep. 30, 2022 USD (\$) item	Jun. 30, 2024 USD (\$)	Jun. 30, 2023 USD (\$)	Jun. 30, 2024 USD (\$)	Jun. 30, 2023 USD (\$)	Jul. 25, 2023 USD (\$)	Dec. 16, 2022 USD (\$)	
SBIR										
Government Grants										
Number of grants awarded item			2							
Amount of grants awarded			\$ 200,000							
Estimated additional grant income over future periods							\$ 0			
DPA										
Government Grants										
Amount of grants awarded	\$ 59,200,000			\$ 59,200,000			59,200,000			
Estimated additional grant income over future periods							15,000,000			
Estimated additional grant income	\$ 34,400,000									
Government grant, reimbursed costs incurred				\$ 1,793,364	\$ 2,184,944	\$ 4,750,495	\$ 4,244,605			
Government Assistance, Expense, Decrease (Increase), Statement of Income or Comprehensive Income [Extensible Enumeration]				Government Assistance, Increase (Decrease)	Government Assistance, Increase (Decrease)	Government Assistance, Increase (Decrease)	Government Assistance, Increase (Decrease)			
DPA Maximum										
Government Grants										
Amount of grants awarded								\$ 24,800,000		
DPA Maximum TIA										
Government Grants										
Amount of grants awarded									\$ 24,800,000	
DOTC										
Government Grants										
Amount of grants awarded		\$ 15,500,000								
Estimated additional grant income over future periods							\$ 900,000			
Government grant, reimbursed costs incurred				\$ 871,743		\$ 3,987,940				
Government Assistance, Expense, Decrease (Increase), Statement of Income or Comprehensive Income [Extensible Enumeration]				Government Assistance, Increase (Decrease)		Government Assistance, Increase (Decrease)				
Government assistance proceeds				\$ 976,352		\$ 4,466,493				

Period of performance	24 months		
Reimbursement for negotiating fee (in percent)	12.00%	12.00%	12.00%
Reimbursement of fee income		\$ 104,609	\$ 478,553
DOTC Maximum			
Government Grants			
Amount of grants awarded	\$ 15,500,000		
DOTC Government grant income			
Government Grants			
Reimbursement for negotiating fee (in percent)		12.00%	12.00%
Government assistance grant income		\$ 3,779	\$ 278,116 \$ 0

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3. Results
4. Discussion
5. Conclusion

The following text is a placeholder for the main body of the document, which contains the detailed analysis and findings of the study.

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1. Introduction
2. Methodology
3. Results
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1. Introduction

2. Objectives

3. Scope

4. Methodology

5. Results and Discussion

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1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods and techniques used to collect and analyze data. It includes a detailed description of the experimental procedures and the tools used for data collection.

3. The third part of the document presents the results of the study. It includes a series of tables and graphs that illustrate the findings of the research. The data shows a clear trend in the relationship between the variables being studied.

4. The fourth part of the document discusses the implications of the findings. It highlights the potential applications of the research in various fields and the need for further investigation in this area.

5. The fifth part of the document concludes the study and provides a summary of the key findings. It also includes a list of references and a bibliography of the sources used in the research.

1. The first part of the document discusses the importance of maintaining accurate records in a business setting. It highlights how proper record-keeping can aid in decision-making, compliance, and overall organizational efficiency. The text emphasizes that records should be kept up-to-date and accessible to relevant personnel.

2. The second section addresses the challenges associated with digital record management. It notes that while digital storage offers convenience and scalability, it also introduces risks such as data loss, security breaches, and obsolescence of formats. The author suggests implementing robust backup strategies and security protocols to mitigate these risks.

3. The third part of the document explores the legal implications of record retention. It discusses various regulations and industry standards that dictate how long certain types of records must be kept. The text stresses the importance of understanding these requirements to avoid potential legal consequences and fines.

4. The fourth section focuses on the role of records in financial reporting and auditing. It explains that accurate records are essential for preparing financial statements and undergoing audits. The author advises businesses to maintain clear and organized records to facilitate the audit process and ensure transparency.

5. The fifth part of the document discusses the impact of records on customer service and retention. It suggests that maintaining a detailed history of customer interactions can help in providing personalized support and identifying areas for improvement. The text encourages businesses to leverage their records to enhance the customer experience.

6. The sixth section addresses the environmental and sustainability aspects of record management. It notes that physical records contribute to paper waste and carbon footprint. The author promotes the use of digital records and eco-friendly storage solutions to reduce the environmental impact of business operations.

7. The seventh part of the document discusses the importance of records in crisis management. It explains that having accurate records can be crucial in the event of a disaster or legal dispute. The text advises businesses to have a clear plan for accessing and recovering their records in emergency situations.

8. The eighth section focuses on the role of records in human resources management. It highlights how records of employee performance, training, and compensation can be used for talent development and organizational growth. The author suggests maintaining comprehensive records to support HR initiatives.

9. The ninth part of the document discusses the importance of records in intellectual property protection. It explains that maintaining records of inventions, patents, and trademarks is essential for protecting a company's intellectual property. The text advises businesses to keep detailed records of their intellectual property activities.

10. The tenth and final section of the document discusses the importance of records in marketing and sales. It suggests that maintaining records of marketing campaigns and sales performance can help in analyzing trends and optimizing strategies. The author encourages businesses to use their records to gain valuable insights into their market performance.

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The study was conducted in a laboratory setting. The participants were recruited from a local university. The experiment was designed to measure the effect of the independent variable on the dependent variable. The results showed a significant positive correlation between the two variables. The discussion highlights the implications of these findings for future research. The conclusion summarizes the main points of the study.

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4. The fourth part of the document discusses the importance of communicating the results of the analysis to the relevant stakeholders. It emphasizes the need for clear and concise reporting that is easy to understand and actionable.

5. The fifth part of the document discusses the importance of reviewing and updating the data collection and analysis process regularly. It highlights the need for continuous improvement and adaptation to changing circumstances.

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5. The fifth part of the document discusses the importance of ethical considerations in research. It highlights the need for researchers to adhere to ethical guidelines and ensure the integrity of the research process.

6. The sixth part of the document discusses the importance of ongoing evaluation and improvement. It emphasizes the need for researchers to regularly assess the quality of their work and make necessary adjustments to improve the accuracy and reliability of their findings.

7. The seventh part of the document discusses the importance of collaboration and teamwork. It highlights the need for researchers to work together and share their knowledge and expertise to achieve the best possible results.

8. The eighth part of the document discusses the importance of staying up-to-date on the latest research and developments in the field. It emphasizes the need for researchers to continuously learn and grow in their profession.

9. The ninth part of the document discusses the importance of maintaining a professional and ethical reputation. It highlights the need for researchers to adhere to the highest standards of conduct and integrity in all aspects of their work.

10. The tenth part of the document discusses the importance of contributing to the advancement of the field. It emphasizes the need for researchers to share their findings and knowledge with the broader community and work towards solving the most pressing problems in the field.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods and techniques used to collect and analyze data. It includes a detailed description of the experimental procedures and the tools used for data collection.

3. The third part of the document presents the results of the study. It includes a series of tables and graphs that illustrate the findings of the research. The data shows a clear trend in the relationship between the variables being studied.

4. The fourth part of the document discusses the implications of the findings. It highlights the potential applications of the research in various fields and the need for further investigation in this area.

5. The fifth part of the document concludes the study and provides a summary of the key findings. It also includes a list of references and a bibliography of the sources used in the research.

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1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.