

VIRGINIA CITY, Nev., May 04, 2017 (GLOBE NEWSWIRE) -- [Comstock Mining Inc.](#) (the "Company") (NYSE MKT:LODE) today announced selected unaudited financial results for the fiscal quarter ended March 31, 2017.

Dayton and Spring Valley Drilling Target Areas

98-acre site certified, shovel ready industrial property strategically located in direct vicinity of the world renowned Tahoe Reno Industrial Center as well as key U.S. highway transportation routes and adjacent to the airport in Silver Springs, Nevada.

First Quarter 2017 Selected Strategic and Operational Highlights

1. Commenced and advanced multiple negotiations with various Joint Venture partners, associated with our mineralized and certain other properties.
2. Extracted mineralized material from the Dayton Resource Area, for metallurgical testing that supports the feasibility study associated with establishing proven reserves and a mine plan.
3. Launched column testing with Dayton mineralized materials, with federally funded research grants through Cycladex Inc., a strategic investee, for, faster, cheaper, safer leaching solutions.
4. Completed an independent, full surface and mineral property title review in conjunction with our recent refinancing, confirming full, clean and unencumbered title on all 8,631 acres.
5. Successfully mitigated severe, unprecedented weather events without any health, safety, environmental or permit compliance implications.
6. Accelerated Monetization of Non-mining lands for 2017, with rare site certification for our perfectly situated, shovel ready, industrial land and water rights in the immediate vicinity of the Tahoe-Reno Industrial Center, where the new USA Parkway crosses Highway 50 (see Figure 2).
7. Announced that Google purchased 1,210 acres for \$29.1 million at the Tahoe Reno Industrial Center, joining Tesla, Switch, WalMart, Home Depot and further enhancing local land values.
8. Completed strategic refinancing during the first quarter that ensures our liquidity and positions us to consummate the strategic transactions in progress, complete the land sales and achieve our goal of delivering \$500 million of accretive per share value (over \$2 per share) by 2020.

Corrado De Gasperis, Executive Chairman and CEO of the Company stated, "Our first quarter was a watershed quarter where we completed a strategic refinancing, established a precise goal of delivering \$500 million of accretive share value in the next 2-3 years, accelerated joint venture discussions and land sales, with anticipated transactions in the second quarter and remarkably, even commenced metallurgical column tests for the feasibility of the Dayton Mine."

First Quarter 2017 Selected Financial Highlights

1. General and administrative expenses reached a record low of \$0.7 million in Q1 2017, a 40% improvement compared to Q1 2016, driven by lower payroll and administrative expenses.
2. Real Estate operating costs also reached a record low, a 67% improvement compared to Q1 2016, and resulting in the first GAAP positive profit for this segment.
3. Environmental and reclamation costs were flat, despite spending almost \$200k on extreme weather mitigation tactics. Excluding these non-routine actions, costs were down 46%.
4. Net loss was \$2.8 million, or \$(0.1) per share for Q1 2017, as compared to net loss of \$4.1 million, or \$0.02 per share, for Q1 2016, resulting primarily from net cost reduction efforts.
5. Net cash used in operations was just under \$2.0 million in Q1 2017, resulting in part from pay down of certain accrued payables and non-recurring environmental costs.
6. Net cash provided by financing activities, was \$2.2 million, primarily from refinancing.
7. Cash and cash equivalents at March 31, 2017, were \$0.4 million. The Company plans on maintaining a cash balance of approximately \$0.5 - \$1.0 million throughout 2017.
8. Total long-term debt at March 31, 2017, were \$11.5 million, with all but \$0.5 million being long term, the positive result from our recent refinancing.

Mr. De Gasperis added, "Our completion of these dramatic cost reductions puts us among, if not at, the lowest cost in our peer group, including record lows in literally every cost classification, despite some non-recurring environmental and due diligence costs associated with both weather and our refinancing in the first quarter."

Operating Costs and Cost Reductions

Last year, we completed a transformational restructuring that streamlined costs while maintaining all of our critical competencies of geology, metallurgy, engineering, land, environmental and permitting and finance. We realized tremendous annualized and recurring cost savings across the entire enterprise, including an almost halving of our general and administrative expenses! This puts us among, if not at, the lowest cost in our peer group and allows us to maximize capital into the ground, for new and upgraded ounces, the single largest value driver for our shareholders.

Exploration and Mine Development

We expanded our exploration planning to include longer-term exploration targets across the broader Comstock District, where we identified multiple miles of additional mineralized strike zones and added them to our exploration plans. This includes the southern portion of the Dayton Resource Area, extending south for another mile and a half into the Spring Valley.

The Company is actively advancing the Dayton Resource area to full feasibility, with a production ready mine plan within the next two years. The volcanic host rocks and structural controls of the mineralization defined to date 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.

During the quarter and more recently, we extracted mineralized material from the Dayton Resource Area, for metallurgical testing that supports the feasibility study associated with establishing proven reserves and a mine plan. We also launched column testing with Dayton mineralized materials, with federally funded research grants through Cycladex Inc., a strategic investee, for, faster, cheaper, safer leaching solutions. These columns are expected to yield preliminary results for grade, yield, speed of processing and costs that supports the feasibility study for the Dayton Mine Plan.

The exploration of Spring Valley will subsequently include phased drilling programs that will continue southerly from SR 341 to the historic Daney mine site (see Figure 1), with a total a strike length of approximately 8,000 feet.

A photo accompanying this release is available at <http://www.globenewswire.com/NewsRoom/AttachmentNg/da179da8-cdc5-4ab0-8dac-4f07c775510f>

Dayton and Spring Valley Drilling Target Areas

These targets are in addition to the global resource published in January 2013, in a technical report authored by Behre Dolbear, January 2013. The Resource of 7.9 M tons includes measured, indicated and inferred resource estimates at a 0.02 opt Au cutoff. The mineralized material resource estimation contains 330,000 ounces Au (average grade 0.042 opt Au) and 1.8 million ounces of Ag (average grade 0.231 opt Ag).

In house Dayton engineering and mine planning have resulted in profiling various economic pit shells with multiple cutoff grade scenarios. Multiple layout plans for the mine and corresponding processing facilities have been conceptually developed and located on lands 100% privately held by the Company, thus simplifying and shortening the critical permitting chain. A definition drill plan is in place and is permitted. An expanded drill plan is currently being designed and detailed plans will be submitted to the regulatory agencies for permitting.

Strategic Plan and Actionable Ventures

Our Board has established and approved a vision of creating a "Premium valued, multi-project, sustainable mining company" by building our portfolio of gold and silver mining properties towards proven and probable reserves. Our goal is to deliver up to \$500 million of accretive per share value (over \$2 per share) by 2020, by acquiring, exploring and developing resources and engineering reserves capable of sustaining production of more than 100,000 ounces per annum. Our past efforts, especially in 2016, have positioned us for this success. We believe our proficiency in land acquisitions, resource development, innovative processing, concurrent reclamation, permitting and project advancement, coupled with lower costs and a strong balance sheet positions us to achieve this value creating goal.

During 2016, we successfully transitioned the Lucerne Mine, proving key variables for future economic feasibility in one of the largest, historic world-class geologic districts and preparing us for long-lived production growth. The Company sustained ore

processing throughout 2016, with final metallurgical recoveries of almost 90% for gold and 60% for silver, truly a best-in-class performance for our mineralized material and a critical success factor for future production.

We are engaged in multiple joint venture discussions across the District and anticipate announcing at least one transaction during the second quarter. The ventures primarily focus on accelerating, funding and advancing our projects toward production, consistent with our strategic goal.

Corporate and Outlook

We enhanced our liquidity with a long-term, strategic refinancing designed to strengthen our balance sheet, improve liquidity and enable our growth. The long-term nature of this financing allows us to participate in the dramatic economic boom currently surging through northern Nevada. The Company plans on maintaining a cash balance of approximately \$0.5 - \$1.0 million throughout 2017, until the asset sales of joint ventures transactions occur.

The acceleration of these economic activities in our counties, including multi-billion dollar investment currently in progress by Tesla and Switch, recent announcements of newer investments by Google, and the associated real-time infrastructure developments, like the USA Parkway connector, has further enhanced our land values and created opportunities for monetization. We plan to sell non-mining lands, buildings and water rights, for expected net cash proceeds of \$14+ million during the next 12 months, eliminate debt obligations and strengthen our balance sheet.

A photo accompanying this release is available at
<http://www.globenewswire.com/NewsRoom/AttachmentNg/14a6bfde-a3e1-4dad-828e-f74b0b15c5e7>

During the latter part of the first quarter, and more recently, inquiries, visits and discussions about purchasing, venturing and/or leasing our non-mining real estate has increased exponentially.

Conference Call

The Company will host a conference call today, May 4, 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: 888-297-8935; confirmation code 9641049

International: +1 416-849-4292; confirmation code 9641049

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 completed its first phase of production. 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; including a redemption of the debenture, and future working capital, costs, revenues, business opportunities, debt levels, cash flows, margins, earnings and growth and redemption of the Debenture.

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 the Debenture or any other securities of the Company.

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[Comstock Mining Inc.](http://www.comstockmining.com) AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	March 31, 2017
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 388,571
Assets held for sale, Net (Note 3)	5,905,768
Prepaid expenses and other current assets (Note 2)	262,405
Total current assets	6,556,744
MINERAL RIGHTS AND PROPERTIES, Net	7,205,081
PROPERTIES, PLANT AND EQUIPMENT, Net (Note 3)	15,745,999
RECLAMATION BOND DEPOSIT	2,622,544
RETIREMENT OBLIGATION ASSET (Note 4)	533,531
OTHER ASSETS	285,342
TOTAL ASSETS	\$ 32,949,647
LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT LIABILITIES:	
Accounts payable	\$ 434,467
Accrued expenses (Note 5)	913,494
Long-term — current portion (Note 6)	465,360

Total current liabilities	1,813,321
LONG-TERM LIABILITIES:	
Long-term debt (Note 6)	10,893,500
Long-term reclamation liability (Note 4)	7,369,429
Other liabilities	646,794
Total long-term liabilities	18,909,723
Total liabilities	20,723,042
COMMITMENTS AND CONTINGENCIES (Note 10)	
STOCKHOLDERS' EQUITY:	
Common stock, \$.000666 par value, 3,950,000,000 shares authorized, 187,740,176 and 185,363,676 shares issued and outstanding at March 31, 2017 and December 31, 2016, respectively	124,987
Additional paid-in capital	226,903,600
Accumulated deficit	(214,802,000)
Total stockholders' equity	12,226,187
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 32,949,229

[Comstock Mining Inc.](#) AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended March 31,	
	2017	2016
REVENUES		
Revenue - mining	\$ —	\$ 1,980,764
Revenue - real estate	19,294	39,757
Total revenues	19,294	2,020,521
COST AND EXPENSES		
Costs applicable to mining revenue	902,404	1,415,921
Real estate operating costs	17,133	52,429
Exploration and mine development	270,967	2,627,592
Mine claims and costs	264,535	296,433
Environmental and reclamation	348,051	372,696
General and administrative	660,863	1,085,108
Total cost and expenses	2,463,953	5,850,179
LOSS FROM OPERATIONS	(2,444,659)	(3,829,658)
OTHER INCOME (EXPENSE)		
Interest expense	(456,082)	(553,605)
Other income (expense), net	126,561	331,868
Total other expense, net	(329,521)	(221,737)
NET LOSS BEFORE INCOME TAXES	(2,774,180)	(4,051,395)
INCOME TAXES	—	—
NET LOSS	(2,774,180)	(4,051,395)
NET LOSS AVAILABLE TO COMMON SHAREHOLDERS	\$ (2,774,180)	\$ (4,051,395)
Net loss per common share – basic	\$ (0.01)	\$ (0.02)
Net loss per common share – diluted	\$ (0.01)	\$ (0.02)
Weighted average common shares outstanding – basic	186,841,454	162,851,273
Weighted average common shares outstanding – diluted	186,841,454	162,851,273

[Comstock Mining Inc.](#) AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Three Months Ended March 31,	
	2017	2016
OPERATING ACTIVITIES:		
Net loss	\$ (2,774,180)	\$ (4,051,395)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation, amortization and depletion	1,155,302	1,692,631
Accretion of reclamation liability	16,083	46,445
Gain on sale of properties, plant, and equipment	—	(539,370)
Amortization of debt discounts and issuance costs	96,640	188,305
Payment of interest expense and sales tax with common stock	—	98,736
Loss on payment of debt obligation with common stock	—	150,166
Net loss on early retirement of long-term debt	126,997	—
Changes in operating assets and liabilities:		
Accounts receivable	—	(130,806)
Inventories	—	248,338
Stockpiles and mineralized material on leach pads	—	522,138
Prepaid expenses and other current assets	108,682	(170,415)
Accounts payable	(451,376)	1,805,740
Accrued expenses and other liabilities	(237,962)	(565,478)
NET CASH USED IN OPERATING ACTIVITIES	(1,959,814)	(704,965)
INVESTING ACTIVITIES:		
Proceeds from sale of properties, plant and equipment	—	787,421
Purchase of mineral rights and properties, plant and equipment	—	(178,025)
Decrease in reclamation bond deposit	—	20,260
NET CASH PROVIDED BY INVESTING ACTIVITIES	&mdash;	629,656
FINANCING ACTIVITIES:		
Principal payments on long-term debt and capital lease obligations	(7,624,800)	(1,836,058)
Proceeds from long-term debt obligations (net of issuance costs)	9,479,446	925,000
Proceeds from the issuance of common stock	340,088	3,500,000
Common stock issuance costs	(30,708)	(589,454)
NET CASH PROVIDED BY FINANCING ACTIVITIES	2,164,026	1,999,488
INCREASE IN CASH AND CASH EQUIVALENTS	204,212	1,924,179
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	184,359	1,663,170
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 388,571	\$ 3,587,349