

## Positive Net Income and Positive Operating Cash Flows From Increased Cost Reduction

VIRGINIA CITY, NV--(Marketwired - April 16, 2015) - [Comstock Mining Inc.](#) (the "Company") (NYSE MKT: LODE) today announced selected unaudited financial results for the fiscal quarter ended March 31, 2015.

### First Quarter 2015 Selected Strategic and Operational Highlights

- Costs applicable to mining revenue were reduced by 22% when comparing Q1 2015, to Q1 2014.
- Weighted average gold grades improved 63% to 0.039 opt in Q1 2015, from 0.024 opt in Q1 2014.
- Weighted average silver grades improved 113%, to 0.734 opt in Q1 2015, from 0.345 opt in Q1 2014.
- Silver to gold production exceeded an 11:1 silver:gold ratio in Q1 2015, up from 9:1 in Q1 2014.
- Metallurgical yields improved to 81% in Q1 2015, from 74% in Q1 2014.
- Strip ratio improved to 1:1 for the first quarter of 2015, down from the 2014 average of 4.8:1.
- Encountered significant high grade intercepts from Succor-Holman mineral patents drilling program.
- Commenced moving State Route 342 ('SR-342'), accelerating operational and community benefits.
- Expanded our landmark special use permit for mining and mine development.
- Expanded our land position, acquiring lands immediately adjacent to our mine area and leach pad.
- Expanded our existing heap leach pad consistent with recently expanded Water Control Permit.
- Enhanced Senior Mining, Financial and Environmental Management, adding operational, environmental and financial strengths to our team while reducing overall costs.

### First Quarter 2015 Selected Financial Highlights

- Mining revenue was \$5.9 million in Q1 2015 as compared to \$5.6 million in Q1 2014, an increase of 6%, resulting from higher gold ounces produced and higher average gold price per ounce.
- Costs applicable to mining revenue was \$3.7 million in Q1 2015, as compared to \$4.8 million, net of silver credits, in Q1 2014, a decrease of 22%, primarily due to mining cost reductions.
- General and administrative expenses were \$2.1 million in Q1 2015, as compared to \$2.2 million in Q1 2014, primarily due to lower labor costs of \$0.5 million, offset by severance of \$0.4 million.
- Net income was \$1.3 million, or \$0.01 per share for Q1 2015, as compared to a loss of \$3.8 million, or \$(0.07) per share, for Q1 2014. The improvement resulted from lower costs, higher revenue and the elimination of certain liabilities that strengthened our balance sheet.
- Net cash generated by operating activities was a positive \$0.2 million in Q1 2015, as compared to a cash use of \$2.4 million from operations in Q1 2014, or a 109% improvement.
- Net cash used for investing was \$3.1 million for the first quarter of 2015, primarily from \$1.7 million for strategic land purchases and \$1.1 million for the expansion of the processing facility.
- Net cash provided by financing activities for the first quarter of 2015, was \$1.8 million comprised of proceeds of \$4.4 million from the Revolving Credit Facility, partially off-set by a \$2.7 million pay-down of other long-term debt obligations. Cash and cash equivalents at March 31, 2015 were \$4.2 million.
- Total long-term debt and capital lease obligations were \$14.1 million at March 31, 2015, including \$5 million outstanding on the Revolving Credit Facility.

### First Quarter 2015 Selected Production Highlights

	1Q 2015	1Q 2014
Mining Operations		
Tons Mined	316,199	94,000
Processing		
Tons Crushed	157,612	20,000
Weighted Average Grade Per Ton Au	0.039	0.024
Weighted Average Grade Per Ton Ag	0.734	0.345
Estimated Au Ounces Stacked	6,083	5,000
Estimated Ag Ounces Stacked	115,689	70,000
Estimated Au Equivalent* Ounces Stacked	7,669	6,100
Au Ounces Poured and Sold	4,695	4,500
Ag Ounces Poured and Sold	56,482	49,000
Au Equivalent* Ounces Poured	5,470	5,200
* Au Equivalent ounces = Au ounces (actual) + Ag ounces (actual) ÷ the ratio of average gold to silver prices	72.91	63.00

"We have continued our crusade for lower costs into 2015, with substantially improved grades, yields and strip ratios while reducing absolute spending wherever possible. We also commenced the re-routing of SR- 342, and have safely accelerated many operating, environmental and community benefits. These achievements have positioned us for profitability throughout 2015," stated Corrado De Gasperis, CEO of Comstock Mining.

#### Production

Metal pours totaled 4,695 ounces of gold and 56,482 ounces of silver, during the first quarter of 2015, as compared to 4,507 ounces of gold and 49,358 ounces of silver in the first quarter of 2014, a 4.2% increase for gold ounces and a 14.4% increase for silver ounces. The Company crushed and stacked 157,612 dry tons of mineralized material, delivering 6,083 estimated ounces of recoverable gold and 115,689 estimated ounces of recoverable silver to the leach pads with weighted average gold grades of 0.039 ounces per ton.

For the quarter ended March 31, 2015, the Company realized an average sales price of \$1,280.25 per ounce of gold and \$15.94 per ounce of silver. In comparison, commodity market prices in the first quarter of 2015 averaged \$1,219.22 per ounce of gold and \$16.72 per ounce of silver.

#### Operating Costs and Cost Reductions

During the first three months of 2015, actual Lucerne Mine costs applicable to mining revenue were \$4.6 million, \$3.7 million net of silver by-product credits as compared to \$5.8 million, \$4.8 million net of silver by-product credits in the first three months of 2014, representing a 22% reduction of costs applicable to mining revenue. These costs applicable to mining revenue also include depreciation of \$1.5 million and \$1.3 million, for the first quarter of 2015 and 2014, respectively.

During 2015, the Company continued reducing costs applicable to mining revenue, targeting over \$5 million in reductions this year as compared to 2014. The Company has already realized \$1.0 million of savings from reduced labor, drilling and blasting and fuel in the first quarter of 2015, as compared to the first quarter of 2014. The Company has also identified \$1.5 million of potential cost reductions in all other non-mining activities, including general, administrative, land and environmental areas and has already realized \$0.3 million in the first quarter of 2015, as compared to the first quarter of 2014. The Company incurred \$0.4 million in severance costs during the first quarter, in mining and general and administrative expenses, associated with organizational cost reduction activities.

#### Exploration and Development (including Underground)

During the first quarter, the Company announced that the drill program on the East-side of the Lucerne continues to reveal higher-grade gold intercepts that further define a near-surface, broadening zone of high-grade gold mineralization in the Succor and Holman mineral patents. These results represent significant progress towards the first major objective in the 2014-2015 exploration and development drilling program (the 'Program'), representing a comprehensive drilling and evaluation of high priority targets including the Succor and Holman. All data, to date, suggests these claims have excellent potential for economic mining and metal recovery. The current drill program resulted in the following summary of intercepts:

Table 1: Summary of Drill Program

	Succor	Holman
No. Holes Drilled	80	39
Strike Length Drilled (ft)	700	575
No. 10' intervals with intercepts > .015 Au opt.	166	55
No. 10' interval with intercepts > .100 Au opt.	22	3
No. drill holes with intercepts > .100 Au opt.	20	2

Table 2: Average Grades for Drill Intercepts Greater than .015 Au opt.

	Succor	Holman
Avg Au opt.	0.056	0.047
Avg Ag opt.	0.259	0.333

#### Underground Development

The Company recently completed extensive geological development and modeling, incorporating all available data, including existing drill holes and historic underground mine maps, amongst other geological information and is preparing to develop the underground portion of the drill program. The sectional compilation resulted in several important findings. The work confirmed that the lode is comprised of a group of northwest trending, sub-parallel mineralized structures, rather than a simple vein system

confined to a single fault zone. These structural groups coalesce into a single zone in the central part of the East-side area and diverge to the north and south to create zones up to 600-feet wide. The Company also discovered dike-like masses of quartz porphyry that have intruded into the main lode and have a direct relationship to the known mineralization.

Out of this extensive geologic work, a definitive underground target has emerged, specifically that part of the lode occupied by the above described mineralized mass of quartz porphyry, as well as the neighboring wall rocks. This conclusion is based on surface drill hole results, metallurgy, and proximity to the current Lucerne Mine floor, as well as past mining knowledge.

The results from the underground program will be incorporated into existing sectional data and, along with newly derived grade shells and grade models, an initial, phased internal reserve model will be created for this area. Developing a new underground access to the quartz porphyry structures and the almost adjacent Woodville Bonanza structures represents a significant opportunity for an accelerated, efficient underground mine plan in the Lucerne Area.

<http://www.comstockmining.com/files/flipbooks/Proposed-Underground-Drill-ProgramLooking-NW-From-Top/>

#### *Evaluation of Existing Mine Dumps*

During late summer through autumn of 2014, the geological and environmental teams undertook a systematic evaluation of historic mine dumps throughout most of the central part of the District. Quantifying and understanding the nature of legacy contaminants and identifying the extent of mineralization with the potential to increase mineable resources were the two primary objectives. Overall, significant tonnages of mineralized dump materials were quantified. Most tonnages are directly to the east of the Lucerne mine and average around 0.025-0.035 opt Au. Dumps sampled for this evaluation are located within Gold Canyon, Storey County, on the east side of SR-342, and west of Silver City in Lyon County. Dumps sampled include the Silver Hills-Donovan (Eastside), Woodville, Lady Washington, Keystone, New York, and Oest. Total tonnages inventoried total over 640,000 tons.

"These near-surface drill results represent exceptionally higher grades than our current average mine grades. These discoveries of near surface, high-grade minerals on the East-side of Lucerne, the development of high-grade vein structures for underground feasibility and the discovery of good grading historic dump materials all provide immediate potential for expanding our operations," continued Mr. De Gasperis.

#### *HOPE Gold Coin*

On March 30, 2015, the Company received 300,000 coins ("HOPE Coins") issued by the HOPE Gold Coin Charitable Trust (the "Trust") as payment (and partial pre-payment) on the Mineral Rights License Agreement entered into by the Company with the Trust on October 9, 2014. The HOPE coins are considered a cryptographic currency. The Trust represents one of the first organizations effectively leveraging existing block-chain technologies and was recently named one of the top 25 companies on the Sand Hill Bitcoin Innovative Disrupters list. The HOPE Coins are being sold by the Trust for \$10 each.

#### *Hospitality Segment*

Effective April 1, 2015, the Company entered into an agreement to lease the Gold Hill Hotel. The Company retains ownership to the land and Gold Hill Hotel properties while leasing the facilities to independent operators. Historically, the hospitality segment operated at a net loss but based on the current lease agreement, the Company does not expect any future net losses and more likely, prospective net lease and rental income.

#### *SR-342 Realignment*

In early February, NDOT closed an approximate two-mile section of SR-342, south of Gold Hill, as a safety precaution following roadway cracking and area specific sinking during a weekend of heavy rains. The area of sinking is above a historic mine-shaft dating back to the early 1900's, and that portion of the road sits on old mine dumps and looser fill, that has a history of instability and, in some cases failure. The Company owns the land, with NDOT granted prescriptive rights to operate the state roadbed over that private land. Storey County, NDOT, the Company, and other applicable regulatory agencies evaluated several remedies for the realignment of SR-342. The route will be realigned to the east of the historic shaft, enabling safe travel, continuing operations and important reclamations, while positioning the area for future mining and development.

The realignment will occur over two phases, with Phase 1 completion taking approximately 10-12 weeks and Phase 2 requiring an additional six months. Phase 1 begins with the Company removing the unconsolidated fill that now exists above the base bedrock level and beneath the existing road followed by construction of a bypass road upon the base bedrock. Additionally, the historic Silver Hill Shaft will be capped permanently.

<http://comstockmining.com/sr-342-construction-2015>

Once Phase 1 is complete in June, the road will be reopened during construction of the second phase. Phase 2 includes removal of additional material on the east side of the canyon and will conclude with a tie in of the south end of the newly constructed alignment. A short closure will be necessary toward the end of Phase 2 for the tie in and completion of the realignment. The project is estimated to last through December of 2015, with an estimated cost of \$3 million.

#### *Corporate*

Cash and cash equivalents on hand at March 31, 2015 totaled \$4.2 million. Total long-term debt and capital lease obligations at

March 31, 2015, were \$14.1 million as compared to \$13.5 million at March 31, 2014. For the remainder of 2015, the Company plans on spending approximately \$3.5 million in capital expenditures, primarily the road realignment project and some infrastructural development. The Company also plans to pay down an additional \$6.6 million in debt obligations, including \$3.4 million on the Revolving Credit Facility.

#### *Outlook*

The Company expects to be cash positive from operations throughout 2015, while expanding our mining activities during the third quarter, including exploration and development of an underground Lucerne mine, a second Dayton mine plan and commencing the Dayton permitting.

Mr. De Gasperis concluded, "Our goals for this year are to ensure the lowest cost operating parameters and expand Lucerne, including a tremendous underground opportunity, while developing and commissioning Dayton. We expect to be cash positive from operations throughout 2015, while expanding our mining activities during the third quarter, including the initial underground target."

The Company will host a conference call today, April 16, 2015, at 8:00 a.m. Pacific Time/11:00 a.m. Eastern Time. The live call will include a Q&A with accredited institutions, investors and analysts immediately following the prepared remarks. The dial-in telephone numbers for the live audio are as follows:

North American Toll Free: 1-866-253-4737  
International: 1-416-849-4292

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 deliver stockholder value by validating qualified resources (measured and indicated) and reserves (proven and probable) of at least 3,250,000 gold equivalent ounces from our first two resource areas, Lucerne and Dayton, and significantly grow the commercial development of our operations through coordinated, district wide 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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