

Comstock Mining Advances Realignment; Approves Joint Venture

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VIRGINIA CITY, June 20, 2019 - [Comstock Mining Inc.](#) (the "Company") (NYSE American: LODE) today announced progress on a number of strategic initiatives and corporate activities.

Corporate Realignment

During the first quarter of 2019, the Company's Board of Directors approved the sale of the Lucerne mine and a strategy focused on high-value, high cash-generating, precious metal-based activities, (the "Strategic Focus") including, but not limited to, metals exploration, engineering, resource development, economic feasibility assessments, mineral production, metal processing and related supply chain acquisitions and ventures for environmentally-friendly, conservation-based, economically enhancing mining technologies and processes.

The Company has now completed the realignment such that all of the Lucerne properties are now wholly owned or controlled by [Comstock Mining Inc.](#) LLC, the entity that [Tonogold Resources Inc.](#) ("Tonogold") will acquire in purchasing the Lucerne properties.

A photo accompanying this announcement is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/41e725c6-b0b4-442a-855f-1c83c4d9467d>

Comstock Mining Inc. is the parent company that wholly owns the realigned subsidiaries. Comstock Mining LLC owns or controls Lucerne properties, including those contained in Northern Comstock Joint Venture. Comstock Northern Exploration LLC owns or controls the remaining Storey County mining claims and exploration targets, primarily located north of Lucerne, including the Gold Hill targets and the Occidental Lode. Comstock Exploration & Development LLC owns or controls the Lyon County mining claims and exploration targets, including the Dayton and Spring Valley resource areas. Comstock Processing LLC owns the American Flat processing facility and additional lands for multiple, potential expansions. Comstock Industrial LLC owns the Silver Springs properties and water rights. Comstock Real Estate Inc. owns the Gold Hill Hotel and the Daney Ranch. Comstock Mercury Remediation LLC is the newly agreed upon 50-50 joint venture.

A photo accompanying this announcement is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/2e582567-4d58-4eb5-b1c8-b30837bd3887>

Business Update

Tonogold recently accelerated, and the Company has received, \$3.92 million in non-refundable Convertible Preferred Stock. The \$3.92 million ultimately converts at a price being the lowest of Tonogold's (1) 20-day volume weighted closing price prior to conversion, (2) most recent private placement, or (3) initial public offering price.

Comstock Processing LLC, a new wholly owned subsidiary of the Company that includes all of the assets at the American Flat campus, including crushing, leaching, Merrill-Crowe metallurgical processing and the Company's various metallurgical laboratories, has pursued, and the Board has approved, the formation of a Joint Venture with Mercury Clean Up LLC ("MCU"), with proprietary technology for placer mining gold and silver bearing materials containing mercury. The Company expects to finalize the terms of the Joint Venture this month and announce the details. The Company will form another entity called Comstock Mercury Remediation LLC, or a similar name, that will represent the actual 50-50 Joint Venture, with final proof of concept, mining and remediation occurring on the Comstock. The Company will also own a direct stake in MCU.

Mr. Corrado De Gasperis, Executive Chairman and CEO stated, "Our strategic initiatives are all moving forward on plan, with Tonogold expecting to close on or before August 30, eliminating our debt and accelerating the deployment of our strategic growth plans, including partnering with MCU in a new

mining and remediation business. We look forward to announcing the specifics of this opportunity, both here in the U.S. and globally, for commercializing the only U.S. government-approved, feasible, mercury-remediating and recovery system.”

Recent Favorable Court Rulings

The Company previously announced, and has included in today’s first quarter Form 10-Q filing, that on May 14, 2019, the Third Judicial District Court of the State of Nevada ruled in favor of the Company and Lyon County on the one remaining Due Process rights claim associated with the Lyon County Board of Commissioners Master Plan amendment and zone change associated with certain mineralized properties within the Company’s Dayton Resource Area, just south of the Company’s Lucerne properties and near Silver City, Nevada.

In addition, on May 21, 2019, the First Judicial District Court of the State of Nevada, in and for Storey County, favorably granted us our Motion for the Plaintiff to file a “more definite statement.” Precious refiled their complaint on June 5, 2019. The Company believes that the Precious claims are completely without merit.

Reclamation

The Nevada Division of Environmental Protection’s (NDEP) Bureau of Mining Regulation and Reclamation (BMRR) approved a reduction in the Company’s Lucerne reclamation bonding requirement from several successful environmental reclamation and restoration efforts. Along State Route (SR) 342, just south of Gold Hill, Nevada, the Company also completed a variety of reclamation and/or environmental restorations, using progressive earthwork.

Mr. De Gasperis stated, “This restoration work was performed concurrently with mining from 2013 through 2015, and our reclamations were innovative, timely, efficient and especially effective for the regrading and revegetation efforts. The current reclamation obligation has been reduced down to \$6.75 million from over \$7.10 million.”

In 2015 and 2017, the Company received Nevada Excellence in Mine Reclamation Awards from a committee comprised of NDEP’s BMRR, Nevada Division of Minerals, Nevada Department of Wildlife, Bureau of Land Management (BLM) Nevada, and the U.S. Forest Service. In 2018, the Company also received the U.S. Department of the Interior BLM’s Reclamation and Sustainable Mineral Development Award.

Outlook

The Company’s annual operating expenses are planned at \$3.8 million, and effective June 1, 2019, approximately \$2.2 million of that amount, prospectively, is being reimbursed under the existing Tonogold Option Agreement and the new Tonogold agreement to purchase Lucerne, resulting in more than \$1 million in additional, annualized savings. The transaction to purchase the Lucerne properties is expected to close on or before August 30, and the Company expects to receive an additional non-refundable deposit this month.

The Company’s second half 2019 plans include advancing the commercialization of certain mining and processing technologies that the Company has been collaborating on, with new partners such as MCU and Oro Industries Inc., and others, and includes reclamation and enhanced mineral recoveries that present nearer term revenue opportunities for us and potentially enhance the economic feasibilities of our existing properties.

The Company expects to close on the sale of the Silver Springs properties this summer, likely on or before September, 2019, for total net proceeds of over \$10 million, in addition to the over \$9 million in total remaining net cash proceeds from the sale of Lucerne remaining, expected on or before August 30, 2019.

The Dayton resource area, south of Virginia City in Lyon County, Nevada, ranks as the Company’s top exploration and mine development target. The Company is developing a completely new geological interpretation that will be used for a new resource estimate. The new geological interpretation is also being used to design phased drilling programs in with high-potential for additional [Mineral Resources Ltd.](#) 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. The Company plans to issue a new, stand-alone Dayton resource technical report, followed by a preliminary economic assessment.

The Company also expects to announce additional ventures and alliances, all designed for profitable

revenue growth, during the third and fourth quarters of 2019. The ventures and our strategic partners will be showcased during our annual meeting, planned for September 2019, at the Gold Hill Hotel in Gold Hill, Nevada.

Mr. De Gasperis concluded, "We are pleased to report that we are filing our first quarter financial statements on Form 10-Q with the SEC today. It contains all of the recent Tonogold transactions and the updates from our favorable court rulings. There were no changes in any of the financial statements as compared to what was released on May 15, 2019. We truly appreciate everyone's patience as we completed an exhaustive financial accounting and reporting analysis, the realignment for Lucerne and our Strategic Focus and updates to the events and transactions that are all included in this filing. We certainly do not expect any delayed filings in the future."

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 and developments 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 Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, are forward-looking statements. 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. Forward-looking statements include statements about matters such as: future industry market conditions; future explorations or acquisitions; future changes in our exploration activities; future prices and sales of, and demand for, our products; land entitlements and uses; production capacity and operations; operating and overhead costs; future capital expenditures and their impact on us; operational and management changes (including changes in the board of directors); changes in business strategies, planning and tactics; future employment and contributions of personnel, including consultants; future land sales investments, acquisitions, joint ventures, strategic alliances, business combinations, operational, tax, financial and restructuring initiatives; including the nature and timing and accounting for restructuring charges, derivative liabilities and the impact thereof; contingencies; environmental compliance and changes in the regulatory environment; offerings, limitations on sales or offering of equity or debt securities; including asset sales and the redemption of the debenture and associated costs; future working capital, costs, revenues, business opportunities, debt levels, cash flows, margins, earnings and growth.

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, many of which are unforeseeable and beyond our control and 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 set forth in this report and our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, and the following: adverse effects of climate changes or natural disasters; global economic and capital market uncertainties; the speculative nature of gold or mineral exploration, including risks of diminishing quantities or grades of qualified resources; operational or technical difficulties in connection with exploration or mining activities; contests over our title to properties; potential dilution to our stockholders from our stock issuances, recapitalization and balance sheet restructuring activities; potential inability to comply with applicable government regulations or law; adoption of or changes in legislation or regulations adversely affecting our businesses; permitting constraints or delays; business opportunities that may be presented to, or pursued by, us; acquisitions, joint ventures, strategic alliances, business combinations, asset sales, and investments that we may be party to in the future; changes in the United

States or other monetary or fiscal policies or regulations; interruptions in our production capabilities due to capital constraints; equipment failures; fluctuation of prices for gold or certain other commodities (such as silver, zinc, cyanide, water, diesel fuel and electricity); changes in generally accepted accounting principles; adverse effects of terrorism and geopolitical events; potential inability to implement our business strategies; potential inability to grow revenues; potential inability to attract and retain key personnel; interruptions in delivery of critical supplies, equipment and raw materials due to credit or other limitations imposed by vendors; assertion of claims, lawsuits and proceedings against us; potential inability to satisfy debt and lease obligations; 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 list our securities on any securities exchange or market; inability to maintain the listing of our securities; 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. Except as may be required by securities or other law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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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