

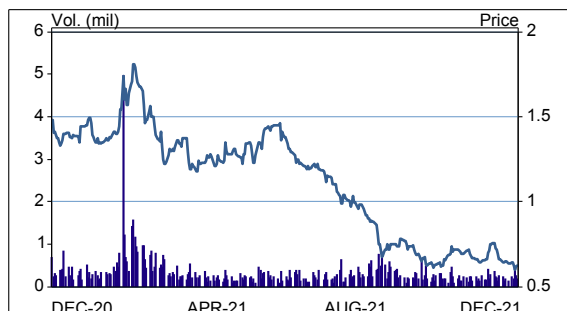
Fury Gold Mines Limited (FURY)
Rating: Buy

Heiko F. Ihle, CFA
212-356-0510
hihle@hwcwresearch.com

Marcus Giannini
212-916-3978
mgiannini@hwcwresearch.com
**Expected Acquisition of Homestake; Exploration Synergies;
Strong Results From Committee Bay; Reiterate Buy**

Stock Data		12/06/2021	
Price		\$0.65	
Exchange		NYSE American	
Price Target		\$2.20	
52-Week High		\$1.85	
52-Week Low		\$0.59	
Enterprise Value (M)		\$83	
Market Cap (M)		\$82	
Shares Outstanding (M)		125.7	
3 Month Avg Volume		229,978	
Short Interest (M)		0.30	
Balance Sheet Metrics			
Cash (M)		\$2.0	
Total Debt (M)		\$2.8	
Total Cash/Share		\$0.02	
EPS (C\$) Diluted			
Full Year - Dec	2020A	2021E	2022E
FY	(0.13)	(0.19)	(0.13)

from continuing operations



Dolly Varden (DV.V; not rated) to acquire Homestake Ridge. On December 6, Fury Gold Mines announced that the firm had reached an agreement with Dolly Varden, in which Dolly Varden is expected to acquire a 100% stake in Fury's Homestake Ridge project. Terms of the agreement include \$5M of cash payable to Fury in addition to the issuance of 76.5M Dolly Varden common shares. We note that this transaction is ultimately expected to provide Fury with 36.9% of Dolly Varden's outstanding shares. Upon completion of the transaction, and as long as Fury's ownership of Dolly Varden exceeds 20%, Fury has the right to appoint two nominees to the Dolly Varden board. Further, Fury may appoint one nominee to Dolly Varden's board while its ownership exceeds 10%. We also note that shares issued to Fury will be subject to a one-year holding requirement. Finally, we stress a termination fee of \$2.0M payable by Dolly Varden to Fury if the transaction is not approved.

Consolidation provides strategic exploration synergies. We highlight the potential for geographic upside given regional proximity between Homestake Ridge and Dolly Varden's "DV Project." In addition, we stress that several compelling exploration and capital synergies are likely to exist because Homestake's 7,500 hectares border the northwest boundary of the DV Project. In our view, consolidation of these projects creates an expansive exploration play, which now includes a 15km strike-length located within an extensive 163 km² land package. Looking ahead, even though Fury will have divested its Homestake property, the company maintains strong exposure to future exploration success through its potential share ownership of Dolly Varden. Lastly, we highlight that Homestake was already a non-core asset to Fury and management has contemplated its sale in the past.

Strong results out of Committee Bay. On December 1, Fury announced assay results from its Committee Bay project in Nunavut. Notably, these results targeted the Three Bluffs deposit where management continues to demonstrate the high-grade potential within the area. Hole 21TB-152 drilled 120 meters (m) down dip from the currently defined resource at Three Bluffs, as the company followed a prominent geophysical conductor. In turn, the hole intersected three discrete zones of high-grade material spanning a width of 30m, which included 10m of 13.93 grams per tonne (gpt) gold, 3m of 18.67 gpt gold, and 1m of 23.20 gpt gold. In conclusion, the assays represent the strongest grades Fury has seen at site in five years and illustrate the robust mineralization at the Three Bluffs target.

We reiterate our Buy recommendation on Fury Gold and our price target of \$2.20. As usual, we expect to include the transaction into our model upon closing. Our valuation remains based on a DCF of operations at Eau Claire utilizing an unchanged 13.5% discount rate. We believe that this discount rate is in-line 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 an unchanged average value of \$70/oz. We then add \$7.0M for the company's non-core exploration assets, which fairly reflects valuations seen in recent transactions, before adding Fury's cash balance of \$2.0M, to arrive at our overall NAV of \$297.6M. Finally, we divide this valuation by Fury's fully diluted share count of 133.9M to achieve our rounded price target of \$2.20 per share.

Near-term catalysts. Looking ahead, we expect successful closing of the Dolly Varden transaction yielding prospective exploration opportunities between said projects, along with updated studies expanding on possible synergies. We therefore believe the sale of Homestake is in Fury's best interest, and that the transaction should provide strong liquidity for further work at both Eau Claire and Committee Bay. Lastly, the company expects to continue pushing meaningful exploration work during FY22 with a focus on drilling at the Percival prospect in 1H22 at Eau Claire, as well as exploration work at the Serendipity and Eleonore South joint venture targets.

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

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	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%	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
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	\$ -	\$ -	\$ -	\$ (39,394)	\$ (34,709)	\$ 31,552	\$ 14,759	\$ 12,212	\$ 14,076	\$ 19,475	\$ 17,519
Total Project NAV	\$ 88,297										
Fully diluted shares	133,907										
Project NAV per share	\$ 0.66										
Value for Committee Bay, Homestake, and Eastmain Mine	\$ 202,990	valued at ~\$70 per oz (inline with current peer average multiple)									
Plus other exploration assets	\$ 7,000	Includes Gibson MacQuoid and Eleonore South Joint Venture									
Plus cash & equivalents	\$ 2,028	as of 9/30/21									
Less debt	\$ (2,759)	as of 9/30/21; C\$3.5M flow-through share premium liability									
Total current value	\$ 297,557	1.28 US\$/C\$ exchange rate as of 12/6/2021									
Common shares	125,721	as of 11/12/21									
Options & Warrants	8,186	as of 11/12/21									
Fully diluted shares	133,907	as of 11/12/21									
Fury Gold (FURY) Share price	\$ 0.65	per share	as of 12/6/2021								
Fury Gold (FURY) Net Asset Value	\$ 2.22	per share									
Rounded (\$0.10) price target	\$ 2.20	per share	70.3% discount to price target								

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

Important Disclaimers

This material is confidential and intended for use by Institutional Accounts as defined in FINRA Rule 4512(c). It may also be privileged or otherwise protected by work product immunity or other legal rules. If you have received it by mistake, please let us know by e-mail reply to unsubscribe@hcwresearch.com and delete it from your system; you may not copy this message or disclose its contents to anyone. The integrity and security of this message cannot be guaranteed on the Internet.

H.C. WAINWRIGHT & CO, LLC RATING SYSTEM: H.C. Wainwright employs a three tier rating system for evaluating both the potential return and risk associated with owning common equity shares of rated firms. The expected return of any given equity is measured on a RELATIVE basis of other companies in the same sector. The price objective is calculated to estimate the potential movements in price that a given equity could reach provided certain targets are met over a defined time horizon. Price objectives are subject to external factors including industry events and market volatility.

RETURN ASSESSMENT

Market Outperform (Buy): The common stock of the company is expected to outperform a passive index comprised of all the common stock of companies within the same sector.

Market Perform (Neutral): The common stock of the company is expected to mimic the performance of a passive index comprised of all the common stock of companies within the same sector.

Market Underperform (Sell): The common stock of the company is expected to underperform a passive index comprised of all the common stock of companies within the same sector.



Investment Banking Services include, but are not limited to, acting as a manager/co-manager in the underwriting or placement of securities, acting as financial advisor, and/or providing corporate finance or capital markets-related services to a company or one of its affiliates or subsidiaries within the past 12 months.

Distribution of Ratings Table as of December 3, 2021					
Ratings	Count	Percent	IB Service/Past 12 Months		
			Count	Percent	
Buy	557	90.57%	201	36.09%	
Neutral	54	8.78%	12	22.22%	
Sell	1	0.16%	0	0.00%	
Under Review	3	0.49%	1	33.33%	

H.C. Wainwright & Co, LLC (the "Firm") is a member of FINRA and SIPC and a registered U.S. Broker-Dealer.

I, Heiko F. Ihle, CFA and Marcus Giannini, certify that 1) all of the views expressed in this report accurately reflect my personal views about any and all subject securities or issuers discussed; and 2) no part of my compensation was, is, or will be directly or indirectly related to the specific recommendation or views expressed in this research report; and 3) neither myself nor any members of my household is an officer, director or advisory board member of these companies.

None of the research analysts or the research analyst's household has a financial interest in the securities of Fury Gold Mines Limited (including, without limitation, any option, right, warrant, future, long or short position).

As of November 30, 2021 neither the Firm nor its affiliates beneficially own 1% or more of any class of common equity securities of Fury Gold Mines Limited.

Neither the research analyst nor the Firm knows or has reason to know of any other material conflict of interest at the time of publication of this research report.

The research analyst principally responsible for preparation of the report does not receive compensation that is based upon any specific investment banking services or transaction but is compensated based on factors including total revenue and profitability of the Firm, a substantial portion of which is derived from investment banking services.

The Firm or its affiliates did not receive compensation from Fury Gold Mines Limited for investment banking services within twelve months before, but will seek compensation from the companies mentioned in this report for investment banking services within three months following publication of the research report.

The Firm does not make a market in Fury Gold Mines Limited as of the date of this research report.

The securities of the company discussed in this report may be unsuitable for investors depending on their specific investment objectives and financial position. Past performance is no guarantee of future results. This report is offered for informational purposes only, and does not constitute an offer or solicitation to buy or sell any securities discussed herein in any jurisdiction where such would be prohibited. This research report is not intended to provide tax advice or to be used to provide tax advice to any person. Electronic versions of H.C. Wainwright & Co., LLC research reports are made available to all clients simultaneously. No part of this report may be reproduced in any form without the expressed permission of H.C. Wainwright & Co., LLC. Additional information available upon request.

H.C. Wainwright & Co., LLC does not provide individually tailored investment advice in research reports. This research report is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of any specific person. Investors should seek financial advice regarding the appropriateness of investing in financial instruments and implementing investment strategies discussed or recommended in this research report.

H.C. Wainwright & Co., LLC's and its affiliates' salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies that reflect opinions that are contrary to the opinions expressed in this research report.

H.C. Wainwright & Co., LLC and its affiliates, officers, directors, and employees, excluding its analysts, will from time to time have long or short positions in, act as principal in, and buy or sell, the securities or derivatives (including options and warrants) thereof of covered companies referred to in this research report.

The information contained herein is based on sources which we believe to be reliable but is not guaranteed by us as being accurate and does not purport to be a complete statement or summary of the available data on the company, industry or security discussed in the report. All opinions and estimates included in this report constitute the analyst's judgment as of the date of this report and are subject to change without notice.

Securities and other financial instruments discussed in this research report: may lose value; are not insured by the Federal Deposit Insurance Corporation; and are subject to investment risks, including possible loss of the principal amount invested.