

Cost Reductions and Higher Sustained Metal Recoveries Drive Mining Costs to Lowest Recorded

VIRGINIA CITY, NV--(Marketwired - January 28, 2016) - [Comstock Mining Inc.](#) (the "Company") (NYSE MKT: LODE) today announced selected strategic and financial highlights for the year ended December 31, 2015.

2015 Selected Strategic Highlights

- Expanded land position, acquiring lands immediately adjacent to mining and processing.
- Expanded mining, processing and reclamation permit capacity for mining and development.
- Reduced land obligations and eliminated royalties associated within both of our resources.
- Restructured and simplified the overall capital structure, eliminating all preferred stock, extra voting rights, special rights and restrictions and all preferred stock dividends.
- Constructed the "Harris" underground portal and crosscut toward the Succor target.
- Encountered significant intercepts from Dayton and Succor surface drill programs.
- Encountered significant high-grade intercepts in the PQ underground drill programs.
- Completed the State Route 342 ("SR-342") realignment and remediation, under budget.
- Received the "Nevada Excellence in Mine Reclamation" for Keystone mine restoration.
- Recognized, along with the Comstock Foundation for History & Culture, for "Outstanding Rehabilitation of the Historic Upper Yellow Jacket Hoist Works."
- Restructured and realigned the organization, delivering over \$10 million of cost reductions.

Corrado De Gasperis, President and CEO of the Company, stated: "We have now completed three years of production, amassed, rezoned and permitted one of the largest land positions in the economically booming Northern Nevada Reno-Tahoe industrial quadrant and simplified our capital structure. Our high-gold yielding, low-cost operation stripped of special dividends and most royalties positions us best for the development of reserves and future mine plans. Our gold recoveries continually improved to a now 85% for the life-of-mine-to-date, enabling our lowest mining costs, below \$625 cash cost per ounce, for the full year 2015."

2015 Selected Financial Highlights

- Mining revenue was \$18.2 million for 2015, as compared to \$24.7 million for 2014. The decrease resulted from lower ounces produced from the final phase of the Lucerne surface mining and lower average gold and silver prices. The Company produced 18,455 and 22,925 gold equivalent ounces in 2015 and 2014, respectively.
- Average sales price per ounce of gold was \$1,195.10 and \$15.78 per ounce of silver, respectively for 2015. In comparison, commodity market prices averaged \$1,160.11 per ounce of gold and \$15.70 per ounce of silver for 2015.
- Costs applicable to mining revenue was \$10.7 million, net of silver credits, for 2015, as compared to \$19.1 million, net of silver credits, for 2014, a decrease of 39% without silver credits, primarily due to higher yields, lower strip ratios, and targeted cost reductions.
- Cost applicable to mining revenue includes \$5.4 million of depreciation for 2015 and 2014.
- General and administrative expenses were \$6.8 million in 2015, as compared to \$6.4 million in 2014, primarily due to higher property and net proceeds taxes.
- Net loss for the year ended December 31, 2015, was \$10.5 million or \$0.14 loss per share, as compared to \$9.6 million or \$0.17 loss per share, for 2014, driven by an increase in exploration costs and the road development costs associated with SR-342.
- Net cash used in operating activities for 2015, was approximately \$3.0 million, including \$2.9 million for the SR-342 road realignment project and \$3.3 million for underground drift development and exploration, somewhat offset by the improved gross margin contribution from lower labor, blasting, fuel and equipment costs.
- Total long-term debt and capital lease obligations were \$13.3 million at December 31, 2015, including \$1.6 million remaining on the Credit Facility.
- During 2015, the Company and Auramet agreed to increase the Credit Facility up to \$10.0 million and extend the maturity from February 6, 2017 to April 28, 2018.
- Cash and cash equivalents at December 31, 2015, were \$1.7 million.

2015 Selected Operational Highlights

	1Q 2015	2Q 2015	3Q 2015
Mining Operations			
Tons Mined	316,199	254,856	187,000
Processing			
Tons Crushed	157,612	211,942	187,000
Weighted Avg. Grade Per Ton Au	0.039	0.030	0.030
Weighted Avg. Grade Per Ton Ag	0.734	0.654	0.654

Estimated Au Ounces Stacked	6,083	6,438	2
Estimated Ag Ounces Stacked	115,689	138,639	5
Estimated Au Equivalent* Ounces Stacked	7,669	8,344	3
Au Ounces Poured and Sold	4,695	4,575	3
Ag Ounces Poured and Sold	56,482	60,112	6
Au Equivalent* Ounces Poured	5,470	5,400	4
* Au Equivalent ounces = Au ounces (actual) + (Ag ounces (actual) ÷ the ratio of average gold to silver prices)			
	72.91	72.73	7
silver to gold ratio	12.0	13.1	1

- Recovery rate estimate for gold, for the life of the Lucerne mine to date, has increased to 85%.
- Weighted average gold grade was 0.031 for 2015, as compared to 0.030 for 2014, and weighted average silver grade improved 25% from 0.527 in 2014 to 0.659 in 2015. The silver to gold production was approximately 14.4:1 for the full year.
- Strip ratio was reduced from a 2014 average of 4.83 to less than 1.0 in 2015.

Production

The Company both completed and initiated a number of important projects during the fiscal year 2015. Surface production commenced from the Lucerne Mine in 2012. During the second and third quarters of 2015, the Company further expanded its activities to include a more significant amount of extraction from the historic mine dumps adjacent to and underneath the existing portion of SR-342, into the daily production schedule. The Company completed substantially all of the extraction of those materials by the end of 2015.

The removal of approximately 300,000 tons of older waste dump material suitable for heap leaching primarily occurred primarily between May and September 2015, with final materials removed and stacked during December 2015, and January 2016. The remaining phases of the realignment project, including the final waste dump removal, grading, and drainage reestablishment are scheduled for completion during the first quarter of 2016.

The Company produced 22,925 and 18,455 gold equivalent ounces in 2014 and 2015, respectively. Overall during 2015, the Company crushed and stacked 491,691 dry tons of mineralized material, delivering 15,165 estimated ounces of recoverable gold and 324,117 estimated ounces of recoverable silver to the leach pads.

The Company estimates it is currently recovering approximately 85% of the recoverable gold and 57% of the recoverable silver from the heap leach pad. Material placed on the heap leach pads remains under solution until the target recovery rates are achieved. Throughout this period, the recovery of gold and silver continues, but the most effective economic recovery of gold and silver takes between 45 to 60 days to complete. Leaching is expected to continue with the existing material well into the second quarter, likely through May 2016, or longer.

For the quarter ended December 31, 2015, the Company realized an average sales price of \$1,106.71 per ounce of gold and \$14.97 per ounce of silver. In comparison, commodity market prices averaged \$1,104.40 per ounce of gold and \$14.76 per ounce of silver.

For the year ended December 31, 2015, the Company realized an average sales price of \$1,195.10 per ounce of gold and \$15.78 per ounce of silver. In comparison, commodity market prices in 2015 averaged \$1,160.11 per ounce of gold and \$15.70 per ounce of silver.

The Harris Portal and Lucerne underground tunnel were established concurrently, during the third and fourth quarters on the north wall of the Lucerne cut floor. The drift was established to access the higher-grade PQ, Woodville and Succor targets, and developing those targets, through diamond core drilling, towards the establishment of reserves for potential future mining.

Exploration and Development of Lucerne Surface and Underground Targets

During 2015, the Company focused on exploration in the Lucerne Resource area and Dayton Resource areas. Activity within the Lucerne Resource area included both surface and underground exploration and underground drift (tunnel) development. The Company plans to conduct additional, near term exploration during 2016, within the Lucerne Resource area, including the Quartz Porphyry (PQ), Woodville and recently extended Succor targets, as well as the Dayton Resource Area.

On September 5, 2015, the Company began construction of the Harris Portal and Drift on the floor of the Lucerne Mine (Pit), with approximately 1,250 feet of total drifting completed as of January 26, 2016. The Harris Drift represents the first substantial underground development in the Comstock District in over thirty years, and marks a turning point for the Company. The first phase of drifting has two main objectives. First, the Harris Drift provides a central platform, within Lucerne's broader geological corridor,

for conducting an underground drilling and exploration program. Second, the Harris Drift could also serve as a central haulage level depending on the overall drill results and resultant mine plans. As of January 26, 2016, about 12,000 feet of core materials have been produced. The drill locations were specifically designed to infill and expand the areas of known, high-grade mineralization identified from previous surface drilling programs.

The Harris Drift was driven in stable footwall rocks adjacent to an 800-foot long section of the Silver City branch of the Comstock Lode that has been intruded by a mass of quartz porphyry (PQ). The Company has 46 previous surface drill holes that had outlined the potential high-grade target within and bordering the dike-like mass of PQ. Proximity of the PQ target to the pit floor, both in terms of elevation and horizontal distance, were also crucial factors in the development of the exploration plan.

The core holes from the first four drill bays were designed to evaluate the southern lobes of the quartz porphyry, and the extent of the fractured and veined environment lying beyond and to the south. The initial drill bays also included a group of holes that targeted and penetrated the Silver City/Succor structural intersection. In general, these more southerly oriented drill holes intersected more narrow (2 to 10 feet thick) zones of high-grade mineralization. One of the most significant aspects of the intercepts is that they tend to lie along the margins of a second, previously un-described intrusive mass of intermediate composition. The Company then began encountering longer mineralized intercepts (10 to 40 feet thick) as it moved northerly toward the Silver City/Succor structuralized interaction and within or bordering the PQ mass further north. The Company is scheduled to complete the first phase of the Lucerne underground drill program in February 2016.

The Company considers the initial 800 feet of advance within the Harris Drift as a first phase of development towards a longer-term exploration and development objective targeting a three quarter mile long mineralized corridor that includes the Lucerne (including the PQ target), Woodville, Succor/Holman and high-grade Chute zone systems. Most of these systems remain open to the north and east and particularly at depth. A second phase of development has already commenced by advancing a crosscut out of Drill Bay 2, toward the structural intersection of the Silver City and Succor zone. The Succor represents an important target in conjunction with the PQ zone based on its location (perpendicular and adjacent to the PQ), past production history and the results from the Company's recent reverse circulation drill programs. In addition, a near surface drill program was completed in 2015, within the Succor claim area that suggests that vein environments between the crosscut elevation and the surface have potential to host significant lengths of potentially high-grade mineralized resources.

Outlook

The Company commenced the underground drift tunnel and drilling, associated with the first underground exploration phase of a PQ geological target in September 2015, and expects to complete drift-sampling, drilling and ongoing metallurgical test work of the PQ target by February 2016. The Succor vein system is being considered as an easterly extension of the first phase of development beyond the high-grade PQ target. This will positively expand the scope of Phase 1, through the first half of 2016. The drift tunnels are designed to conduct an underground exploration program directed at a series of geological targets in the Silver City Branch of the Comstock Lode, including the PQ target, the Succor vein systems and the historic Woodville Bonanza system. These initial targets represent the core of a broader geological corridor where the Company is currently drilling. Previous surface drilling in the area, including the Succor-Holman drilling from 2015, had suggested that a greater than 1000 feet of mineralized strike in the Succor zone lying generally adjacent to and below the Lucerne Cut has the potential to yield high-grade gold and silver. The current program has been geared toward defining that potential.

Drill results from the PQ drilling have begun yielding wider and longer high-grade intercepts. These results will be released as they are received and analyzed through February of 2016. During the first quarter of 2016, the Company will complete, analyze and assess the results of the PQ drilling toward its potential contribution toward mineral reserves and a mine plan. The Company will also complete the drifting to the Succor vein system in early February, and commence geological sampling and limited scope drilling in March 2016, on the Succor target to assess its potential for adding to a potential Lucerne mine plan.

The Company will also complete similar scope drilling on the Woodville target during the second quarter, to further assess its potential for Lucerne mine planning. Ultimately, these efforts are designed to develop mine plans of sufficient grade and quantities for longer-lived production plans for the Lucerne mine.

During the second quarter of 2016, the Company will commence limited core drilling in Dayton, sufficient to finalize the parameters of a mine plan and commence the permitting for the Dayton Mine. This drilling should be completed in the second quarter and allow for permitting during the second half of 2016. The Company has developed grade shells with higher average grades and believes the Dayton to have economically feasible potential and plans on developing those mine plans in the latter half of 2016. Infill drilling is expected to expand the reserve potential for the Dayton mine plans.

Production during 2016 is currently limited to processing of existing leach pad materials and limited stacking of new mineralized material during January and February of 2016. Considering the improved estimates of gold and silver recoveries, that is, 85% for gold and 57% for silver, the current leach cycle will continue well into the second quarter, likely through May 2016, or later. All operating costs associated with hauling, crushing and other ancillary activities have been reduced or eliminated as we transition the full organizational focus to toward the discovery, development and establishment of reserves from Lucerne and Dayton, for future mining. During our exploration and development activities in 2016, we expect to operate with less than 25 employees. General and administrative costs are also expected to decline significantly during the first quarter of 2016, resulting in savings in all non-mining costs of over \$3 million during 2016, as compared to 2015.

The Company will report the results of the Lucerne and Dayton exploration and development programs, when available, during both the first and second quarters of 2016.

The industry is experiencing a difficult downturn with many participants shutting down or deferring project activities. Exploration is down significantly, industry wide, and new discoveries are even scarcer. Cost reductions are pervasive and the Company has led in both reducing and transitioning to lower, more flexible systems and expanding exploration. The Company believes exploration and development for new resources and reserves for future production, with higher yields (and during potentially higher metal prices), will deliver higher returns for us and to our investors. The Company also believe the evaluation of potential acquisitions of resources and reserves, especially in Nevada and the western United States, during this period of lower mining equity values, represents a good opportunity to grow and deliver additional returns to our investors. This is the focus of our 2016 business plans.

Mr. De Gasperis concluded, "The industry is experiencing a difficult downturn with many participants shutting down or deferring project activities. Valuations are at historic lows. Cost reductions are pervasive and the Company has led in both reducing and transitioning to lower, more flexible operating costs while simplifying and strengthening the balance sheet. The Company believes exploration and development for new reserves, with higher yields and lower costs, will deliver higher returns to our investors. We also believe the evaluation of potential acquisitions of resources and reserves, especially in Nevada and the western United States, during this period of lower mining equity values, represents an excellent opportunity to grow and deliver superior value to our investors. Our foundation is strong, the Reno-Tahoe industrial complex is booming economically and land values within a 30-mile radius are rising rapidly. We are evaluating our non-mining land values with some comparable transactions suggesting high and increasing values, even rivaling the equity of our mining claims. The focus for 2016 remains developing higher-grade reserves for safe and profitable mining, positively leveraging our lands and brands, and maintaining a stable and strong balance sheet."

Conference Call

The Company will host a conference call today, January 28, 2016, 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: 1-866-253-4771

International: 1-416-849-2693

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 maximize intrinsic stockholder value realized, per share, by validating qualified resources and reserves (proven and probable) from our first two resource areas, Lucerne and Dayton, and significantly grow 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, 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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