

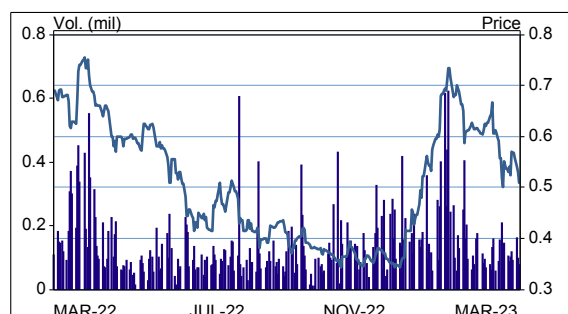
Fury Gold Mines Limited (FURY)
Rating: Buy

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**Closing of Upsized C\$8.75M Financing; Asset-Wide Exploration
Plans Laid Out Under Recent Funding; Reit. Buy; PT Higher**

Stock Data		03/21/2023	
Price		\$0.54	
Exchange		NYSE American	
Price Target		\$1.50	
52-Week High		\$0.79	
52-Week Low		\$0.34	
Enterprise Value (M)		\$68	
Market Cap (M)		\$79	
Shares Outstanding (M)		145.5	
3 Month Avg Volume		177,230	
Short Interest (M)		0.34	
Shares Outstanding (M): Pro forma for recent flow-through financing.			
Balance Sheet Metrics			
Cash (M)		\$10.8	
Total Debt (M)		\$0.2	
Total Cash/Share		\$0.07	
Cash (M): Pro forma for recent flow-through financing.			
EPS (C\$) Diluted			
Full Year - Dec	2020A	2021A	2022E
FY	(0.13)	(0.14)	0.16

from continuing operations



Closing of up-sized financing with gross proceeds of C\$8.75M. On March 23, Fury Gold announced the closing of an up-sized bought deal private placement for total gross proceeds of C\$8.75M. As per the terms of this transaction, 6.1M shares were issued under the financing at a price of C\$1.44 per flow-through share. Going forward, we expect this recent capital raise to provide significant runway for the advancement of exploration work at Fury's Eau Claire and Éléonore South projects.

Expected exploration following recent financing. The proceeds from FURY's aforementioned financing are expected to fund exploration drilling at the firm's Eau Claire project. In turn, the company intends to complete a 6,000 – 11,500 meter (m) drill program focused on the Hinge Target in order to follow up on previous results. Additionally, Fury's management team expects to drill between 3,500 – 5,000m at the Percival prospect, as well as continue extensive regional exploration at Lac Clarkie, which sits within the broader Eau Claire property. Looking ahead, drilling at Eau Claire should see completion in 4Q23, as the firm also anticipates the finalization of a Mineral Resource Estimate in 1Q24.

Additional near-term exploration catalysts. Beyond exploration activities at Eau Claire, Fury also intends to drill roughly 3,000m at various high-priority targets within its Éléonore South joint venture project. In addition, management expects to conduct a regional exploration program, including surface geochemical sampling. This drill program remains maiden in nature and looks to test six priority geochemical targets. The firm also aims to generate additional targets through further surface sampling programs at site. In conclusion, we already look forward to the subsequent assay results even though completion of drilling is only slated to occur in 4Q23.

We reiterate our Buy recommendation while increasing our PT to \$1.50 from \$1.40. Our higher PT is the direct result of an increased market price related to Fury's ownership in Dolly Varden (DV.V; not rated). 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 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. Further, we 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 *pro forma* cash balance of \$10.8M, as well as the current market value for the company's remaining ownership in Dolly Varden. This yields an overall NAV of \$235.7M for Fury. Finally, we divide this valuation by Fury's *pro forma* fully diluted share count (161.9M shares) to achieve our rounded price target of \$1.50.

Near-term catalysts. Going forward, we expect to see a steady stream of assay results, given the exploration plans laid out under the recent financing. Importantly, Fury expects to receive results from recent geochemical studies performed at the Éléonore South joint venture, where the firm currently acts as the manager and operator with a 50.022% ownership, in the future. In conclusion, we believe the company is now favorably positioned to aggressively push exploration at Eau Claire and Éléonore South based on a strong balance sheet and amid an increasingly accommodating precious metals market.

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											
<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	161,889										
Project NAV per share	\$ 0.40										
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	\$ 10,785	as of 9/30/22 Pro forma for C\$8.75M flow-through financing.									
Market value for share ownership in Dolly Varden (DV.V; not rated)	\$ 53,837	as of 3/23/23, 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	\$ 235,701	1.3642 US\$/C\$ exchange rate as of 3/23/2023									
Common shares	145,547	as of 11/10/22 Pro forma for issuance of 6.1M flow-through shares.									
Options & Warrants	16,342	as of 11/10/22									
Fully diluted shares	161,889	as of 11/10/22									
Fury Gold (FURY) Share price	\$ 0.54	per share	as of 3/23/2023								
Fury Gold (FURY) Net Asset Value	\$ 1.46	per share									
Rounded (\$0.10) price target	\$ 1.50	per share	64.0% discount to price target								
Source: H.C. Wainwright & Co. estimates.											

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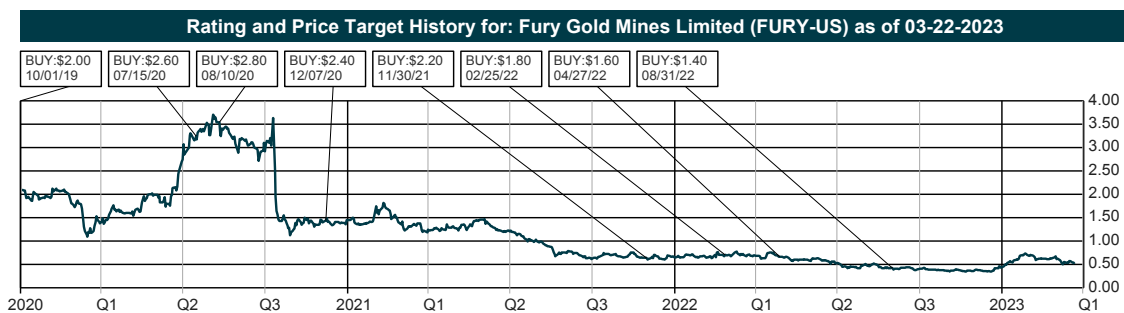
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Ratings	Count	Percent	IB Service/Past 12 Months	
			Count	Percent
Buy	563	87.29%	131	23.27%
Neutral	67	10.39%	10	14.93%
Sell	0	0.00%	0	0.00%
Under Review	15	2.33%	3	20.00%

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