

VIRGINIA CITY, Nev., Oct. 20, 2016 (GLOBE NEWSWIRE) -- [Comstock Mining Inc.](#) (the "Company") (NYSE MKT:LODE) today announced selected unaudited financial results for the fiscal quarter ended September 30, 2016.

District Targets

Selected Third Quarter Strategic and Financial Highlights

- Confirmed yields of over 88% for gold and 60% for silver, best in class for Nevada leaching.
- Awarded a First Place Award for the "Mine Operation Safety," in the Small Mine Category for 2015 operations.
- Completed strategic land and water rights acquisition, estimated to exceed \$10 million in value.
- Received unanimous approval from Lyon County for Industrial Zoning on strategic land.
- Commenced non-mining asset sales with expected net cash proceeds in excess of \$7 million.
- Completed strategic "Lot 51" land acquisition from the Bureau of Land Management (BLM).
- Completed the feasibility and permitting plans for the Dayton Resource Area, targeting full feasibility and production plans within the next two years.
- Expanded strategic plans and commenced diligence for acquiring properties outside the district.
- Cycladex Inc., a strategic investee, received over \$700 thousand in Federal research grants for advancing cheaper, faster, safer leaching technologies in collaboration with the Company.

Selected Financial Highlights - Nine-months Ended September 30, 2016 ("the nine-month period")

- Mining revenue was \$4.5 million, for the nine-month period and costs applicable to mining were \$3.5 million, net of silver credits.
- Exploration and mine development expense was \$4.0 million for the nine-month period, a 53% increase, primarily from underground exploration and development activities.
- Completed annualized, non-mining, cost reductions of approximately \$8 million, amongst the lowest in our peer group.
- General and administrative expenses were \$2.7 million for the nine-month period, a 48% reduction driven by reductions in payroll and administrative expenses.
- Net cash used in operations was \$3.2 million for the nine-month period, resulting primarily from increased exploration and mine development expenditures.
- Net cash provided by investing activities was \$3.1 million for the nine-month period, resulting primarily from non-mining land and equipment sales.
- Net loss was \$9.1 million for the nine-month period, resulting from lower mining revenues and increased exploration and mine development expenses for Lucerne.
- Total long-term debt and capital lease obligations at September 30, 2016, were \$8.9 million, (\$5.6 million excluding the \$3.3 million borrowed to purchase certain land and water rights) a 58% reduction as compared to \$13.3 million at December 31, 2015, before the purchase.
- Cash and cash equivalents at September 30, 2016, were \$0.4 million.

Selected Financial Highlights - Three-months Ended September 30, 2016 (the "three-month period")

- Mining revenue was \$1.1 million for the three-month period, a decrease of \$3.2 million from the same prior year period, resulting from lower production and lower average gold pricing.
- Costs applicable to mining were \$0.8 million, net of silver credits.
- General and administrative expenses were \$0.6 million for the three-month period, a 61% reduction driven by lower payroll and administrative expenses.
- Net loss was \$2.2 million for the three-month period, resulting primarily from lower mining revenues and increased exploration and mine development expenses for Lucerne.

"Our focus on cost and liability reductions puts us among, if not at, the lowest cost in our peer group. These actions, coupled with our planned non-mining land sales, can deliver a debt-free balance sheet and position us for growth. With a strong balance sheet and an expansive resource potential, we are keen to accelerate the development on the Comstock and to expand our Nevada-based platform through complimentary acquisitions," stated Corrado De Gasperis, President and CEO of [Comstock Mining Inc.](#)

Operating Costs and Cost Reductions

During the first nine months of 2016, the Company transformed its operations from a predominantly fixed-cost, labor-based mining infrastructure, to a strategically partnered network of expert exploration, development, permitting and mining technical resources, both internal and external. This has created a strong team of experts and a mostly variable cost structure for substantially all future drilling, development, mining and acquisition activities.

Actual costs applicable to mining were \$3.5 million, net of silver credits, a 66% reduction from the comparable period in 2015,

primarily a result of significantly lower fixed labor and processing cost from our completed organizational transformation. Costs applicable to mining for the first nine months of 2016, and 2015, include depreciation of \$1.9 million and \$4.6 million, respectively.

Mr. DeGasperi continued: “We now have a leading, Nevada-based gold and silver development platform, positioned for resource growth and development and permitted for future production. We are keen to build the next tier junior gold and silver mining company, through the development of our historic, world-class assets and acquisitions of similar production or near-production ready deposits.”

Production

The Company recently increased metallurgical yield estimates to over 88% for gold, based on continued, positive recoveries from the leach pad. This improved yield experience also increases our estimate of the remaining gold on the pad. The Company now expects that the leaching process and resulting gold and silver pours will continue through the end of the fourth quarter of 2016, with revenue in the fourth quarter expected to be approximately \$0.7 million.

During the first nine months of 2016, the Company poured 3,810 ounces of gold and 69,079 ounces of silver. During the three months ended September 30, 2016, the Company poured 853 ounces of gold and 17,510 ounces of silver. During the nine months ended September 30, 2016, the Company realized an average price of \$1,220.94 per ounce of gold and a \$15.78 average sales price per ounce of silver. In comparison, commodity market prices in the nine months of 2016 averaged \$1,258.48 per ounce of gold and \$17.07 per ounce of silver.

Current Exploration Projects - District-wide

During the first half of 2016, the Company focused on exploration and development in the Lucerne Resource area, primarily underground core drilling, underground drift (tunnel) development, and underground sampling into the Quartz Porphyry (PQ) and Succor geological targets. The Company has also developed specific plans for further Lucerne exploration activities to define the extent of known mineralization in the Succor, Woodville and Chute target areas.

During the third quarter of 2016, the exploration planning effort was focused on the Dayton Resource area. A draft plan has been designed for an expanded drilling program that would include Reverse Circulation (RC) and core drill holes to place the Dayton Resource into a mine planning stage. The mine planning would incorporate the existing data and would be expanded by the additional infill, geotechnical and definition drilling. In addition, progressing southerly from the Dayton Resource Area, drill targets have been identified based on our previous geophysical studies, prior drill holes and extended geological and structural controls into the Spring Valley, south of the Dayton. The Company plans on taking the Dayton Resource Area to full feasibility, with a production ready mine plan within the next two years. We also plan to further develop the remaining areas, which include the Spring Valley, Occidental, Northern Extension and Northern Targets areas, subsequent to and in some cases concurrent with the exploration and development of Lucerne and Dayton.

Figure below represents general overview of priority surface and underground targets.

<http://www.globenewswire.com/NewsRoom/AttachmentNg/6b6a3241-3a11-4674-8e5b-86fdd3e2e60c>

Corporate

The Company continues evaluating and acquiring properties inside and outside the district, expanding its footprint and exploring all of our existing and prospective opportunities for further exploration, development and mining. We have modified our strategy such that we are now actively pursuing and evaluating strategic business alternatives, including acquisitions of Nevada-based gold and silver mining projects or similarly situated assets for development toward production. This is in conjunction with, not in lieu, of our Comstock properties.

The near-term goal of our business plan is to maximize intrinsic stockholder value realized, per share, by continuing to acquire mineralized and potentially mineralized properties, exploring, developing and validating qualified resources and reserves (proven and probable) that enable the commercial development of our operations through extended, long-lived mine plans that are economically feasible and socially responsible, including both the Lucerne and Dayton Mine plans, with both surface and underground development opportunities.

General and administrative costs and other non-mining costs, including mine claims and land costs, other real estate operating costs and environmental costs have already declined \$6 million as compared to 2015, and exceeding an annualized rate of approximately \$8 million compared to 2014. In addition, the Company eliminated royalties on both the Dayton and Lucerne Resource areas and simplified the capital structure, saving an additional \$5.5 million over 2015, in dividends and payments associated with the former preferred share structure.

The Company expects to operate with less than 15 employees, including expert land, permitting, geology, engineering and metallurgical professionals in 2017. General and administrative costs, however, are expected to continue to decline from actions already taken and are now delivering cost savings annually of approximately \$8 million, when compared to 2014, and approximately \$6.5 million when compared to 2015.

During the third quarter, the Company (through a wholly-owned subsidiary) exercised an option to purchase, for \$3.2 million, industrial land and senior water rights in Lyon County, Nevada. This land is situated in immediate proximity to where the new USA Parkway effectively connects with Highway 50, from Highway I-80, through the Reno Tahoe Industrial Center, and is valued, together with the water rights, at over \$10 million. USA Parkway is progressing on or ahead of schedule, with paving commencing last week, and completion targeted between August and December of 2017.

Outlook

The Company plans to sell non-mining related lands, buildings and water rights, over the next 6-12 months, resulting in expected net cash proceeds of over \$7 million. These actions are anticipated to eliminate substantially all of the Company's debt obligations and strengthen the financial position of the Company.

During the first quarter of 2017, the Company also plans limited core drilling in Dayton, sufficient to finalize the parameters of a mine plan and commence the permitting for the Dayton Mine. Infill drilling is expected to significantly expand the reserve potential for the Dayton mine plans. The Company has developed grade shells with higher average grades and believes the Dayton to have economically feasible potential and intends on developing those mine plans toward full feasibility during 2017, and production within the next two years. The Lucerne mine is fully permitted and requires additional drilling and development for advancing feasibility and establishing reserves.

The Company will report the results of the Lucerne and Dayton exploration and development programs, as they become available.

Conference Call

The Company will host a conference call today, October 20, 2016, at 8:00 a.m. Pacific Time/11:00 a.m. Eastern Time. The live call will include a moderated Q&A, after the prepared comments by the Company. The dial-in telephone numbers for the live audio are as follows:

US / Canada Toll Free: 1-800-279-9534

International: 1-719-457-2080

The audio will be available, usually within 24 hours of the call, on the Company website:

<http://www.comstockmining.com/investors/investor-library>

About Comstock Mining Inc.

[Comstock Mining Inc.](#) is a Nevada-based, gold and silver mining company with extensive, contiguous property in the Comstock District and is an emerging leader in sustainable, responsible mining. The Company began acquiring properties in the Comstock District in 2003. Since then, the Company has consolidated a significant portion of the Comstock District, amassed the single largest known repository of historical and current geological data on the Comstock region, secured permits, built an infrastructure and commenced production in 2012. The Company continues evaluating and acquiring properties inside and outside the district expanding its footprint and exploring all of our existing and prospective opportunities for further exploration, development and mining. The near term goal of our business plan is to maximize intrinsic stockholder value realized, per share, by continuing to acquire mineralized and potentially mineralized properties, exploring, developing and validating qualified resources and reserves (proven and probable) that enable the commercial development of our operations through extended, long-lived mine plans that are economically feasible and socially responsible.

Forward-Looking Statements

This press release and any related calls or discussions may include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 about Comstock. Forward-looking statements are statements that are not historical facts. All statements, other than statements of historical facts, are forward-looking statements. Forward-looking statements include statements about matters such as: future prices and sales of, and demand for, our products; future industry market conditions; future changes in our exploration activities, production capacity and operations; future exploration,

production, operating and overhead costs; operational and management restructuring activities (including implementation of methodologies and changes in the board of directors); future employment and contributions of personnel; tax and interest rates; capital expenditures and their impact on us; nature and timing and accounting for restructuring charges, gains or losses on debt extinguishment, derivative liabilities and the impact thereof; productivity, production slowdowns, suspension or termination, business process, rationalization and other operational initiatives; investments, acquisitions, joint ventures, strategic alliances, business combinations, asset sales; consulting, operational, tax, financial and capital projects and initiatives; contingencies; environmental compliance and changes in the regulatory environment; offerings, sales and other actions regarding debt or equity securities; and future working capital, costs, revenues, business opportunities, debt levels, cash flows, margins, earnings and growth.

The words "believe," "expect," "anticipate," "estimate," "project," "plan," "should," "intend," "may," "will," "would," "potential" and similar expressions identify forward-looking statements, but are not the exclusive means of doing so. These statements are based on assumptions and assessments made by our management in light of their experience and their perception of historical and current trends, current conditions, possible future developments and other factors they believe to be appropriate. Forward-looking statements are not guarantees, representations or warranties and are subject to risks and uncertainties that could cause actual results, developments and business decisions to differ materially from those contemplated by such forward-looking statements. Some of those risks and uncertainties include the risk factors discussed in Item 1A, "Risk Factors" of our annual report on Form 10-K. Occurrence of such events or circumstances could have a material adverse effect on our business, financial condition, results of operations or cash flows or the market price of our securities. All subsequent written and oral forward-looking statements by or attributable to us or persons acting on our behalf are expressly qualified in their entirety by these factors. We undertake no obligation to publicly update or revise any forward-looking statement.

Neither this press release nor any related calls or discussions constitutes an offer to sell or the solicitation of an offer to buy any securities.

Contact information for [Comstock Mining Inc.](http://www.comstockmining.com):

PO Box 1118
Virginia City, NV 89440
<http://www.comstockmining.com>

Corrado De Gasperis
President & CEO
Tel (775) 847-4755
degasperis@comstockmining.com

Investor Relations
[Comstock Mining Inc.](http://www.comstockmining.com)
Tel (775) 847-5272 ext. 151
questions@comstockmining.com