

# Fury Gold Mines

08:55 30 Jul 2020

## Auryn Resources executes transformational deal with Eastmain Resources to create Canadian-focused gold explorer Fury Gold Mines

Auryn Resources Inc (TSE:AUG) (NYSEAMERICAN:AUG) is acquiring Canadian explorer Eastmain Resources Inc (TSE:ER) in a major deal that sees the Vancouver-based firm spinning out its Peruvian assets and creating Canadian-focused Fury Gold Mines Limited.

Auryn will spin out its Peruvian projects into two new companies, with one focusing on the Sombrero project and another consisting of the Curibaya and Huilacollo projects.

Following the spinout, Auryn and Eastmain will combine their Canadian portfolios, including Auryn's Committee Bay in Nunavut and Homestake Ridge in British Columbia and Eastmain's Eau Claire and Eleonore South joint venture in Quebec, into Fury Gold.

### READ: Auryn Resources says now debt-free having secured the conversion of a 2019 bridge loan by the holder into common shares

The C\$121 million deal represents approximately C\$0.42 per Eastmain share, a premium of 137% to the closing market price of the Eastmain shares on July 29.

Concurrent with the spinout, Fury Gold will consolidate its shares by approximately 10:7 so that around 110 million Fury Gold shares will be outstanding after the Eastmain acquisition and before a minimum C\$15 million financing. Auryn's existing shareholders will own 69% and 31% will be owned by current Eastmain shareholders.

Fury Gold is expected to remain listed on the TSX and NYSE American exchanges and will be led by former Agnico Eagle vice president Mike Timmins.

"I am excited by this new opportunity presented by Fury Gold," Timmins said in a statement. "The transaction reflects Auryn's long-term strategy of acquiring promising, early-stage gold projects and leveraging a broad range of technical skill sets to add value through focused exploration and development. I look forward to leading a team of experienced and talented professionals that are capable of taking big steps to drive growth."

As for Auryn's Peruvian spin-offs, shareholders will receive a full share in each of the two companies, which will be reporting issuers in Canada. The companies are expected to remain private for the time being.

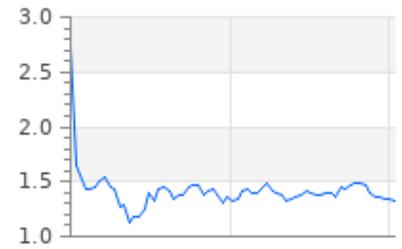
### 'Unlock considerable value'

Auryn chairman Ivan Bebek hailed the efforts of both companies in executing the transformational deal.

**Price:** 1.69

**Market Cap:** \$199.12 m

#### 1 Year Share Price Graph



October 2020 November 2020 January 2021

#### Share Information

**Code:** FURY

**Listing:** TSX

52 week	High	Low
	2.35	1.44

**Sector:** Gold & silver

**Website:** [furygoldmines.com](http://furygoldmines.com)

#### Company Synopsis:

*Fury Gold Mines is a Canadian-focused exploration and development company strategically positioned in three prolific gold mining regions. Led by management with proven success in financing and developing mining assets, Fury will advance its multi-million-ounce gold platform through potential discovery and acquisition.*

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"The splitting of Auryn should unlock considerable value for Auryn shareholders, and importantly, results in three, commodity-specific exploration companies well-positioned for major discoveries as we head into the bull market," Bebek said in the statement.

"Fury Gold will combine the high-grade gold projects; Committee Bay in Nunavut, Homestake Ridge in B.C and Eau Claire in Quebec, to offer investors a robust Canadian, gold-focused exploration and development company. Sombrero and Curibaya are premier exploration targets in Peru and we are in the final phases of permitting for inaugural drill programs."

Bebek added that the firms plan to "significantly enhance" the value of the Peruvian projects over the coming months through achieving drill permits, completing additional community agreements to provide access to more areas, identifying additional high priority targets and further value-added acquisitions.

### Drilling at Eau Claire

Fury Gold plans to kick off a 50,000-metre drill program at Eau Claire once closing is complete. The 113,000-hectare project in the James Bay region of Quebec has a measured and indicated resource of 853,000 ounces of gold grading at 6.2 grams per ton (g/t). The firm said it plans to update exploration plans for Homestake Ridge and Committee Bay after the closing of the transaction.

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