

## First Take

### Pershing Gold Corporation (PGLC)

February 5, 2015

Price: \$0.33; Market Cap (MM): \$116; 2/4/15 Close

Rating: Buy; Price Target: \$0.50

Jeffrey Wright - (212-356-0545) / [jwright@hcwresearch.com](mailto:jwright@hcwresearch.com)  
Jake Sekelsky - (212-356-0511) / [jsekelsky@hcwresearch.com](mailto:jsekelsky@hcwresearch.com)

### High-Grade Drill Results in Anticipation of Updated Resource Estimate; Reiterating Buy

**On February 4, 2015, Pershing Gold announced drill results at the Relief Canyon Mine.** The company's recent drilling at the project has been focused on the North Target Area, which is located to the north of the North Pit. Through its 2014/early 2015 drill program, Pershing discovered meaningful mineralization with six holes containing intervals above 4.3 g/t gold. Of particular note is hole RC15-264, which returned an intercept of 76.8 g/t gold over a width of 4.7 feet. According to management, this hole marks the discovery of new mineralization on the western edge of the North Target Area.

**The drill data is not included in the most recent resource estimate from 2014.** We anticipate the company to wrap up its 2014/early 2015 drill program as assays from an additional 30 holes are being finalized. The March 2014 resource estimate does not contain the data from 135 core holes (75,000 feet) drilled during the 2014/early 2015 program. We believe the results from these holes should be included in an updated resource estimate, which the company expects to release in 2Q15. Following the inclusion of the high-grade North Target Area into the updated resource estimate, Pershing intends to proceed with a Preliminary Economic Assessment (PEA) at Relief Canyon.

**We continue to view the Relief Canyon Mine as a turn-key operation.** Given the existing infrastructure at the site coupled with a relatively little capital budget required to bring the project back into production, we anticipate Relief Canyon to be operational sometime in 2016. In our opinion, the company should advance from the PEA stage then complete the steps to begin stacking ore onto the heap leach pads and commence production all in a short timeline.

**We are reiterating a Buy rating and our \$0.50 per share price target.** Our valuation is based on a DCF of anticipated operations at Relief Canyon utilizing our unchanged 7.5% discount rate. We continue to believe Pershing should reach production shortly after the release of the PEA later this year.

**Risks.** 1) Commodity price risk for gold and silver; 2) operational and technical risks to recommence production at Relief Canyon; and 3) financing risk to fund capital investment at Relief Canyon.



*H.C. Wainwright 1868*

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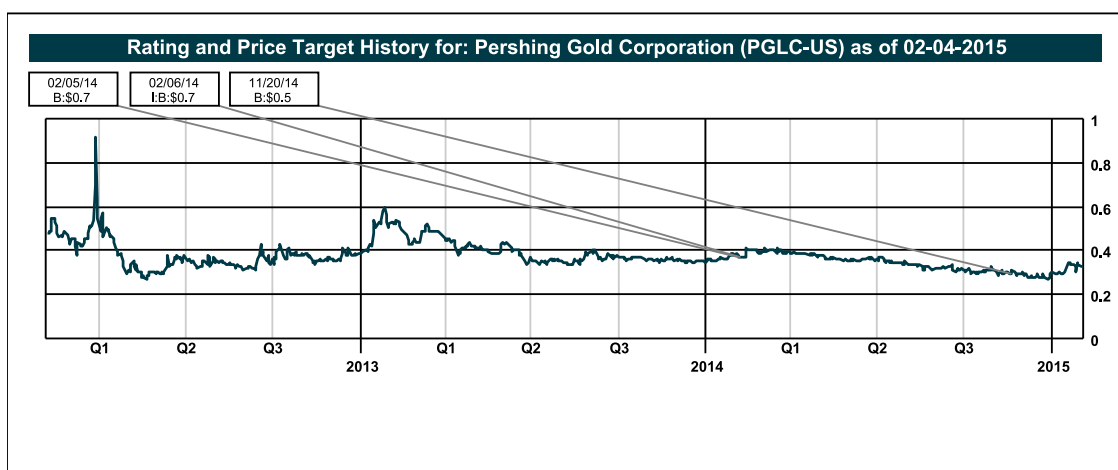
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Distribution of Ratings Table				
Ratings	Count	Percent	IB Service/Past 12 Months	
			Count	Percent
Buy	94	92.16%	39	41.49%
Neutral	7	6.86%	2	28.57%
Sell	0	0.00%	0	0.00%
Under Review	1	0.98%	0	0.00%
<b>Total</b>	<b>102</b>	<b>100%</b>	<b>41</b>	<b>40.20%</b>

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