

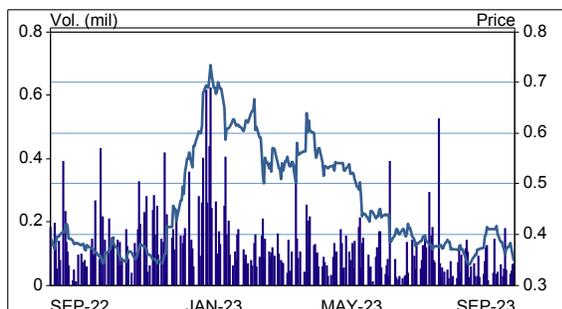
Fury Gold Mines Limited (FURY)
Rating: Buy

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Initial Three Drill Holes at Eau Claire; Strong Assays Over Notable Intervals Amid Expansion Potential; Reiterate Buy

Stock Data		09/21/2023	
Price			\$0.35
Price Target			\$1.40
52-Week High			\$0.75
52-Week Low			\$0.34
Enterprise Value (M)			\$43
Market Cap (M)			\$51
Shares Outstanding (M)			145.5
3 Month Avg Volume			80,773
Short Interest (M)			0.26
Balance Sheet Metrics			
Cash (M)			\$10.4
Total Debt (M)			\$2.4
Total Cash/Share			\$0.07
EPS (C\$) Diluted			
Full Year - Dec	2021A	2022A	2023E
FY	(0.14)	0.18	(0.07)

from continuing operations



Revisiting summer drill results. In early August 2023, Fury Gold announced results from three drill holes at its Eau Claire gold project located in the James Bay region of Québec. In short, management's primary focus of this program is the expansion of the Hinge target, in addition to updating the Eau Claire Mineral Resource Estimate. We also note that the company has continued to see strong results out of the Hinge target that have been highlighted by multiple stacked zones of gold mineralization.

Highlighting notable intervals and assays. We reiterate that Fury continued to see strong gold grades and continuity over various stacked zones within the Hinge Target. In turn, we highlight hole 23EC-062, which returned a 14.0 meter (m) interval at an average grade of 2.37 grams per tonne (gpt) gold. We also note that this mineralized section included a 5.0m subinterval at a grade of 3.6 gpt gold as highlighted in Exhibit 1 on page two of this report. In our view, the initial holes from this program likely expand the mineralized footprint at the Hinge target, which presently remains open in all directions.

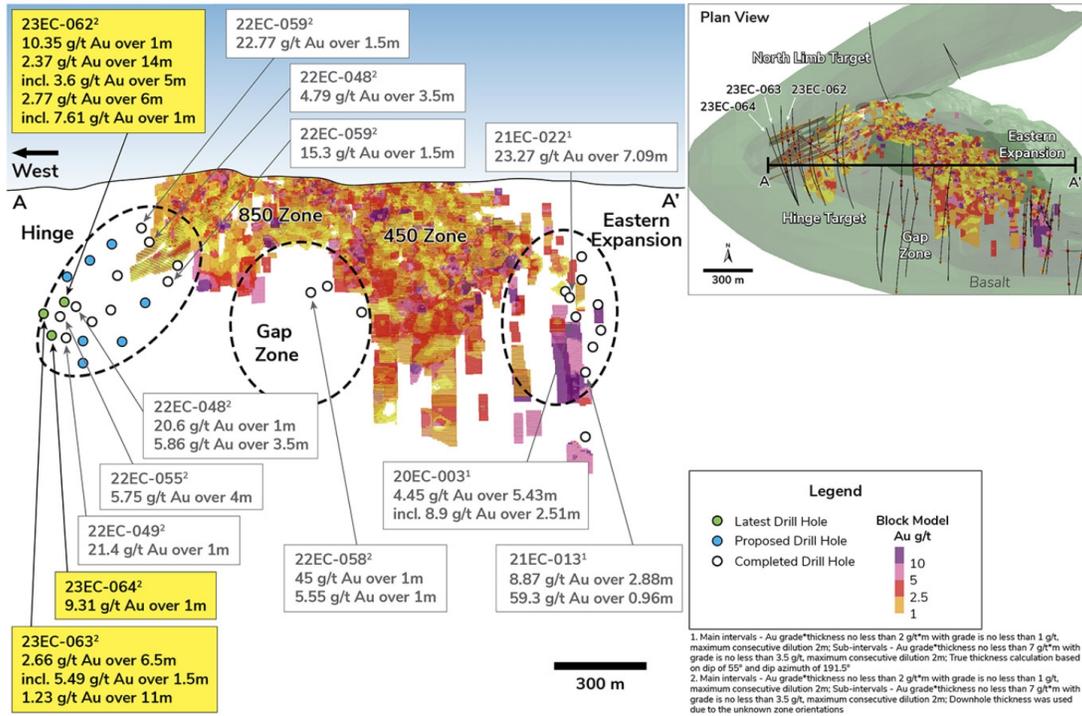
We reiterate our Buy recommendation and our PT of \$1.40. Our valuation for the firm remains based on a DCF of operations at Eau Claire to which we apply our unchanged 13.5% discount rate. Importantly, we believe that our discount rate and \$/oz valuations remain in line with other early-stage peers in jurisdictions carrying similar geopolitical risk factors. We also add *in situ* ounces for the company's resources at Committee Bay and the Eastmain Mine at a fixed value of \$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 \$10.4M, as well as the current market value for the company's remaining ownership in Dolly Varden at its most recent share price of C\$0.71 as of September 21, 2023. This yields an overall NAV of \$234.2M for the firm. Finally, we divide this valuation by Fury's fully diluted share count (163.5M shares) to achieve our rounded price target of \$1.40.

Near-term catalysts. Looking ahead, we expect drilling at Eau Claire to continue at full capacity. This is notable as the firm had previously halted operations due to forest fires in the area. The site currently has two drills turning, while management expects to release a steady flow of results from Eau Claire, Percival, and various anomalies being tested to the east of the project.

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

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Exhibit 1: Deposit Long Section With Recent Drill Holes Illustrated



Source: Fury Gold's August 3, 2023, 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>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>	<u>2033E</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	\$ 1,900	\$ 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)	
	Note 1: \$48M in tax losses accumulated by Eastmain											
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	163,529											
Project NAV per share	\$ 0.54											
Value for Committee Bay and Eastmain Mine	\$ 99,351 <i>valued at ~\$60 per oz (inline with current peer average multiple)</i>											
Plus other exploration assets	\$ 7,000 <i>Includes Gibson MacQuoid and Eleonore South Joint Venture</i>											
Plus cash & equivalents	\$ 10,417 <i>as of 6/30/23</i>											
Market value for share ownership in Dolly Varden (DV.V; not rated)	\$ 31,548 <i>as of 9/21/23, presently maintains a 23.5% equity interest in Dolly Varden.</i>											
Less debt	\$ (2,432) <i>as of 3/31/23; flow-through share premium liability</i>											
Total current value	\$ 234,182											
	1.3468 US\$/C\$ exchange rate as of 9/21/2023											
Common shares	145,547 <i>as of 8/15/23</i>											
Options & Warrants	17,981 <i>as of 8/15/23</i>											
Fully diluted shares	163,529 as of 8/15/23											
Fury Gold (FURY) Share price	\$ 0.35 per share as of 9/21/2023											
Fury Gold (FURY) Net Asset Value	\$ 1.43 per share											
Rounded (\$0.10) price target	\$ 1.40 per share 75.0% discount to price target											

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

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Ratings	Count	Percent	IB Service/Past 12 Months	
			Count	Percent
Buy	560	88.75%	142	25.36%
Neutral	62	9.83%	12	19.35%
Sell	0	0.00%	0	0.00%
Under Review	9	1.43%	3	33.33%

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