



**Perpetua
Resources**

ESG Policy

Approved by the board on November 6
2020

Rebranded on February 16, 2021

Summary:

This Policy sets out the guiding principals that Perpetua Resources follows with regards to environmental protection, social considerations and good governance.

Perpetua Resources Corp. (“Perpetua Resources” or the “Corporation”) has, since its inception, incorporated the principles of environmental protection, social considerations and good governance (**ESG**) into all its actions. The intent of this policy is to set out our guiding principles in a coherent, systematic manner to inform stakeholders and interested parties as to those principles.

Guiding Principles

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

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

Core Values

In order to live up to these principles, Perpetua Resources has defined certain core values that are integral to the Corporation’s DNA:

- **Safety** - The health and safety of our employees, contractors and the public is of the utmost importance.
- **Environmental Responsibility** - We go above and beyond what is required; we find practical solutions to manage growth while protecting and enhancing the natural environment.
- **Community Involvement** - As a proud part of the community, we actively strive to serve the community’s needs, to collectively enhance prosperity and well-being.
- **Transparency** - We fulfill our commitments in an open and transparent manner. We aim to be accurate, consistent and straightforward in all information delivered to our stakeholders.
- **Accountability** - As part of our governance, we ensure that accountability guides all of our actions, decisions, conduct and reporting.
- **Integrity & Performance** - We hold ourselves to high moral standards and strive to fulfill our commitments in an effective and sustainable manner.

Conservation Principles

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

- Conduct restoration, mining, milling and reclamation activities in an environmentally responsible manner;
- Locate Project infrastructure on previously disturbed areas wherever practicable;
- Design and construct facilities to minimize impacts to aquatic and terrestrial wildlife, improve habitat across the Project site, and protect anadromous and local aquatic populations;
- Protect and improve local surface water and groundwater quality; and,
- Repair, relocate, or construct new ecologically diverse stream channels and wetlands to mitigate those disturbed by legacy and new mine development.

Health & Safety Policy

Since its formation, and in order to align with our core values, Perpetua Resources has established safety principles that are reflected in rigorous policies and standard operating procedures (**SOPs**) on site for the protection of the health and safety of people working at the Project and the public.

These principles, and the resulting policies and SOPs, will continue to be refined and developed as the Project advances, reflecting the Project's various phases (pre-construction, clean-up and construction, operations, closure and reclamation, and monitoring). Perpetua Resources current Health and Safety Policy is set out below; as noted, this Policy will continue to be developed and refined as the Project advances.

Perpetua Resources believes that the health and safety of its employees is fundamental to the operation of its business. Work-related injury or illness is unacceptable and Perpetua Resources is committed to the identification, elimination or control of workplace hazards for the protection of all employees. The goal is to have zero lost time accidents. Perpetua Resources is committed to implementing operational improvements that offer superior safety and occupational health management.

For Perpetua Resources to succeed in fulfilling this policy, all employees must undertake their work in accordance with Perpetua Resources policies to the best of their ability and to take all reasonable care for their own safety and health, as well as the health and safety of their work colleagues.

In order to achieve these objectives, Perpetua Resources is committed to:

- Providing the expertise and resources needed to maintain safe and healthy work environments.
- Promoting occupational Health and Safety awareness so that it is always at the forefront of daily operations.
- Establishing clearly defined safety and occupational health programs.
- Measuring safety and health performance, and making improvements as warranted.
- Operating in accordance with recognized industry standards, while complying with local and international applicable regulations and laws.
- Investigating the causes of accidents and incidents and developing effective and immediate preventative and remedial action.
- Training employees to carry out their jobs safely and productively. No employee will be permitted to commence a job without the requisite training, including hazard recognition.
- Providing necessary personal protection equipment, such as hard hats and safety glasses, and instruction in their use.

- Maintaining a high degree of emergency preparedness.
- Requiring that contractors and vendors comply with all of the Corporation's health and safety standards.
- Promoting the Health & Safety Policy as a way of life in all aspects at our work sites and in our family and local community.

Environmental Policy

Since the commencement of activities at the Stibnite Gold Project, guided by our core values, Perpetua Resources established environmental principles that are reflected in robust policies and SOPs on and off site to protect the natural environment, which policies have resulted in zero reportable environmental incidents since February 14, 2012. Perpetua Resources commitment to the environment goes beyond just protecting what is there – we look for opportunities to enhance the ecosystem in which we operate, improving habitat and restoring the site by addressing legacy impacts.

As noted above, these principles, and the resulting policies and SOPs, will continue to be refined and developed, as the Project advances, reflecting the Project's various phases (pre-construction, clean-up and construction, operations, closure and reclamation, and monitoring). Perpetua Resources current Environmental Policy is set out below; this Policy will continue to be developed and refined as the Project advances.

Perpetua Resources environmental policy is a commitment to maintain sound environmental practices in all of its activities and to continuously improve the efficient use of resources, processes and materials. For Perpetua Resources to succeed in fulfilling this policy, all employees are responsible for incorporating into their work the actions necessary to take all reasonable care for the protection of the environment. As such, Perpetua Resources commits to the following:

- Examine the potential impact to the environment of all proposed activities and take steps to minimize, mitigate or, where possible, eliminate that impact.
- Operate in accordance with recognized industry standards, while meeting and complying with applicable federal regulations and laws.
- On a regular basis, determine the Corporation's impact to the environment and, through continuous improvement, strive to attain higher levels of environmental performance.
- Minimize all hazardous and non-hazardous materials generation and properly dispose of all wastes.
- Maintain a high level of environmental protection by applying reasonable best practices and technologies that minimize impacts and enhance environmental quality with respect to water, air, vegetation and wildlife.
- Maintain dialogue with the communities and other stakeholders within the area of influence in order to understand their concerns, minimize negative impacts and to enhance environmental quality.
- Progressively rehabilitate disturbed areas, where appropriate, and develop closure plans that can continuously improve and incorporate new technologies where practical.
- Train and educate all employees and contractors to understand their environmental responsibility related to all activities related to the Corporation's operations and activities.
- Require contractors and suppliers to operate according to Corporation's environmental standards and procedures.
- Consider environmental factors when purchasing equipment and materials.

Sustainability Goals

Perpetua Resources and its subsidiary businesses recognize that its own goal of creating a business that is financially sustainable in the long term is consistent with the goals of the communities and countries in which it is hosted and operate of creating self-sustaining economies and societies.

Perpetua Resources recognizes that its goals, and those of the communities in which it operates, can be aligned to create mutual and lasting benefits. An important goal for the local communities surrounding its Project is for sustainable, well-compensated employment. In order to deliver against these aspirations, Perpetua Resources aims to continue to encourage local hiring, contracting, provision of supplies and services within the local communities and Valley County, and then expanding out from the Project area to adjacent counties, the State and then the balance of the U.S. In support of this, Perpetua Resources has established an **employment goal** to encourage the hiring of qualified local people and work with nearby communities to lessen any negative social, lifestyle and economic impacts on local residents. In support of this goal, Perpetua Resources will

- Maintain its Stibnite Gold Logistics Facilities (**SGLF**) near the community of Cascade for general administration, accounting, payroll, human relations, warehousing, transportation and laboratory personnel. Members of the workforce assigned to this facility are expected to be or become residents of Valley County. Having as many support personnel as practical at the SGLF will limit the number of employees to be transported to the Project site and housed at Stibnite Lodge since SGLF workers will work more regular schedules and reside at home.
- Implement hiring practices that encourage the use of local contractors and local workers, and will go outside the region to hire only to the extent that qualified contractors and an adequate pool of worker candidates cannot be reasonably found locally and hired consistent with applicable legal requirements.
- Implement a policy that encourages local purchase and contracting, and work with local colleges and universities to identify training opportunities to facilitate the hiring of qualified local workers.

Recognizing the importance of the natural environment to the residents of the communities in which it operates, early in the design process and as central goals for the Project development and operation, Perpetua Resources focused on the following key restoration and mitigation principles in establishing a **“net benefit” goal** for the Project:

- Remove existing barriers to fish migration and re-establish salmon and steelhead passage to the headwaters of the East Fork of the South Fork of the Salmon River (EFSFSR) and Meadow Creek as a beneficial environmental outcome;
- Re-establish fish habitat and spawning areas in the newly accessible EFSFSR and Meadow Creek;
- Remove and re-process legacy tailings underlying the Spent Ore Disposal Area (SODA) to eliminate potential sources of metals leaching into the groundwater as an advance compensatory restoration measure created by the Project;
- Remove, relocate and potentially reuse legacy development rock from adjacent to the EFSFSR to remove sources of erosion and sediment that potentially affect the water quality in the EFSFSR;
- Re-use legacy spent ore material for construction activities to reduce the amount of fresh material required to be mined for construction purposes, thereby reducing the environmental footprint of the Project;
- Remove and reuse legacy development rock for construction activities, reducing the amount of fresh material required to be mined for construction purposes and thereby reducing the environmental footprint of the Project;
- Remove unconstrained and potentially contaminated materials from the legacy ore processing facility and smelter sites (and any other contaminated areas identified during construction and

operations), and place such materials in appropriately designed, engineered and constructed permanent storage facilities;

- Reforest the Project area to reduce sediment run-off that negatively impacts water quality and fish habitat, and enhance vegetation, riparian habitat, and tree canopy that would support increased wildlife populations and manage water temperature, thereby enhancing fish habitat;
- Provide a permanent replacement for the rapidly filling Yellow Pine pit lake that is acting as a catchment for sediment transport from the headwaters of the EFSFSR;
- Restore stream channels and riparian habitat that were altered or impacted by previous mining, to improve fish habitat, fish spawning and fish passage, in support of developing a robust population of natural migratory fish, a net benefit resulting from the Project;
- Enhance fish habitat, spawning beds and passage in drainages upstream of the current blockage to fish passage, in further support of developing a robust population of natural migratory fish, providing a beneficial environmental outcome;
- Implement sediment control actions, such as repairing the East Fork of Meadow Creek (EFMC), thereby reducing sediment input into Meadow Creek and the EFSFSR, which reduction should improve fish habitat and encourage additional spawning and natural fish population growth, resulting in a beneficial environmental outcome; and
- In addition to the site rehabilitation from legacy disturbance, Perpetua Resources will minimize the Project's footprint and related impacts by using existing roads and by locating new facilities on previously impacted ground to the maximum reasonable extent and away from riparian areas to minimize potential impacts on or risks to water quality and fish populations.

Transparency & Sustainability Reporting

Perpetua Resources uses the industry leading Mining Association of Canada's (**MAC**) *Towards Sustainable Mining (TSM)* initiative to guide our performance and progress (<http://www.mining.ca/site/index.php/en/towards-sustainable-mining.html>) against an internationally recognized reporting standard. Each TSM protocol that is applicable to an exploration company is internally and/or externally reviewed. Perpetua Resources is taking this proactive approach with a goal of delivering continuous improvements in five benchmark criteria:

- Safety & Health;
- Conservation Management;
- Energy & Waste;
- Community; and
- Economic Sustainability.

As the Stibnite Gold Project moves through the various phases of initial site cleanup, construction, operations, reclamation and closure, different components of the TSM initiative will come into play and be used to track the success of the Project against our core values.

With the rise of awareness of environmental, social and governance as a priority to investors and other stakeholders, a number of other internationally recognized reporting standards such as the Global Reporting Initiative (**GRI**) and International Council on Mining and Metals (**ICMM**) have been developed. As global acceptance and standardization of reporting develops, Perpetua Resources may migrate its primary ESG reporting from TSM to GRI or ICMM, or some other internationally recognized standard in order to improve transparency and accountability, while ensuring the integrity of its performance reporting.

Additional details as to how Perpetua Resources fulfills its commitment to our core values are set out in the Plan of Restoration and Operations available <https://midasgoldcorp.com/project/plan-of-restoration-and-operations/>.
