

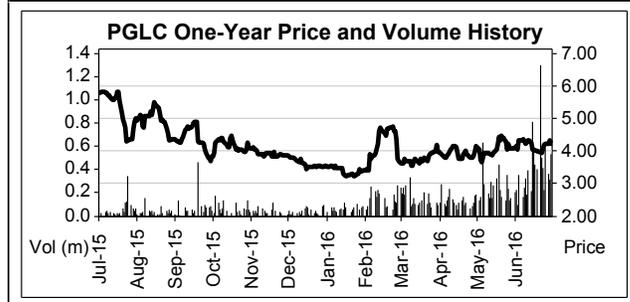
Resources

Pershing Gold Corporation | PGLC - \$4.22 - NASDAQ | Buy

Company Update

Estimates Changed

Stock Data					
52-Week Low - High	\$3.04 - \$6.15				
Shares Out. (mil)	26.11				
Mkt. Cap.(mil)	\$110.2				
3-Mo. Avg. Vol.	247,250				
12-Mo.Price Target	\$6.25				
Cash (mil)	\$14.3				
Tot. Debt (mil)	\$0.0				
EPS \$					
Yr Dec	—2015—	—2016E—		—2017E—	
		Curr	Prev	Curr	Prev
1Q	(0.22)A	(0.30)A	(0.30)A	-	-
2Q	(0.19)A	(0.13)E	(0.13)E	-	-
3Q	(0.27)A	(0.11)E	(0.12)E	-	-
4Q	(0.22)A	(0.15)E	(0.16)E	-	-
YEAR	(0.90)A	(0.66)E	(0.68)E	0.48E	0.43E
P/E	NM	NM	NM	8.8x	9.8x
Revenue (\$ millions)					
Yr Dec	—2015—	—2016E—		—2017E—	
		Curr	Prev	Curr	Prev
1Q	0.0A	0.0A	-	-	-
2Q	0.0A	0.0E	-	-	-
3Q	0.0A	0.0E	-	-	-
4Q	0.0A	0.0E	-	-	-
YEAR	0.0A	0.0E	96.6E	95.4E	



PGLC: PEA Demonstrates Value of Self-Mining

On June 28, 2016, PGLC released the results of its PEA on the Relief Canyon project in Nevada. We believe the results demonstrated both the viability of the project and the potential impact of self-mining instead of using contract mining. As a result, we are reiterating our Buy rating and \$6.25 price target.

- PEA demonstrates value of self-mining.** On June 28, 2016, Pershing Gold released the summary of its recently completed PEA on the Relief Canyon project. The PEA considered both self-mining and contract mining and although self-mining requires an additional \$9.8 million in upfront capital, we believe PGLC will ultimately elect to use this method due to the significant impact it would have on the project NPV, in our view. As a result, we have updated our modeling assumptions to reflect the use of self-mining.
- Next step should be to finance and construct, in our view.** Given the work done to date and low capital requirement to enter production at Relief Canyon (as compared to most gold mining projects), we believe PGLC will move towards construction rather than completing additional preliminary economic studies. With this in mind, Pershing believes it will receive all necessary permits to begin phase one of the project during Q3 2016. Once PGLC receives the necessary permits to begin phase one, we believe the company will make a construction decision and begin construction with an eye on first production in the first half of 2017.
- Reiterating rating and target.** Although we updated our model to reflect self-mining rather than contract mining, the additional updates we made mostly offset the benefit. As a result, we are reiterating our \$6.25 price target. However, we believe the PEA adds credibility to the Relief Canyon project and could result in a significant rerating of the company over the coming months as PGLC moves towards a construction decision. Thus, we are reiterating our Buy rating.

VALUATION

We base our valuation of PGLC on a DCF of free cash flow to equity. We use a 9% discount rate as we believe PGLC will need additional funding to construct its project in the near-term. Our DCF returns a value of \$220.5 million to which we add a \$30 million premium for exploration potential. After adjusting for year end 2015 net cash we arrive at an NPV of \$253.7 million. We divide this by our estimated future fully diluted share count of 40.4 million to reach a value of \$6.28 per share. We round this down to reach our \$6.25 price target and we are reiterating our Buy rating.

Factors that could impede PGLC's ability to reach our price target include but are not limited to: dilutive equity raises, project delays, under-performance of commodity prices, cost overruns, grade inconsistencies, and other unforeseeable events and factors.

RISKS

- **Political risk.** Natural resource companies are subject to significant political risk. Although most mining jurisdictions have known laws, potential exists for these laws to change. As a Nevada based project, Relief Canyon is a relatively low risk project from a political risk standpoint.
- **Commodity price risk.** All natural resource companies have some form of commodity price risk. This risk is not only related to final products, but can also be in regards to input costs and substitute goods. PGLC's most significant commodity price risk is to the gold price. Significant moves in spot gold prices could materially impact earnings and cash flow.
- **Operational and technical risk.** Natural resources companies have significant operational and technical risks. Despite completing NI 43-101 compliant resource estimates, deposits can still vary significantly compared to expectations. Additionally, numerous unforeseeable issues can occur with operations and exploration activities. PGLC recently completed a PEA and has similar risk to other PEA stage companies.
- **Market risk.** Although most natural resource companies are more closely tied to individual commodity price performance, large business cycle forces or economic crises can impact a company's valuation significantly. Pershing Gold has similar market risk to other pre-production gold companies.

Cautionary Note to US Investors: Estimates of Measured, Indicated and Inferred Resources

"Measured Mineral Resources" and "Indicated Mineral Resources." US investors are advised that although these terms are required by Canadian regulations, the US Securities and Exchange Commission (SEC) does not recognize them, and describes the equivalent as "Mineralized Material." US investors are cautioned not to assume that these terms are any form of guarantee.

"Inferred Mineral Resources." US Investors are advised that while this term is required by Canadian regulations, the SEC does not recognize it. "Inferred Mineral Resources" are not delineated with a great deal of certainty and should not be considered likely to be brought into production in whole or in part.

COMPANY DESCRIPTION

Pershing Gold Corporation, incorporated on August 2, 2007, is a gold and precious metals exploration company pursuing exploration, development and mining opportunities primarily in Nevada. The Company is focused on exploration at its Relief Canyon properties in Pershing County in northwestern Nevada. All of the Company's activities on all of its properties are exploratory in nature. The Company operates its business directly and also through its wholly owned subsidiary, Gold Acquisition Corp. Gold Acquisition Corp. owns and is conducting exploration on the Relief Canyon Mine property in northwestern Nevada. Pershing Gold Corporation owns directly and is conducting exploration on the Relief Canyon expansion properties adjacent to the Relief Canyon Mine property. *Source: Thomson as of 3/30/16*

PGLC Key Estimates

Amounts in USD	1Q15A	2Q15A	3Q15A	4Q15A	2015A	1Q16A	2Q16E	3Q16E	4Q16E	2016E	2017E
Revenue	-	-	-	-	-	-	-	-	-	-	96.6
Operating Costs	4.3	4.1	5.9	4.8	19.1	3.1	3.4	3.4	4.4	14.3	68.2
Operating Income	(4.3)	(4.1)	(5.9)	(4.8)	(19.1)	(3.1)	(3.4)	(3.4)	(4.4)	(14.3)	28.4
Finance and other	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-	0.0	-
Pretax Income	(4.3)	(4.1)	(5.9)	(4.8)	(19.1)	(3.1)	(3.4)	(3.4)	(4.4)	(14.3)	28.4
Taxes and Preferred	-	-	-	-	-	3.6	-	-	-	3.6	9.1
Net Income	(4.3)	(4.1)	(5.9)	(4.8)	(19.1)	(6.7)	(3.4)	(3.4)	(4.4)	(17.9)	19.3
Basic EPS	(\$0.22)	(\$0.19)	(\$0.27)	(\$0.22)	(\$0.90)	(\$0.30)	(\$0.13)	(\$0.11)	(\$0.15)	(\$0.66)	\$0.65
FD EPS	(\$0.22)	(\$0.19)	(\$0.27)	(\$0.22)	(\$0.90)	(\$0.30)	(\$0.13)	(\$0.11)	(\$0.15)	(\$0.66)	\$0.48
CFPS	(\$0.18)	(\$0.14)	(\$0.21)	(\$0.24)	(\$0.77)	(\$0.09)	(\$0.12)	(\$0.10)	(\$0.13)	(\$0.45)	\$0.53
FCF to Equity					(11.9)	11.1	3.0	1.0	(15.0)	0.0	19.3

Source: SEC Filings, ROTH Capital Partners and company reports

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On May 26, 2011, ROTH changed its rating system in order to incorporate coverage that is Under Review.



Each box on the Rating and Price Target History chart above represents a date on which an analyst made a change to a rating or price target, except for the first box, which may only represent the first note written during the past three years. **Distribution Ratings/IB Services** shows the number of companies in each rating category from which Roth or an affiliate received compensation for investment banking services in the past 12 month.

Distribution of IB Services Firmwide

Rating	Count	Percent	IB Serv./Past 12 Mos. as of 06/29/16	
			Count	Percent
Buy [B]	228	75.25	131	57.46
Neutral [N]	43	14.19	23	53.49
Sell [S]	5	1.65	1	20.00
Under Review [UR]	26	8.58	17	65.38

Our rating system attempts to incorporate industry, company and/or overall market risk and volatility. Consequently, at any given point in time, our investment rating on a stock and its implied price movement may not correspond to the stated 12-month price target.

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Sell: A rating, which at the time it is instituted and or reiterated, that indicates an expectation that the price will depreciate by more than 10% over the next 12 months.

Under Review [UR]: A rating, which at the time it is instituted and or reiterated, indicates the temporary removal of the prior rating, price target and estimates for the security. Prior rating, price target and estimates should no longer be relied upon for UR-rated securities.

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