

VIRGINIA CITY, Nev., March 09, 2017 (GLOBE NEWSWIRE) -- [Comstock Mining Inc.](#) (the "Company") (NYSE:LODE) today announced selected strategic and financial highlights for the year ended December 31, 2016.

### 2016 Selected Strategic Highlights

- Annualized cost reduction exceeds \$8 million target in 2016, versus 2015, positioning the Company among the lowest operating cost structures in its peer group.
- Refinanced the Company's obligations, extended maturities, improved liquidity and positioned the Company to resume drilling and development.
- Nevada Supreme Court positively affirmed the Company's zoning for the Dayton, prompting the exploration drilling and development of entire southern portion of the District.
- Completed the exploration and permitting plans for the Dayton Mine, toward goals of resource expansion, reserve feasibility and preparation of mine plans in the next two years.
- Expanded permits for future leaching and exclusive Right-of-Way for increased hauling.
- Commenced column testing, with federally funded research grants through Cycladex Inc., a strategic investee, for, faster, cheaper, safer leaching solutions and processes.
- Received 2016 first place for "Mine Operation Safety" from Nevada Mining Association.
- Completed strategic land and water rights acquisition, permitting and zoning in the immediate vicinity of the Tahoe-Reno Industrial Center and the new USA Parkway.
- Continued non-mining asset sales with expected cash proceeds in excess of \$14 million.

Corrado De Gasperis, Executive Chairman and CEO of the Company stated: "Our completion of these dramatic cost reductions puts us among, if not at, the lowest cost in our peer group, including sustainable reductions of G&A by two-thirds. Our non-mining land sales are designed to deliver a debt-free balance sheet and accelerate our resource growth. We are now planning to commence drilling in the second quarter."

### 2016 Selected Financial Highlights

- Mining revenue was \$4.9 million for 2016, as compared to \$18.2 million for 2015.
- Successfully concluded leaching operations in December, 2016, with final metallurgical recoveries yielding almost 90% for gold and 60% for silver.
- Completed annualized cost reductions of over \$8 million, including 48% G&A reductions for 2016, and projected 65% reductions for 2017, both as compared to 2015.
- Exploration and mine development expense was \$4.6 million for the full year 2016, primarily for the Lucerne underground exploration and development and Dayton pre-feasibility activities.
- General and administrative expenses were \$3.5 million for full year 2016, a 48% reduction driven by reductions in payroll and administrative expenses.
- Net cash used in operations was \$2.6 million for 2016, resulting primarily from increased exploration and mine development expenditures.
- Net cash provided by investing activities was \$2.6 million for the year ended, resulting primarily from equipment sales.
- Net loss was \$12.9 million for the year ended 2016, resulting from lower mining revenues and increased exploration and mine development expenses for Lucerne.
- Total debt obligations at December 31, 2016, were \$9.5 million, (\$6.2 million excluding the \$3.3 million borrowed to purchase strategic land and water rights) a 53% reduction as compared to \$13.3 million at December 31, 2015, before the land and water purchase.

Corrado De Gasperis, Executive Chairman and CEO of the Company stated: "Our completed streamlining will result in lower 2017 costs in all categories, especially in G&A, where we have already effected more than a \$1 million decrease from 2016. This allows us to maximize our investment capital in exploration drilling and development, for maximum resource growth. We now have the properties, the zoning and the permits to efficiently expand the resource."

### *Exploration and Development*

The Company expanded its exploration planning to include longer-term exploration targets across the broader Comstock District where multiple miles of additional mineralized strike zones have been identified and added to the Company's exploration planning activities. This includes the southern portion of the Dayton Resource Area, extending further south into the Spring Valley Group (refer to Figure 1), the Company's Northern properties referred to as the Gold Hill Group and also northeastern properties within the Occidental Group.

A file accompanying this announcement is available at <http://www.globenewswire.com/NewsRoom/AttachmentNg/20860cd5-a148-4a4e-84e1-882a9b7c3f74>

### *Dayton Resource Area*

The Dayton Resource area is southwest of Silver City in Lyon County, Nevada. It generally includes the Dayton, Kossuth and

Alhambra claims, including the old Dayton Consolidated mine workings, south to where the Kossuth claim crosses State Route 341. The Dayton Resource area ranks as one of the Company's top exploration and potential mine production targets. In January 2014, the Lyon County Board of Commissioners approved a strategic master plan and zoning changes on the Dayton, Kossuth and Alhambra mining claims and other properties located in the Dayton Resource Area, enabling a more practical, comprehensive feasibility study for mining. Although this decision was appealed, on December 2, 2016, the Nevada Supreme Court entered an order affirming all three of the District Court's decisions associated with 1) the Commissioners' discretion and authority for changing master plans and zoning, 2) their compliance with Nevada's Open Meeting Law and 3) their compliance with Nevada statutory provisions. The positive Supreme Court decision now enables the Company to progress its exploration and development plans toward full feasibility and production planning. The Company plans to advance the Dayton Resource Area to full feasibility, with a production ready mine plan within the next two years.

A draft plan has now been designed for an expanded drilling program that would include Reverse Circulation (RC) and diamond 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. A Reverse Circulation (RC) drill program was designed to initially test the hydrologic regime within the proposed mine and process facility. The diamond hole locations would be specifically selected to define the hydrological, geotechnical and metallurgical properties during 2017, drilling programs.

The geological and geophysical characteristics of the mineralization defined for the Dayton Resource Area are also projected south into Spring Valley. Economic gold mineralization has been intercepted in several wide spaced drill holes conducted during numerous prior Spring Valley drilling programs. Over the past several months, the technical staff has identified multiple drill targets within several specific locations that encompass the Dayton Resource area and Spring Valley. The new targets are based on the Company's latest review of previous geophysical studies and current interpretation of the geology.

A file accompanying this announcement is available at <http://www.globenewswire.com/NewsRoom/AttachmentNg/46a5a468-e635-4c2d-923d-19939d0e0019>

### *Non-Mining Asset Sales*

During 2016, the Company completed an industrial land and water rights acquisition, for \$3.3 million, including the completion of permitting and zoning in the immediate vicinity of the Tahoe-Reno Industrial ("TRI") Center and the new USA Parkway. The Company anticipates these properties will be certified as "shovel ready" during April 2017. The TRI Center is just nine miles from Reno, Nevada with local access to the Reno Tahoe International Airport. Exit 32, the new USA Parkway (aka, State Route 439), is now becoming the main thoroughfare and crosses the heart of the TRI Center for 16 miles, eventually extending all the way to U.S. 50, within immediate proximity of our recently purchased industrial land and water rights. Current industrial park residents include Tesla, Switch, FedEx Supply Chain Services, PetSmart, Toys R Us, US Ordinance and Wal-Mart Distribution Center.

Tesla began battery cell production this year. By 2018, the Gigafactory will reach full capacity and produce more lithium ion batteries annually than were produced worldwide in 2013. Tesla and its partners will invest up to \$5 billion in the Gigafactory through 2020.

Switch, a global technology solutions provider, announced the opening of the Citadel Campus in February, 2017. The facility is the largest, most advanced data center campus in the world and is also located in the Tahoe-Reno Industrial Center. The opening of Switch's super-scale data center (aka, The Citadel Campus), is expected to provide up to 7.2 million sq. ft. of data center space in the 2,000 acre campus.

Most recently, local media has reported the upcoming announcement of a third anchor company, potentially bigger than Tesla or Switch, committing to the industrial park, amongst dozens of ancillary businesses, four hotels and related infrastructure.

The USA Parkway extension is scheduled to be open this summer to traffic, two years earlier than originally expected, attracting an estimated 16,000 workers to the area, according to the Nevada Department of Transportation. The \$75.9 million project will extend the roadway by more than 12 miles through Storey and Lyon counties and connect Interstate 80 to U.S. 50, NDOT officials said.

"That means it will link the greater Reno-Sparks area with the U.S. 50 corridor in Silver Springs, which could attract more people, businesses and commerce to the Tahoe Reno Industrial Center. It could also help improve the economy, especially in Lyon County," Gov. Brian Sandoval said at the ground-breaking ceremony this past summer.

These industrial assets and water rights sit on the U.S. 50 corridor, at the USA parkway intersection, coupled with other properties on the U.S. 50 corridor, are expected to bring \$14 million in proceeds.

### *Outlook*

The Company plans to sell non-mining related lands, buildings and water rights, for expected net cash proceeds of more than

\$14 million during the next twelve to eighteen months resulting in net profit of more than \$8 million. These proceeds will be free of income taxes, eliminate current debt obligations and strengthen the financial position of the Company.

During the second quarter of 2017, the Company also plans on commencing Reverse Circulation (RC) 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 plans 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 for the next phase of mining.

The Company expects to operate with approximately 10 employees, including expert land, permitting, geology, engineering and metallurgical professionals. Total operating expenses for 2017, are expected to be \$3.5 million, including exploration and mine development, mine claims, environmental and reclamation, and general and administrative cost but excluding depreciation and amortization. Interest expense is expected to be \$1.3 million. The Company will report the results of the Dayton exploration and development programs as they become available.

### *Corporate*

On January 13, 2017, the Company, issued an aggregate principal amount of \$10,723,000, 11% Senior Secured Debenture (the "Debenture") due 2021. This refinancing eliminated substantially all of the Company's current and longer terms obligations, extended maturities and enhanced liquidity

The Debenture has a term of four years. For the first two years following the initial issue date, interest on the Debenture will be payable in cash or in the form of additional Debentures to be issued by the Company (valued at face value) or a combination of the two, at the Company's option.

### *Conference Call*

The Company will host a conference call today, March 9, 2017, 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:

North American Toll Free: 888-287-5529; confirmation code 2506277  
International: +1 416-849-4292; confirmation code 2506277

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 producing, Nevada-based, gold and silver mining company with extensive, contiguous property in the Comstock District and is an emerging leader in sustainable, responsible mining, including concurrent and accelerated reclamations, soil sampling, voluntary air monitoring, cultural asset protection and historical restorations. 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 acquiring additional properties in the district, expanding its footprint and creating 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 validating qualified resources and reserves (proven and probable) from our first two resource areas, Lucerne and Dayton, and significantly grow 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, business process, rationalization, investment,

acquisition, 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 and the following: current global economic and capital market uncertainties; the speculative nature of gold or mineral exploration, including risks of diminishing quantities or grades of qualified resources and reserves; operational or technical difficulties in connection with exploration or mining activities; contests over our title to properties; potential dilution to our stockholders from the conversion of securities that are convertible into or exercisable for shares of our common stock; potential inability to continue to comply with government regulations; adoption of or changes in legislation or regulations adversely affecting our businesses; business opportunities that may be presented to, or pursued by, us; changes in the United States or other monetary or fiscal policies or regulations; interruptions in our production capabilities due to unexpected equipment failures; fluctuation of prices for gold or certain other commodities (such as silver, copper, diesel fuel, and electricity); changes in generally accepted accounting principles; geopolitical events; potential inability to implement our business strategies; potential inability to grow revenues organically; potential inability to attract and retain key personnel; interruptions in delivery of critical supplies and equipment raw materials due to credit or other limitations imposed by vendors; assertion of claims, lawsuits and proceedings against us; potential inability to maintain an effective system of internal controls over financial reporting; potential inability or failure to timely file periodic reports with the SEC; potential inability to maintain the listing of our securities on any securities exchange or market; and work stoppages or other labor difficulties. 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.

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