

VIRGINIA CITY, Nev., Aug. 01, 2017 (GLOBE NEWSWIRE) -- [Comstock Mining Inc.](#) (the "Company") (NYSE American:LODE) today reported selected unaudited financial results for the fiscal quarter ended June 30, 2017, and provided business updates.

Dayton and Spring Valley Magnetic Geophysics.

A photo accompanying this announcement is available at <http://www.globenewswire.com/NewsRoom/AttachmentNg/9328862b-09df-4e26-abd2-e8ea017f750e>

Second Quarter 2017 Selected Strategic and Operational Highlights

1. Conducted column testing of Dayton mineralized materials, with federally funded research grants through Cycladex Inc., a strategic investee, for, faster, cheaper, safer leaching solutions, yielding 82-85% gold.
2. Advanced strategic discussions associated with accelerating the development of our Lucerne Mine project, towards assessing economic feasibility, establishing proven and probable reserves and production plans.
3. Established a joint collaboration with a strategic partner and began metallurgical testing on Lucerne mineralized material from the existing leach pad to assess additional silver yield extraction potential.
4. Renewed all 6,345 acres of Unpatented Lode Claims controlled by the Company.
5. Completed State Route 342 Alignment and Nominated for 2017 Nevada Reclamation Excellence Award.
6. Nevada Announced over \$125 Million in Infrastructure Investments, including USA Parkway's Grand Opening Celebration on August 28, 2017, directly benefiting Comstock's Certified Industrial Site.
7. Nevada Announced that Apple Inc. will invest an additional \$1 billion in northern Nevada, doubling the size of its existing data center near the Tahoe Reno Industrial (TRI) Center.
8. Tesla announced expansion plans for its \$6 billion Giga factory investment in the (TRI) Center to also include Model 3 powertrain production in addition to existing planned battery cells and battery packs.
9. Accelerated activities associated with monetization of non-mining lands for 2017, including our site certified, shovel ready industrial land and water rights in the immediate vicinity of the Tahoe Reno Industrial (TRI) Center, where the new USA Parkway intersects with Highway 50 via a new roundabout.

Corrado De Gasperis, Executive Chairman and CEO of the Company stated, "Our second quarter was very productive as we signed one new strategic agreement and advanced three others. These ventures are designed to enhance liquidity, accelerate mining activities, strengthen and grow our land position and reduce costs, all with the goal of delivering \$500 million of accretive share value in the next 2-3 years."

Selected Financial Highlights – Six Months Ended June 30, 2017

1. General and administrative expenses reached a record low of \$1.6 million for the six months ended June 30, 2017, a 21% reduction as compared to the 2016 period of \$2.0 million, driven by lower payroll and administrative expenses, despite higher costs associated with transaction and mineral title diligence.
2. Real Estate operating costs maintained a record low for the six months ended June 30, 2017, a 79% reduction compared to the 2016 period, and a positive year to date cash flow and profit for this segment.
3. Mine claims costs reached a record low of \$0.5 million for the six months ended June 30, 2017, an 11% reduction compared to the 2016 period, despite growing and further entitling the land position.
4. Environmental and reclamation expenses reached a record low of \$0.5 million for the six months ended June 30, 2017, a 29% reduction as compared to the 2016 period of \$0.7 million, despite higher costs associated with unusual precipitation and related enhanced water management activities.
5. Exploration and mine development expenses were \$0.5 million for the six months ended June 30, 2017, as compared to the 2016 period of \$3.4 million, in part from subsidizing certain mine development costs through partners and the completion of the underground drift developments in 2016.
6. Net loss was \$5.7 million, or a loss of \$0.03 per share for the six months ended June 30, 2017, as compared to a net loss of \$6.9 million, or a loss of \$0.04 per share, for the comparable 2016 period.
7. Net cash used in operations was \$3.6 million for the six months ended June 30, 2017, primarily for operating expenses, interest expenses and other net uses for working capital.
8. Net cash provided by financing activities, was \$4.6 million, primarily from equity and debt issuances.
9. Total long-term debt at June 30, 2017, was \$11.4 million, with all but \$0.6 million being long term, the positive result from the Company's first quarter refinancing.
10. Cash and cash equivalents at June 30, 2017, were \$1.0 million. The Company anticipates maintaining a cash balance of at least \$1.0 million throughout 2017.

Mr. De Gasperis added, "Our cost performance in the first half of this year puts us at all time lows, and we are focused on even lower costs. Our refinancing extended maturities until 2021 and with NDOT completing USA Parkway early, we are looking forward to completing our land sales and eliminating this debt within the next twelve months. These foundational improvements combined with our progressing strategic ventures to accelerate mining activities, have enhanced the interest in our Company and dramatically improved our share liquidity."

Lucerne Mine Project – Accelerated Development

During the second quarter, the Company advanced strategic discussions associated with accelerating the development of our Lucerne Mine project, including a re-scoping assessment that includes assessing economic feasibility, establishing proven and probable reserves and production plans. The Company, in conjunction with the potential partner, has assessed alternative mine plans, including the feasibility of expanding the surface mine operation, establishing proven and probable reserves and designing a mine plan for production and expects to provide an update on this progress during the current quarter.

Silver Extraction Enhanced Feasibility Project

During the second quarter, the Company entered into a joint collaboration agreement to test an alternative extraction technology, with multiple objectives. First, the company has provided leached material from the existing Lucerne leach pad for reprocessing and analysis to determine if additional silver extraction of existing material is economically feasible. Additionally, the Company has delivered new mineralized material from the Dayton Resource area, for processing and analysis on both gold and silver yields. These materials are being processed and tested in the Reno, Nevada area, at both independent metallurgical labs and further within our joint collaboration. The Company expects to provide an update on these process tests during the current quarter.

Cycladex Inc.

During the second quarter, our technical staff conducted column tests, in direct collaboration with Cycladex Inc., (“Cycladex”) a strategic investee, of both cyanide and non-cyanide solutions. The teams established four, full metallurgical column tests, two cyanide and two non-cyanide, running parallel, that supports and advances the feasibility study for establishing proven and probable reserves at the Dayton. The samples were crushed, agglomerated and loaded into four ten-foot columns for leach simulation. These simulations were conducted on-site, in the Company’s metallurgical labs, and are coordinated through, and funded by U.S. National Science Foundation grants.

The Cyanide columns leached exceptionally high and fast for gold with cyanide, higher than prior tests and expectations. The Company’s expectations for the cyanide columns started high, at about 80%, so the 82-85% result in just 25 days was higher and faster than expected. Cycladex yields exceeded expectations for both gold and silver and tracked exceptionally well against the cyanide parallel columns. Although still in the early stages, the Company is pleased with the Cycladex yields and speed and looks forward to assessing the specific consumption and cost efficiency in the next few phases. The next phase of consumption and cost testing is scheduled for completion in late September 2017.

Other Strategic Ventures

The Company has also progressed discussions in two other joint venture opportunities, including agreement in principle on one of them. These ventures are designed to enhance our mining interests, improve feasibility and accelerate mine planning activities toward full economic feasibility. We will update on these activities, as completed, during the third quarter and the remainder of 2017.

Dayton and Spring Valley Drilling Target Areas

The Company is working to advance the Dayton Resource area to full feasibility, with a production ready mine plan within the next two years. The new targets are based on the Company's updated analysis of previous geophysical studies with current interpretations of the geology (see Figure 1).

These ground magnetic geophysical surveys identified a linear anomalous corridor, defined by a series of relative magnetic lows. Limited drilling has already identified several mineralized zones. Additionally, a wide zone (up to 500 feet wide) beginning at the Dayton resource and continuing southerly, all the way down to the Daney mineralized patent can be traced by following the north/south trending vein swarms (see again, Figure 3). The veins depicted by distinct traces colored red. The increased occurrences and density of the combined structures has been indicative in the Dayton resource to host the higher grades and larger volumes of economic mineralization. This will be part of the exploration model and has generated a multiple drill target environment.

The Dayton exploration program is designed to target the projected trend of known mineralization southerly. The magnetic geophysical survey has been studied and a structural interpretation was developed that illustrates multiple cross cutting structures (colored green) that are oblique to the southerly projected vein trend (colored red). Though rare, due to alluvial cover, the outcropping quartz veins and outcropping crosscutting structures had definitive diagnostic magnetic signatures. Similar structures have been identified in the Dayton resource area and were found to be important components for the development of economic grades of mineralization. In the Dayton resource area, geologic observations made on the surface and in accessible underground workings have identified the north/south and the crosscutting structures to carry gold and silver values with different silver to gold ratios. Comparisons of selected sample geochemistry, the north/south veins commonly have higher silver to gold ratios.

The Company also recently completed metallurgical column tests on mineralized material from the Dayton Resource Area that contribute to the advancement of a full feasibility assessment for the mine, updating prior metallurgical test work and the technical resource report published in January 2013. During the second quarter of 2017, the Company conducted column tests of both cyanide and non-cyanide solutions. They established four, full metallurgical column tests, two cyanide and two

non-cyanide, running parallel, that supports and advances the feasibility study for establishing proven and probable reserves at the Dayton. The samples were crushed, agglomerated and loaded into four ten-foot columns for leach simulation. These simulations were conducted on-site, in the Company's metallurgical labs, and are coordinated through Cycladex Inc., ("Cycladex") a strategic investee, and funded by U.S. National Science Foundation grants.

The Cyanide columns yielded between 82-85% gold in just 25 days. The Company has already designed and established new column tests for the primary purpose of assessing the specific consumption of the new materials and material cost for processing. This is important for assessing ultimate economic feasibility of these solutions. These simulations will also be conducted on-site, in the Company's metallurgical labs, and are still funded by U.S. National Science Foundation research grants. These updated metallurgical testing compliment extensive metallurgical testing results for Dayton that were previously published in 2011.

Figure 1 - Dayton and Spring Valley Magnetic Geophysics

In house Dayton engineering and mine planning have now resulted in profiling various economic pit shells with multiple cutoff grade scenarios. We also performed due diligence, assisted by SRK Consulting. The due diligence resulted in confirmation of the scoping level mine plans and agreement on the conceptual processing layout.

Costs and Outlook

Total operating expenses for the second half of 2017 are expected to be \$2.1 million, including exploration and mine development, mine claims, environmental and reclamation, and general and administrative costs but excluding depreciation and amortization. Interest expense is expected to be approximately \$1.3 million. The Company expects to continue operating with approximately 10 employees, including expert land, permitting, geology, engineering and metallurgical professionals.

Operating expenses for the full year 2017, in part due to higher expenses associated with restructuring and refinancing activities and environmental mitigation activities associated with inclement weather, both of which are now substantially complete, are anticipated to be \$4.5 million. Operating expenses are anticipated to be \$3.6 million for the full year 2018, consistent with the now-current run rate.

Northern Nevada Economic Development and Non-mining lands

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 months resulting in net profit of more than \$8 million. These proceeds will be free of income taxes and they will first be used to eliminate debt obligations due under the Debenture (including principal, accrued interest, and make whole amounts), and to fund certain exploration activities in Dayton, all while strengthening the financial position of the Company. During the past six months, the Company highlights the following northern Nevada developments:

- Nevada Announced over \$125 Million in Infrastructure Investments, including USA Parkway's \$79 million Grand Opening Celebration on August 28, 2017, benefiting our Certified Industrial Site;
- Completion of the \$8 plus million roundabout for connecting USA Parkway with Highway 50; in immediate proximity of the Company's property.
- Apple Inc. announced its anticipated investment of an additional \$1 billion in northern Nevada, doubling the size of its existing data center near the TRI Center;
- Tesla announced that it will expand its \$6 billion Giga factory investment in the TRI Center to also include Model 3 powertrain production with already planned battery cells and battery packs;
- Google announced that it has invested in the second largest parcel in the Tahoe-Reno Industrial (TRI) Center Nevada;
- Switch announced the opening of the largest, most advanced colocation Data Center in the world, known as The Citadel Campus, designed for up to 7.2 million square feet of data center space; and
- Storey County has issued over 400 new business licenses through July 2017.

The recent announcement by the Nevada Department of Transportation, that the USA Parkway will celebrate its ribbon cutting on August 28, 2017, and be fully open for business on September 8, 2017, months ahead of schedule, represents the single largest catalyst for the value of the Company's properties along Highway 50, and has already increased interest and activity in purchasing industrial lands in Silver Springs, Nevada, where the Company's Industrial Site and water rights are located and residential properties along the entire Highway 50 corridor, where the 225 acres, Daney Ranch is located. These milestones have increased the interest and activities in and around these properties.

Corporate and Outlook

The Company enhanced its liquidity with a long-term, strategic refinancing during the first quarter and more efficient access to equity capital during the second quarter. The longer-term debt and equity allows the Company to participate in the dramatic economic boom currently surging throughout northern Nevada and provide an effective bridge prior to any land sales or completed ventures. Cash and cash equivalents at June 30, 2017, were \$1.0 million. The Company plans on maintaining a cash balance of at least \$1.0 million, prior to the non-mining land sales or the benefits from the strategic ventures.

Conference Call

The Company will host a conference call today, August 1, 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: 866-253-4737; confirmation code 8660971

International: +1 416-849-2693; confirmation code 8660971

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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