

Fury Gold Mines Limited (FURY)
Rating: Buy

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**Extensive Drill Campaign Planned at Homestake During FY21;
 First Down Plunge Intercept at Eau Claire; Reiterate Buy**

Stock Data		02/02/2021	
Price		\$1.60	
Exchange		NYSE American	
Price Target		\$2.40	
52-Week High		\$3.94	
52-Week Low		\$1.05	
Enterprise Value (M)		\$199	
Market Cap (M)		\$189	
Shares Outstanding (M)		117.8	
3 Month Avg Volume		435,365	
Short Interest (M)		0.94	
Balance Sheet Metrics			
Cash (M)		\$23.9	
Total Debt (M)		\$0.0	
Total Cash/Share		\$0.20	
Cash (M): pro forma for C\$23M financing.			
EPS (C\$) Diluted			
Full Year - Dec	2019A	2020E	2021E
FY	C\$(0.15)	C\$(0.13)	C\$(0.14)



FY21 exploration plans at Homestake. On February 2, Fury Gold Mines provided an update on near-term exploration plans at its Homestake Ridge project. During the summer of FY21, management plans to drill 25,000 meters (m), with 15,000m planned for expanding the resource and testing high quality gold-silver targets along the deposit trend. In addition, a 10,000m infill drill program is expected to convert a large portion of the resource at the Homestake Silver deposit to indicated from inferred. We highlight that management's key growth strategy at Homestake is to increase ounces as it looks to advance the largest and most intensive drill campaign at site. After refining its geological model for the deposit, Fury's technical team believes that the company could discover new mineralized bodies along the deposit trend and meaningfully change the size of the project. We include an overview of the FY21 exploration plans at Homestake in exhibit 1 on page two of this report.

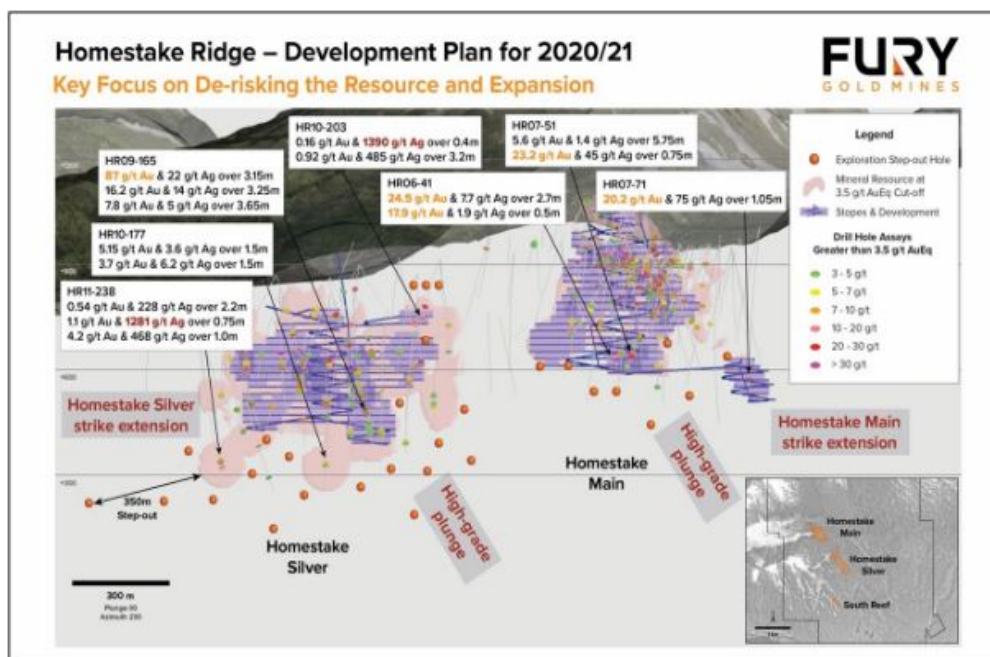
First down plunge gold intercept at Eau Claire. On January 25, 2021, Fury announced results from its first drill hole targeting a 660m extension from the known resource at the Eau Claire deposit. We highlight that hole B1(20EC-006) intercepted 8m of 1.21 grams per tonne (gpt) gold, including 3m of 2.59 gpt gold, starting at a depth of 643m. Notably, the gold mineralization was associated with the same quartz-tourmaline veining and amphibole alteration encountered at the Eau Claire deposit. As the first significant step-out drill hole hit mineralization, drilling could support resource growth at site, especially as the sub-interval grade exceeded Eau Claire's cut-off grade of 2.5 gpt. Management plans to add a second drill to the program to test target areas A and C, while continuing drilling at area B, as it looks to quickly define the actual size potential of the Eau Claire deposit. We also highlight that Fury's ongoing 50,000m drill program at Eau Claire is currently targeting infill drilling for resource conversion, as well as the three down plunge extension targets, for which we provide readers with a visual in exhibit 2 on page two of this report.

We maintain a Buy rating on Fury Gold and our PT of \$2.40. Our valuation is based on a DCF of operations for Eau Claire, utilizing a 13.5% discount rate. We believe this discount rate is inline with other early-stage peers in jurisdictions carrying similar geopolitical risk factors. We also add *in situ* ounces for the company's resources at Committee Bay, Homestake, and the Eastmain Mine at a \$70/oz valuation. We further add \$5.0M for the company's non-core exploration assets before including its *pro forma* cash balance of \$23.9M to arrive at our overall NAV of \$309.7M. We then divide this figure by the fully diluted share count of 127.4M to achieve our rounded price target of \$2.40 per share. In conclusion, we look forward to Fury continuing its exploration efforts to meaningfully grow resources across its asset base as management aims to unlock incremental shareholder value.

Risks. (1) Commodity price risk; (2) operating and technical risk; (3) and financial risk.

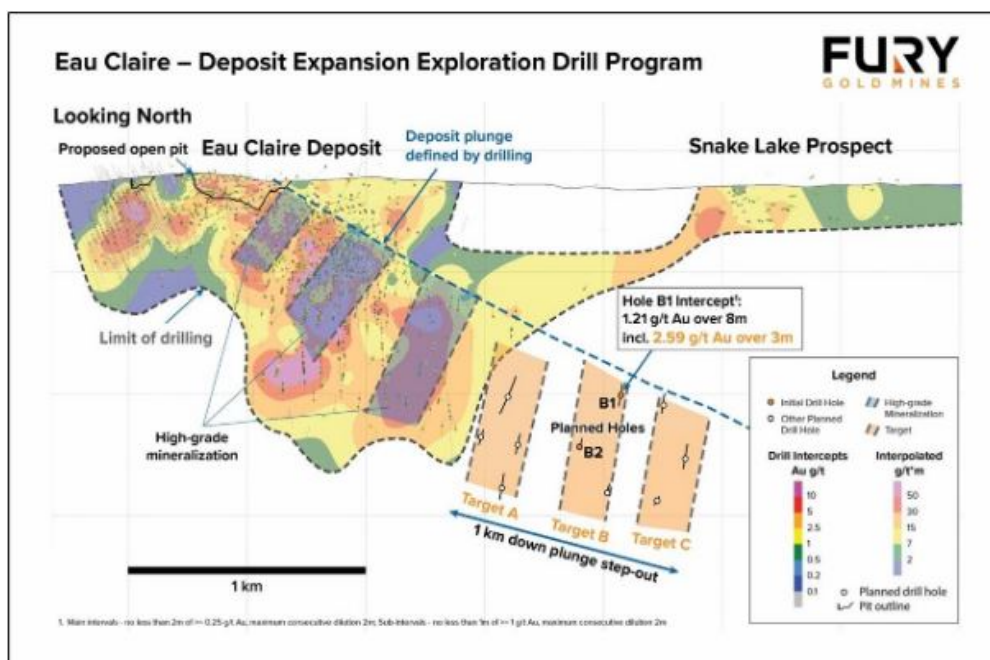


Exhibit 1: FY21 Exploration Plans at Homestake Ridge



Source: Fury Gold Mines press release.

Exhibit 2: Down Plunge Expansion Exploration Drill Program at Eau Claire



Source: Fury Gold Mines press release.

Fury Gold Mines (FURY)

Figures below in 000's of U.S. dollars unless noted

Note: production extends to FY37 but is not shown

Eau Claire		2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Tonnes Processed (000's)		-	-	-	-	-	-	500	525	525	525	525	525
Gold grade (gpt)		-	-	-	-	-	-	5.2	4.0	4.0	4.5	5.5	5.5
Gold Recovery		-	-	-	-	-	-	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%
Annual gold production (000's oz)		-	-	-	-	-	-	74.4	60.1	60.1	67.6	82.6	82.6
% growth								-19.2%	0.0%	0.0%	12.5%	22.2%	0.0%
Gold sales price	\$	1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900
Total Revenue		-	-	-	-	-	-	\$ 141,359	\$ 114,175	\$ 114,175	\$ 128,446	\$ 156,990	\$ 156,990
Total Cash Cost Per Tonne Processed		-	-	-	-	-	-	\$ 95	\$ 95	\$ 95	\$ 95	\$ 95	\$ 95
Total Cash Cost		-	-	-	-	-	-	\$ 47,500	\$ 49,875	\$ 49,875	\$ 49,875	\$ 49,875	\$ 49,875
Gross Profit		-	-	-	-	-	-	\$ 93,859	\$ 64,300	\$ 64,300	\$ 78,571	\$ 107,115	\$ 107,115
CapEx (in 000's)		-	-	-	-	(90,000)	(90,000)	\$ (1,000)	\$ (15,000)	\$ (18,000)	\$ (18,000)	\$ (12,000)	\$ (10,000)
(Tax) / Tax Benefit	36.0%	-	-	-	-	32,400	32,400	(33,429)	(17,748)	(16,668)	(21,806)	(34,241)	(34,961)
Operating cash flow	\$	-	\$ -	\$ -	\$ -	\$ (57,600)	\$ (57,600)	\$ 59,430	\$ 31,552	\$ 29,632	\$ 38,766	\$ 60,874	\$ 62,154
Cash flow discount rate	13.5%												
PV of operating cash flow	\$	-	\$ -	\$ -	\$ -	\$ (34,709)	\$ (30,580)	\$ 27,799	\$ 13,003	\$ 10,759	\$ 12,402	\$ 17,158	\$ 15,435
Total Project NAV	\$	77,795											
Fully diluted shares		127,448											
Project NAV per share	\$	0.61											
Value for Committee Bay, Homestake, and Eastmain Mine	\$	202,990	valued at ~\$70 per oz (in line with current peer average multiple)										
Plus other exploration assets	\$	5,000	Includes Gibson MacQuoid and Eleonore South Joint Venture										
Plus cash & equivalents	\$	23,941	as of 9/30/20; pro forma for C\$23M financing										
Less debt	\$	-											
Total current value	\$	309,726	1.28 C\$/US\$ exchange rate as of 2/2/21										
Common shares		117,824	as of 11/5/20										
Options & Warrants		9,624	as of 11/5/20										
Fully diluted shares		127,448	as of 11/5/20										
Fury Gold (FURY) Share price	\$	1.60	per share	as of 2/2/21									
Fury Gold (FURY) Net Asset Value	\$	2.43	per share										
Rounded (\$0.10) price target	\$	2.40	per share	33.3% discount to price target									

Source: H.C. Wainwright & Co. estimates.

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Distribution of Ratings Table as of February 2, 2021					
Ratings	Count	Percent	IB Service/Past 12 Months		
			Count	Percent	
Buy	440	90.91%	172	39.09%	
Neutral	41	8.47%	12	29.27%	
Sell	0	0.00%	0	0.00%	
Under Review	3	0.62%	1	33.33%	

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