

Comstock Mining Announces 2017 Year End Results, Exceeds Cost Reduction Targets; Enters Agreement for Non-mining Asset Sale for \$4 million

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VIRGINIA CITY, Nev., Feb. 20, 2018 (GLOBE NEWSWIRE) -- [Comstock Mining Inc.](#) (the "Company") (NYSE American:LODE) today announced selected strategic and financial highlights for the year ended December 31, 2017.

General Overview of Priority Exploration Targets

Dayton & Spring Valley Magnetic Geophysics

2017 Selected Strategic Highlights

- Received the 2017 Nevada Excellence in Mine Reclamation Award for Lucerne-related mine reclamation.
- Completed a strategic Joint Venture Option Agreement for advancing the assessment and development of the Lucerne resource area.
- Completed federally funded column tests on mineralized material from the Dayton resource, through Cycladex Inc., a strategic investee, for faster, safer leaching solutions, achieving gold yields of 82-85%.
- Reduced annual operating expense by over \$6.3 million, with year on year reductions in every category.
- Projected lower operating spend rate of less than \$3.6 million per annum, before the estimated annual cost benefits from the Joint Venture Option Agreement of an additional \$1.25 million.
- Staked 30 unpatented lode claims with 472 contiguous acres, increasing our lands to over 9,272 acres.
- Reduced long-term debt during the fourth quarter by over \$1 Million from non-mining asset sales, lowering debenture principal to \$9.6 million.
- Celebrated the Nevada Department of Transportation's USA Parkway Grand Opening Celebration, directly benefiting Comstock's Certified Industrial Site and the Daney Ranch near the US 50 highway.
- Agreed to sell the Daney Ranch for \$4 million, expected to close in the second quarter of 2018, subject to financing and permitting.

Corrado De Gasperis, Executive Chairman and CEO of the Company said, "We spent most of 2017 dramatically reducing operating costs and liabilities across the board, enhancing liquidity and establishing strategic partnerships that reposition the company for accelerated and larger growth. We are now positioned and focused on real asset, resource and equity value growth for 2018, while concurrently eliminating our debt and expect meaningful updates in the next two months."

2017 Selected Financial Highlights

- Costs applicable to mining were \$3.4 million in 2017, all representing depreciation, as compared to \$4.5 million in 2016, a 24.7% reduction, resulting primarily from cessation of processing in 2016.
- Operating expenses were \$5.6 million in 2017, as compared to \$10.8 million in 2016, a 48.1% decrease.
- General and administrative expenses were \$2.6 million in 2017, as compared to \$3.5 million in 2016, a 26% reduction and a record low, driven by lower payroll and administrative expenses.

- Real estate operating costs were less than \$0.1 million in 2017, as compared to \$0.2 million in 2016, a 59.6% reduction and a record low, driven by the full year impact of favorable, targeted cost reductions.
- Exploration and mine development expenses were \$1.1 million in 2017, as compared to \$4.6 million in 2016, a 75.2% reduction, primarily from the completion of the 2016, Lucerne underground drift.
- Mine claims and costs were \$1.0 million in 2017, as compared to \$1.1 million in 2016, a 10.9% reduction.
- Environmental and reclamation expenses were \$0.8 million in 2017, as compared to \$1.3 million in 2016, a 39.9% reduction and a record low despite higher costs associated with unusual precipitation.
- Net loss was \$10.6 million for 2017, as compared to a net loss of \$13.0 million for 2016.
- Net cash used in operations was \$6.5 million for 2017, primarily related to general and administrative, exploration, mine claim costs, environmental expenditures and working capital.
- Net cash provided by financing activities, was \$7.4 million, primarily from debt and equity issuances.
- Total debt obligations at December 31, 2017, were \$10.3 million.
- Cash and cash equivalents at December 31, 2017, were \$2.1 million.

Corrado De Gasperis, Executive Chairman and CEO of the Company noted, "Our streamlining in 2017, lowered operating costs in all categories, by over \$6.3 million, exceeding our targets, while maintaining the entirety of our land package, permitted infrastructure, and our internal engineering, geological, metallurgical, land and financial competencies. We are lean and well positioned to grow our resources, our assets and our equity value in 2018. We are looking forward to updating our shareholders on the Lucerne and Dayton resource developments and other strategic development, in both the first and second quarters of 2018."

Exploration & Development District-wide

The Company's long-term plans contemplate the exploration and development of specific, identified geological target areas across the District, that the Company has grouped into the Lucerne and Dayton resource areas, and the Spring Valley, Occidental and Gold Hill exploration targets. These exploration targets represent over 7 miles of mineralized strike length, with current and historical grades of gold and silver (see Figure 1).

Lucerne Resource Area

On October 3, 2017, the Company entered into an Option Agreement (the "Option Agreement") with [Tonogold Resources Inc.](#) ("Tonogold"). Under the terms of the Option Agreement, Tonogold will have the right to participate in certain activities, including but not limited to, engineering, development, drilling and test-work, towards completing a technical and economic feasibility assessment on properties within the Lucerne Property.

The Option Agreement calls for a Technical Committee composed of three Tonogold participants and two Comstock participants to oversee all of the engineering, development, drilling and test-work activities, and others, towards completing a technical and economic feasibility assessment. The Technical Committee reviewed the initial phase of the proposed due diligence program during November 2017, and is scheduled for an updated review of the progress in late February and March of 2018.

Dayton Resource Area ("Dayton")

The Company plans to advance the Dayton Project by updating the resource and providing preliminary economic feasibility and technical reporting by the fourth quarter of 2018. The plan also includes expanding the current resource at the Dayton and continuing southerly into Spring Valley with incremental expansion programs that include exploration and definition drilling of targets identified by prior resistivity geophysical surveys (see Figure 2).

Non-Mining Asset Sales

The Company is finalizing an agreement to sell the Daney Ranch for \$4 million and expects the transaction

to close before the end of the second quarter in 2018, subject to financing and permitting. The purchase price is higher than the original amount expected due to the continued economic expansions and developments occurring all along the U.S. 50 Highway corridor.

In January 2018, Blockchains, LLC announced it purchased more than 60,000 acres at the Tahoe Reno Industrial (TRI) Center, effectively selling out the remaining land in the TRI Center, and joining Tesla, Google, Walmart and Switch at the world's largest industrial park, and Amazon and Apple in the Tahoe Reno Industrial area. Once completed, its initial corporate campus will consist of more than 300,000 square feet and over 1,000 employees by 2021. This announcement, coupled with the early completion of USA Parkway in September 2017, continues to enhance the value of the Company's properties along Highway 50. Interest and activity is robust for 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 Daney Ranch is also located.

During 2017, the Company highlights the following, land value enhancing developments in northern Nevada:

- Nevada Announced over \$125 million in Infrastructure Investments, including the completion of the \$79 million USA Parkway and Grand Opening Celebration held on August 28, 2017, benefiting our Certified Industrial Site in Silver Springs;
- Apple Inc. announced an anticipated investment of an additional \$1 billion in northern Nevada, doubling the size of its existing data center near the TRI Center.
- Tesla announced 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 packs.
- Google announced it invested in the third largest parcel in the 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.
- Scheduled for construction to begin this year at the TRI Center on 200 acres surrounding a man-made lake is the Tahoe Reno Towne Center, which will feature hotels, retail, restaurants and a casino.

Corporate

During the year ended December 31, 2017, the Company issued 9,464,764 shares of common stock through the Company's at-the-market and equity purchase offering programs. Gross proceeds from the issuance of shares totaled approximately \$7.3 million at an average price per share of \$0.78. The Company reduced long-term debt during the fourth quarter of 2017, by over \$1 million from non-mining asset sales, lowering debenture principal to \$9.6 million. The Company also reduced its current liabilities by over \$1.3 million, from December 31, 2017, to December 31, 2016, and had cash and cash equivalents of \$2.1 million at December 31, 2017.

On February 12, 2018, the Company elected Leo M. Drozdoff, 52, to its Board of Directors and also announced the retirement of Robert A. Reseigh, after 9 years of service, from its Board of Directors. Mr. Reseigh will remain involved with the Company as a member of a newly established Mining Advisory Committee, to assist in all aspects of technical mining and mine development, along with Mr. Drozdoff and Mr. Dan Kappes.

Outlook

2018 operating expenses are expected to be \$3.6 million. Interest expense is expected to be approximately \$1.2 million for 2018. The Company expects to continue operating with approximately 10 employees, including expert land, permitting, geology and engineering professionals.

The Company has a longer-term goal to deliver up to \$500 million of accretive share value (over \$10 per share) by 2020, by acquiring, joint venturing, exploring and developing resources and reserves capable of sustaining production of more than 100,000 gold-equivalent ounces per annum.

Conference Call

The Company will host a conference call today, February 20, 2018, 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:

Toll Free: (1-888-297-8935; participant confirmation code: 9632880)

Direct: (1-647-794-1827; participant confirmation code: 9632880)

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.

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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Figures accompanying this announcement are available at

<http://www.globenewswire.com/NewsRoom/AttachmentNg/74fcaa6d-444b-4a71-93c0-f99d55d30cff>

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