

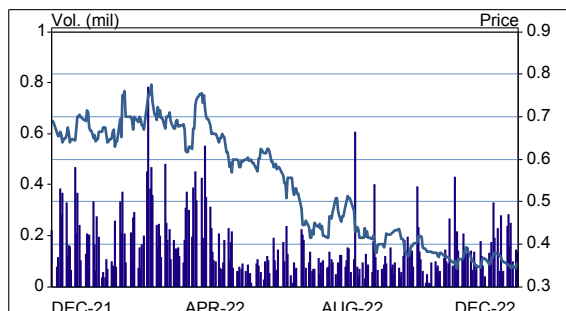
**Fury Gold Mines Limited (FURY)**  
**Rating: Buy**

Heiko F. Ihle, CFA  
212-356-0510  
[hihle@hwcwresearch.com](mailto:hihle@hwcwresearch.com)

Marcus Giannini  
212-916-3978  
[mgiannini@hwcwresearch.com](mailto:mgiannini@hwcwresearch.com)
**Drilling at Eau Claire Increases Focus on Percival; High-Grade Assays as Mineralization Remains Open; Reiterate Buy**

Stock Data		12/20/2022	
Price		\$0.36	
Exchange		NYSE American	
Price Target		\$1.40	
52-Week High		\$0.84	
52-Week Low		\$0.34	
Enterprise Value (M)		\$49	
Market Cap (M)		\$50	
Shares Outstanding (M)		139.5	
3 Month Avg Volume		132,978	
Short Interest (M)		0.25	
Balance Sheet Metrics			
Cash (M)		\$4.4	
Total Debt (M)		\$1.2	
Total Cash/Share		\$0.03	
EPS (C\$) Diluted			
Full Year - Dec	2020A	2021A	2022E
FY	(0.13)	(0.14)	(0.16)

from continuing operations



**Recent drilling targets the Percival Prospect.** On December 21, Fury Gold announced results from eight drill holes at the Percival Main and East prospects. We note that five of these holes targeted the westerly down plunge extension of Percival. Importantly, management has already determined that the high-grade core of the target remains open in all directions. In turn, the firm believes that Percival could play a critical role in growing ounces at Eau Claire, as the prospect remains historically under-explored.

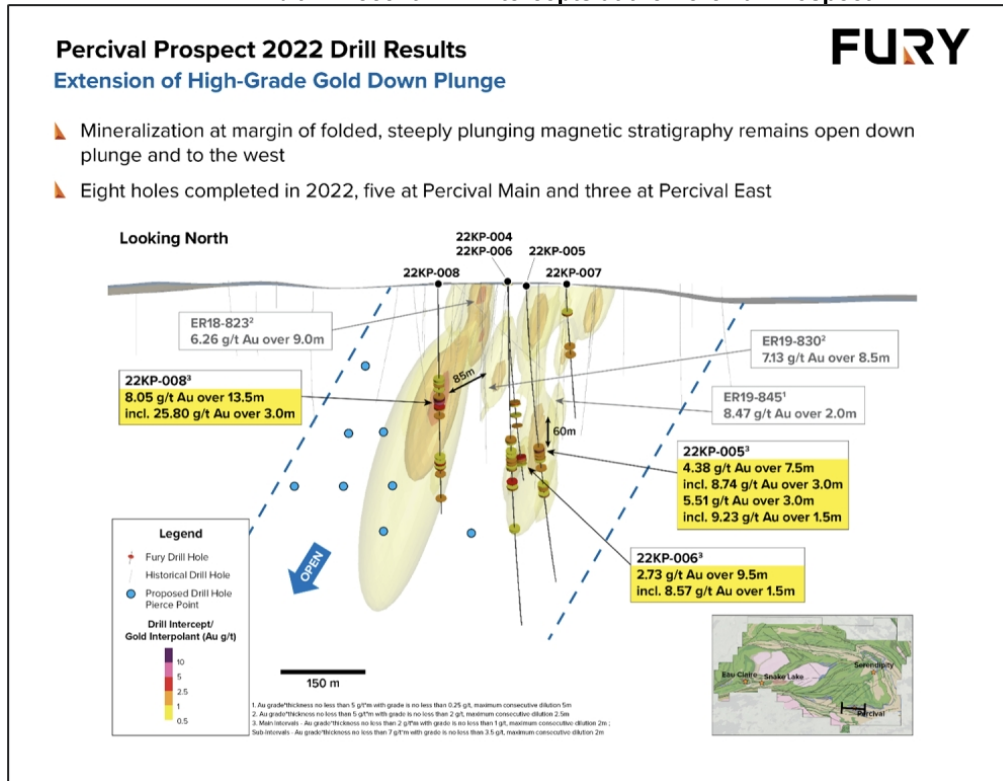
**High-grade assays emphasize the potential at Percival.** Historically, Fury has seen strong grades related to the aforementioned core of the Percival target. These high-grade regions of the target sit within a stratigraphic fold hinge. With ongoing targeting of this fold hinge, the firm's team has continued to define this prospective region. As an example, hole 22KP-008 returned 13.5 meters (m) of 8.05 grams per tonne (gpt) gold, which included a 3.0m interval containing 25.80 gpt gold. We highlight the location of this intercept in Exhibit 1 on page two of this report. As illustrated in Exhibit 1 on page 2, these high-grade occurrences also have the potential to continue at depth given the geometry of the folded host structure.

**We reiterate our Buy recommendation and our PT of \$1.40.** Our valuation remains based on a DCF of operations at Eau Claire to which we apply our unchanged 13.5% discount rate. Importantly, we believe that our discount rate and \$/oz valuations remain in line with other early-stage peers in jurisdictions carrying similar geopolitical risk factors. We add *in situ* ounces for the company's resources at Committee Bay and the Eastmain Mine at \$60/oz to account for recent transaction multiples. We then add \$7.0M for the company's non-core exploration assets, which we believe fairly (or even conservatively) reflects valuations seen in recent transactions. We then add Fury's cash balance of \$4.4M, as well as the current market value for the company's remaining ownership in Dolly Varden (DV.V; not rated) following the recent sale of 17M shares. This yields an overall NAV of \$221.6M for Fury. Finally, we divide this valuation by Fury's fully diluted share count (of 155.8M shares) to achieve our rounded price target of \$1.40 per share.

**Near-term catalysts.** Going forward, we believe the recent assays within the aforementioned fold hinge should further benefit Fury's understanding of structural controls on mineralization at site. In turn, we believe additional drilling is warranted, especially at depth where mineralization remains open. Additionally, Fury's 2021 exploration program at the company's Éléonore South joint venture has identified nine discrete gold and pathfinder element anomalies, which should allow for enhanced drill target vectoring in 2023.

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

## Exhibit 1: Recent Drill Intercepts at the Percival Prospect



Source: Fury's December 21, 2022, 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											
<u>Eau Claire</u>	<u>2022E</u>	<u>2023E</u>	<u>2024E</u>	<u>2025E</u>	<u>2026E</u>	<u>2027E</u>	<u>2028E</u>	<u>2029E</u>	<u>2030E</u>	<u>2031E</u>	<u>2032E</u>
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	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750
Total Revenue	-	-	-	-	-	\$ 130,199	\$ 105,161	\$ 105,161	\$ 118,306	\$ 144,596	\$ 144,596
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	-	-	-	-	-	\$ 82,699	\$ 55,286	\$ 55,286	\$ 68,431	\$ 94,721	\$ 94,721
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	(29,412)	(14,503)	(13,423)	(18,155)	(29,780)	(30,500)
Note 1: \$48M in tax losses accumulated by Eastmain											
Operating cash flow	\$ -	\$ -	\$ -	\$ (57,600)	\$ (57,600)	\$ 52,287	\$ 25,783	\$ 23,863	\$ 32,276	\$ 52,942	\$ 54,222
Cash flow discount rate	13.5%										
PV of operating cash flow	\$ -	\$ -	\$ -	\$ (39,394)	\$ (34,709)	\$ 27,760	\$ 12,060	\$ 9,835	\$ 11,720	\$ 16,937	\$ 15,283
Total Project NAV	\$ 64,899										
Fully diluted shares	155,813										
Project NAV per share	\$ 0.42										
Value for Committee Bay and Eastmain Mine	\$ 99,351	valued at ~\$60 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	\$ 4,385	as of 9/30/22									
Market value for share ownership in Dolly Varden (DV.V; not rated)	\$ 46,128	as of 12/21/22, presently owns 76.5M shares following sale of 17M shares in October 2022									
Less debt	\$ (172)	as of 9/30/22; C\$0.2M flow-through share premium liability									
Total current value	\$ 221,591	1.36 US\$/C\$ exchange rate as of 12/21/2022									
Common shares	139,471	as of 11/10/22									
Options & Warrants	16,342	as of 11/10/22									
Fully diluted shares	155,813	as of 11/10/22									
Fury Gold (FURY) Share price	\$ 0.36	per share	as of 12/21/2022								
Fury Gold (FURY) Net Asset Value	\$ 1.42	per share									
Rounded (\$0.10) price target	\$ 1.40	per share 74.3% discount to price target									
Source: H.C. Wainwright & Co. estimates.											

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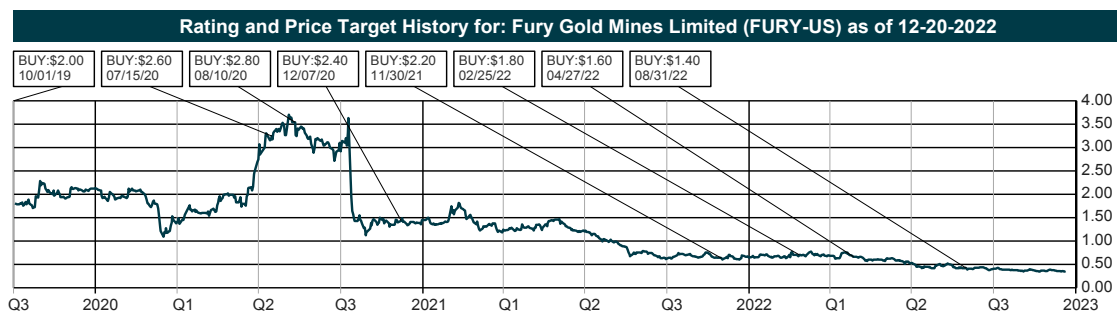
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Ratings	Count	Percent	IB Service/Past 12 Months		
			Count	Percent	
Buy	588	86.85%	128	21.77%	
Neutral	70	10.34%	11	15.71%	
Sell	0	0.00%	0	0.00%	
Under Review	19	2.81%	4	21.05%	

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