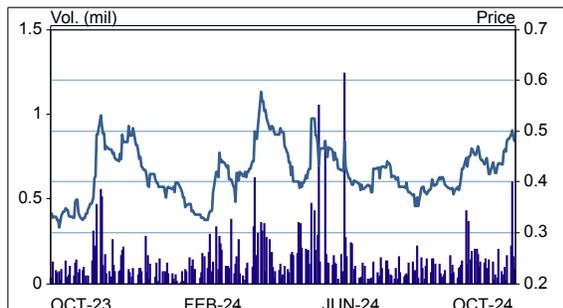


**Fury Gold Mines Limited (FURY)**  
**Rating: Buy**

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**2024 Exploration Program at Committee Bay Completed; High-Grade Lithium Samples At Éléonore South; Reit. Buy; PT Higher**

Stock Data		10/24/2024		
Price		\$0.48		
Price Target		\$2.00		
52-Week High		\$0.59		
52-Week Low		\$0.31		
Enterprise Value (M)		\$67.8		
Market Cap (M)		\$73		
Shares Outstanding (M)		151.5		
3 Month Avg Volume		120,975		
Short Interest (M)		0.19		
Balance Sheet Metrics				
Cash (M)		\$6.2		
Total Debt (M)		\$1.3		
Total Cash/Share		\$0.04		
EPS (C\$) Diluted				
Full Year - Dec	2023A	2024E	2025E	
FY	(0.12)	(0.08)	(0.09)	

*from continuing operations*


**2024 exploration program completed.** On October 24, Fury Gold Mines Limited announced the completion of its 2024 exploration program at the Committee Bay project. We highlight that the 2024 exploration program at site focused on investigating and sampling areas with highly unusual gold-in-till samples, with a strategy centered on regional shear zones near promising rock types. Some notable examples of rock types include iron formations and ultramafic rocks (igneous rock with low silica composition). The 2024 program collected 546 infill till samples from Burro West and Aarluk East, plus 69 rock samples from five targets, and ultimately provided color on shear zones near favorable rock types for gold in the Committee Bay Greenstone Belt. As a result of the drilling, Three Bluffs, Raven, and Burro West are now ready for further exploration, with notable gold results at each location. Based on Committee Bay's past results, we believe that continued exploration at site has the potential to unlock meaningful shareholder value going forward.

**High-grade lithium samples at Éléonore South.** On October 7, 2024, Fury announced results from several lepidolite and spodumene-bearing pegmatite outcrops in the western claim block of its Éléonore South gold project. We highlight that this outcrop sampling program targeted a historical lepidolite-bearing pegmatite and new rock exposures across an area of about 1000m x 500m, which resulted in the collection of 34 samples. Importantly, seven of these samples showed high-grade values above 1.75% lithium oxide (Li<sub>2</sub>O), with a maximum value of 4.67% Li<sub>2</sub>O. Based on the potential for discoveries and recent high-grade lithium findings, we believe these results add value for investors as we await ongoing sampling outcomes.

**2024 drilling results from the Serendipity prospect.** On September 9, 2024, Fury announced results from its 2024 core drilling program at the Serendipity prospect at the Eau Claire project. In total, 3,871m were drilled over 10 holes across five distinct targets. We highlight that drill hole 24SD-009 targeted a biogeochemical anomaly located above the eastern extension of the structure responsible for mineralization at Serendipity, which intercepted 12.16pt gold over 3.0m. In addition, drill hole 24SD-002 was aimed at a biogeochemical anomaly located at the hinge of a suspected fold within the volcanic layers, and ultimately intercepted 5.27pt gold over 1.0m. We stress that the two aforementioned intercepts are a little over two kilometers apart, which suggests the possibility of an extensive mineralizing system at Serendipity. Looking ahead, we note that management is already in the process of planning follow-up drilling for 2025.

**We reiterate our Buy recommendation on FURY as we slightly increase our PT to \$2.00 from \$1.90.** In short, our higher PT is driven by the increased equity value of the company's stake 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 valuation for the firm aligns with those of other early-stage peers in jurisdictions that carry 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 \$10.0M for the company's non-core exploration assets. Importantly, we believe that our current valuation for the firm's non-core exploration properties fairly reflects valuations seen in recent transactions. We then account for Fury's cash balance of \$6.2M and the current market value of its ownership in Dolly Varden and Sirios (SOI.V; not rated). We calculate an overall NAV of \$328.6M for the firm and then divide this valuation by Fury's fully diluted share count to achieve our rounded price target of \$2.00

**Near-term catalysts.** Looking ahead, Fury anticipates further exploration results from the Committee Bay project, where recent drilling has indicated promising gold mineralization at Three Bluffs, Raven, and Burro West. The firm also expects future sampling results from its Éléonore South project, which has demonstrated high-grade lithium potential. Longer-term, the company is planning follow-up drilling at the Serendipity prospect for 2025. We also stress the firm's 18.9% common share interest in Dolly Varden, which is presently valued at a market price of \$52.3M in our model, and may ultimately become a source of non-dilutive funding.

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

## Fury Gold Mines (FURY)

Figures below in 000's of U.S. dollars unless noted

Note: production extends to FY39 but is not shown

<u>Eau Claire</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)	-	-	-	-	550	700	700	700	700	700
Gold grade (gpt)	-	-	-	-	5.0	4.5	4.5	4.5	5.5	5.5
Gold Recovery	-	-	-	-	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%
<b>Annual gold production (000's oz)</b>	-	-	-	-	<b>78.7</b>	<b>90.1</b>	<b>90.1</b>	<b>90.1</b>	<b>110.2</b>	<b>110.2</b>
% growth						14.5%	0.0%	0.0%	22.2%	0.0%
Gold sales price	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100
<b>Total Revenue</b>	-	-	-	-	\$ 165,253	\$ 189,290	\$ 189,290	\$ 189,290	\$ 231,354	\$ 231,354
Total Cash Cost Per Tonne Processed	-	-	-	-	\$ 95	\$ 95	\$ 95	\$ 95	\$ 95	\$ 95
Total Cash Cost	-	-	-	-	\$ 52,250	\$ 66,500	\$ 66,500	\$ 66,500	\$ 66,500	\$ 66,500
<b>Gross Profit</b>	-	-	-	-	<b>\$ 113,003</b>	<b>\$ 122,790</b>	<b>\$ 122,790</b>	<b>\$ 122,790</b>	<b>\$ 164,854</b>	<b>\$ 164,854</b>
CapEx (in 000's)	-	-	(150,000)	(150,000)	\$ (15,000)	\$ (15,000)	\$ (18,000)	\$ (18,000)	\$ (12,000)	\$ (12,000)
(Tax) / Tax Benefit	36.0%	-	54,000	54,000	(35,281)	(38,804)	(37,724)	(37,724)	(55,027)	(55,027)
					Note 1: \$48M in tax losses accumulated by Eastmain					
<b>Operating cash flow</b>	\$ -	\$ -	\$ (96,000)	\$ (96,000)	\$ 62,722	\$ 68,985	\$ 67,065	\$ 67,065	\$ 97,826	\$ 97,826
Cash flow discount rate	13.5%									
<b>PV of operating cash flow</b>	\$ -	\$ -	\$ (74,521)	\$ (65,657)	\$ 37,795	\$ 36,625	\$ 31,371	\$ 27,639	\$ 35,521	\$ 31,296
<b>Total Project NAV</b>	\$ 161,011									
Fully diluted shares	167,790									
<b>Project NAV per share</b>	\$ 0.96									
Value for Committee Bay and Eastmain Mine	\$ 99,351	valued at ~\$60 per oz (inline with current peer average multiple)								
Plus other exploration assets	\$ 10,000	Includes Gibson MacQuoid and Eleonore South With Consolidated Interest								
Plus cash & equivalents	\$ 6,153	as of 06/30/24								
Market value for share ownership in Sirios (SOI.V; not rated)	\$ 1,097	as of 10/24/24, presently maintains a 10.9% equity interest in Sirios.								
Market value for share ownership in Dolly Varden (DV.V; not rated)	\$ 52,291	as of 10/24/24, presently maintains a 18.9% equity interest in Dolly Varden.								
Less debt	\$ (1,326)	as of 06/30/24; flow-through share premium liability								
<b>Total current value</b>	\$ 328,577	1.385 US\$/C\$ exchange rate as of 10/24/2024								
Common shares	151,456	as of 06/30/24								
Options & Warrants	16,334	as of 06/30/24								
<b>Fully diluted shares</b>	<b>167,790</b>	as of 06/30/24								
<b>Fury Gold (FURY) Share price</b>	\$ 0.48	per share as of 10/24/2024								
Fury Gold (FURY) Net Asset Value	\$ 1.96	per share								
<b>Rounded (\$0.10) price target</b>	\$ 2.00	per share 76.0% discount to price target								

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

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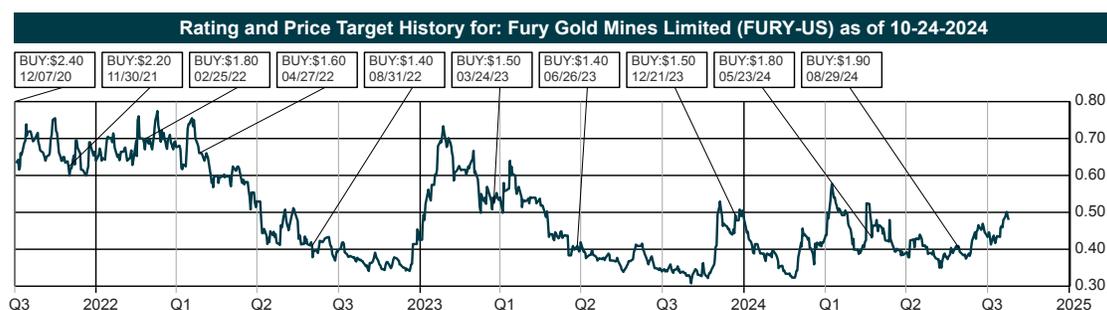
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Ratings	Count	Percent	IB Service/Past 12 Months	
			Count	Percent
Buy	562	87.81%	125	22.24%
Neutral	72	11.25%	6	8.33%
Sell	0	0.00%	0	0.00%
Under Review	6	0.94%	2	33.33%

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