

Fury Gold Mines Limited (FURY)
Rating: Buy

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Assay Results at Eau Claire; Continued High-Grade Intercepts
From Infill Drilling at Hinge Target; Reit. Buy; PT Higher

Stock Data		12/19/2023	
Price		\$0.44	
Price Target		\$1.50	
52-Week High		\$0.75	
52-Week Low		\$0.34	
Enterprise Value (M)		\$58.4	
Market Cap (M)		\$65	
Shares Outstanding (M)		145.5	
3 Month Avg Volume		105,462	
Short Interest (M)		0.27	
Balance Sheet Metrics			
Cash (M)		\$7.7	
Total Debt (M)		\$1.3	
Total Cash/Share		\$0.05	
EPS (C\$) Diluted			
Full Year - Dec	2021A	2022A	2023E
FY	(0.14)	0.18	(0.11)

from continuing operations


Additional drill results from Eau Claire as assays remain pending.

On November 28, Fury Gold announced additional results from its 2023 infill drill program that were focused on the Hinge Target at its Eau Claire project. In turn, the firm has now completed about 19,000 meters (m) over 31 holes between the Hinge Target and its Percival Prospect. We stress that the company has also exceeded its planned 15,000m program while remaining under budget. Looking ahead, there are still 16 holes pending, while 11 holes are being processed for the Hinge Target alone.

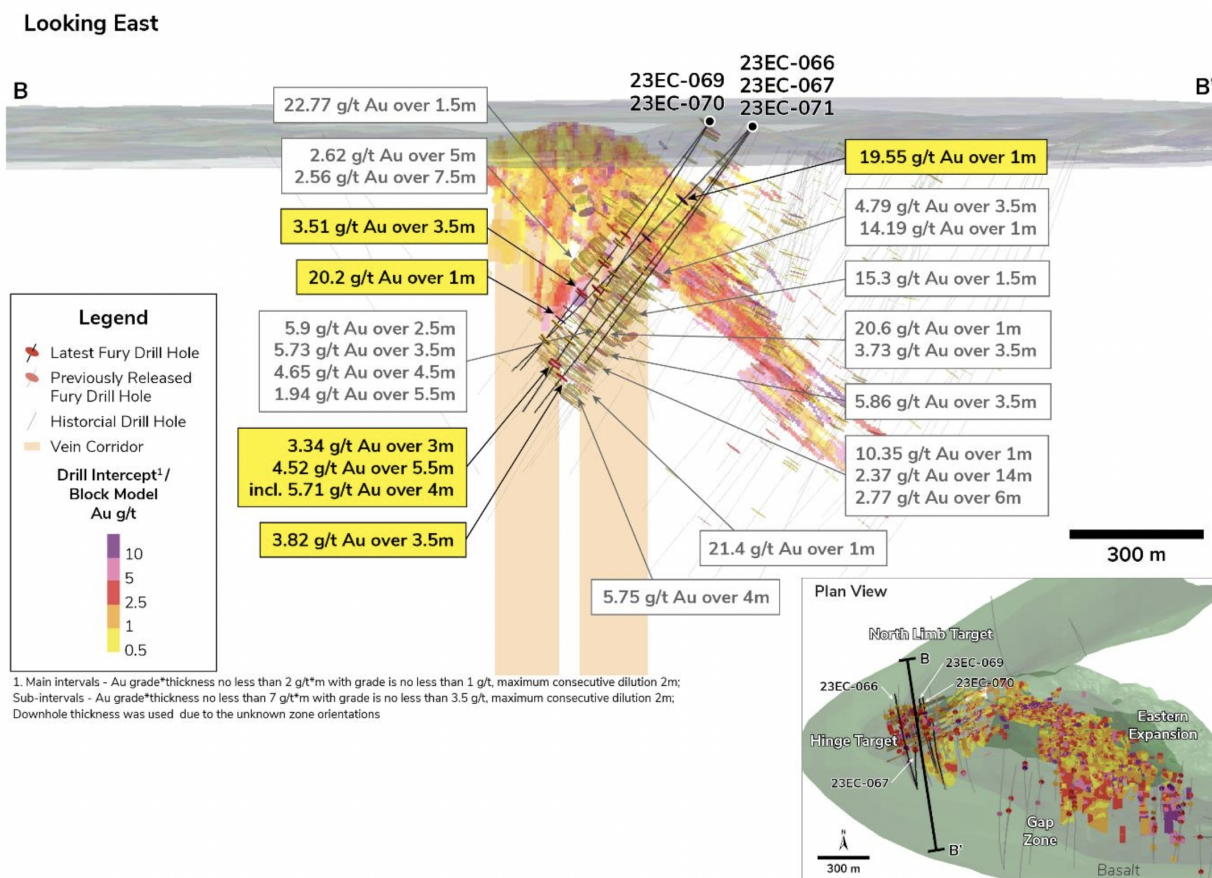
Continued high-grade intercepts. We highlight hole 23EC-069, which was a part of the recent batch of drill results, and returned 5.5m of 4.52 grams per tonne (gpt) gold, as well as a 3.0m intercept of 3.34 gpt. Additionally, Fury continues to see tighter intervals of significant grades, as seen in hole 23EC-070, which returned 1.0m of 20.20 gpt. Importantly, Fury continues to uncover a high frequency of relatively discrete intercepts of high-grade mineralization, as seen in Exhibit 1 on page two of this report, while the intercepts at site continue to reconcile well with Fury's geological models. Looking ahead, we emphasize that Fury has now identified 19 discrete quartz tourmaline veins within two 100m wide corridors. In turn, the 2023 program focused on tightening the nominal drill spacing to 60.0 – 80.0m, which should allow the firm to establish further continuity for the eventual inclusion into a mineral resource estimate.

We reiterate our Buy recommendation while increasing our PT slightly to \$1.50 from \$1.40. Our higher PT is the result of an increased value for Fury's ownership of Dolly Varden (DV.V; not rated) shares. 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 include 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. Finally, we account for Fury's cash balance of \$7.6M, as well as the current market value for the company's remaining ownership in Dolly Varden. This yields an overall NAV of \$236.4M for the firm. Finally, we divide this valuation by Fury's fully diluted share count to achieve our rounded price target of \$1.50.

Near-term catalysts. In the short-term, we expect to see further announcements regarding the remaining assay results at Eau Claire, while FURY has additional results from the Percival Prospect that remain pending. We emphasize that the firm has continued to perform work at its Lac Clarkie project through surface sampling, and that the site maintains six untested anomalies. Looking ahead, we expect this surface program to advance various targets to a drill-ready stage in the near-term, as we maintain our view that the company remains well-funded for additional exploration work.

Risks. (1) Commodity price risk; (2) operating and technical risk; (3) political risk; and (4) financing risk.

Exhibit 1: Drill Intercepts at Western Fold Hinge



Source: Fury's November 28, 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	162,965										
Project NAV per share	\$ 0.54										
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	\$ 7,568	as of 9/30/23									
Market value for share ownership in Dolly Varden (DV.V; not rated)	\$ 35,469	as of 12/20/23, presently maintains a 23.5% equity interest in Dolly Varden.									
Less debt	\$ (1,251)	as of 9/30/23; flow-through share premium liability									
Total current value	\$ 236,436	1.3329 US\$/C\$ exchange rate as of 12/20/2023									
Common shares	145,547	as of 11/8/23									
Options & Warrants	17,418	as of 11/8/23									
Fully diluted shares	162,965	as of 11/8/23									
Fury Gold (FURY) Share price	\$ 0.44	per share	as of 12/20/2023								
Fury Gold (FURY) Net Asset Value	\$ 1.45	per share									
Rounded (\$0.10) price target	\$ 1.50	per share	70.4% discount to price target								
Source: H.C. Wainwright & Co. estimates.											

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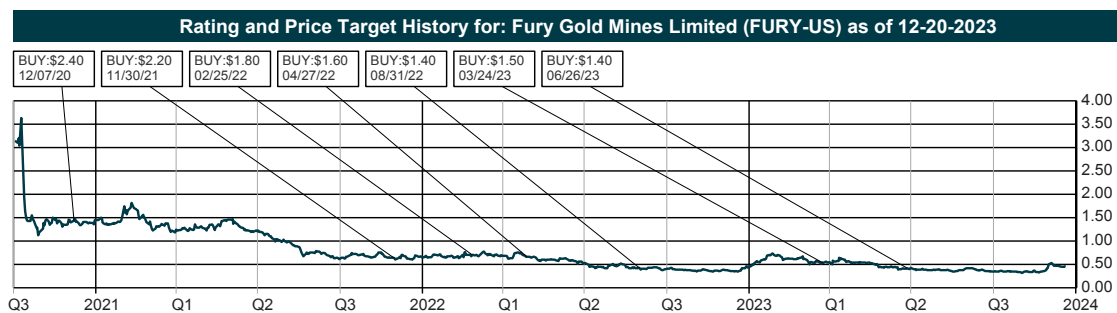
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Ratings	Count	Percent	IB Service/Past 12 Months		
			Count	Percent	
Buy	562	88.64%	141	25.09%	
Neutral	58	9.15%	7	12.07%	
Sell	0	0.00%	0	0.00%	
Under Review	14	2.21%	6	42.86%	

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