

CHARTER OF THE AUDIT AND FINANCE COMMITTEE

I. Purpose and Power

The Committee has been established by the Board to assist the Board in discharging and performing the duties and responsibilities of the Board with respect to the financial affairs of Comstock Mining Inc. and its subsidiaries (collectively, the “Company”), including those with respect to:

- Financial risks and uncertainties.
- Capital structure.
- Financial systems.
- Financial statements and financial disclosures.
- Legal and regulatory compliance.
- Auditors, including audit and non-audit services performed by them.
- Internal audits and internal audit function.
- Communication with and among the auditors, management, internal auditors, counsel, employees, the Committee and the Board.

Except as otherwise provided in the Certificate of Incorporation or By-Laws of the Company as then in effect, the Committee has the right to exercise any and all power and authority of the Board with respect to matters within the scope of this Charter, subject to the ultimate power and authority of the Board, including the power and authority to authorize:

- The issuance, sale, repurchase, redemption and retirement of capital stock, notes, debentures, bonds, guarantees and other equity and debt securities of any kind;
- The opening and closing (including cash settlement or physical delivery) of derivative positions, the issuance, purchase and sale of derivative instruments and the entry into and termination of derivative contracts, in each case, of any kind;
- The incurrence, guarantee and discharge of indebtedness and credit facilities (including capitalized leases, purchase money obligations, letter of credit arrangements and keep well arrangements) of any kind;
- The pledging of collateral, mortgaging of property and granting of security interests of any kind;



- The restructuring of the organization, capital structure and financing of the companies within the Company and the employment and termination of employment of personnel in connection therewith; and
- The adoption, revision and termination of policies and procedures.

The Board shall continue to have the ultimate duty and responsibility to manage or direct the management of the business and affairs of the Company.

The Committee has the authority to conduct any and all investigations it deems necessary or appropriate, to contact directly the auditors, the officers and other employees of the Company, and advisors and require them to provide any and all information, advice and assistance it deems necessary or appropriate, and to retain legal, accounting or other advisors it deems necessary or appropriate.

The Committee has the authority to set aside for payment, pay and direct the payment of the auditors for their reviews and audits of financial statements and all other services as well as expenses (including ordinary administrative expenses) of the Committee, including for those legal, accounting and other advisors.

The auditors shall report directly to the Committee, and shall be accountable to the Committee and the Board, for their reviews and audits of financial statements and all other services.

The Committee, and each member of the Committee in his or her capacity as such, shall be entitled to rely, in good faith, on information, opinions, reports or statements, or other information prepared or presented to them by (i) officers and other employees of the Company, whom such member believes to be reliable and competent in the matters presented; and (ii) counsel, public accountants or other persons as to such matters which the member believes to be within their professional competence.

II. Composition

The Committee shall be comprised of that number of directors (but not less than two) as may be determined from time to time by the Board. Each member of the Committee shall be an independent director within the meaning of the rules of such primary trading market or securities exchange on which the Company's securities are then traded, or if there is none, the NYSE Amex Equities (the "Listing Market"), and The Sarbanes-Oxley Act of 2002, as amended ("SOX"), and shall be free from any relationship that would, in the Board's opinion, interfere with the exercise of his or her judgment independent from management. A copy of the independence and related rules is attached to the charter of the Nominating and Governance Committee.

A member of the Committee may not, other than in his or her capacity as a member of the Committee, the Board or any other committee of the Board, (i) accept directly or indirectly any consulting, advisory or other compensatory fee from the Company or (ii) be an affiliated person of the Company.



All members of the Committee must be able to read and understand fundamental financial statements (including a company's balance sheet, income statement and cash flow statement), and no director may be a Committee member if he or she participated in the preparation of the financial statements of the Company or any current subsidiary thereof at any time during the past three years. At least one member of the Committee shall be financially sophisticated, in that he or she have past employment experience in finance or accounting, requisite professional certification in accounting or any other comparable experience or background that results in financial sophistication (including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities).

At least one member of the Committee shall constitute an "audit committee financial expert." A member of the Committee who satisfies the definition of an "audit committee financial expert" for SEC disclosure purposes will be deemed to qualify as financially sophisticated for purposes of applicable rules of the Listing Market. Members of the Committee may enhance their familiarity with finance and accounting matters by participating in educational programs conducted by the Listing Market, the Company, an advisor or others.

The Nominating and Governance Committee shall recommend directors to be elected or terminated as members of the Committee. The members of the Committee shall be elected by the Board at the annual organizational meeting of the Board or at such other times as the Board may determine. Each member of the Committee shall serve until the next annual organizational meeting of the Board or the earlier of his or her termination as a member of the Committee by the Board, the election of his or her successor as a member of the Committee or his or her death, resignation or removal. Unless a Chair is elected by the Board, the members of the Committee may designate a Chair by a majority vote.

III. Meetings

The Committee shall meet in regular sessions at least four times annually and in special sessions as circumstances warrant. Each regularly scheduled meeting shall conclude with an executive session of the Committee absent members of management and on such terms and conditions as the Committee may elect. Committee members are expected to attend meetings and to spend the time needed to properly discharge their responsibilities. Members are present for purposes of a Committee meeting if they appear in person at the meeting or by telephone or video conferencing whereby each member can speak to and hear every other member.

The Committee shall meet at least once annually with management, internal auditors, where applicable, counsel for the Company and the auditors in separate executive sessions to discuss any matters that the Committee or any of them believe should be discussed privately.

A majority of the members of the Committee shall constitute a quorum for the transaction of business. The act of a majority of the members present at any meeting at which there is a quorum shall be the act of the Committee.

The Committee shall keep minutes of its meetings and other proceedings.



IV. Procedures

The Committee shall determine its meeting schedule, the agenda for each meeting, the information to be provided to it before or at each meeting and all other matters relating to the conduct of its meetings and other activities.

The Chair of the Committee shall establish and distribute (or request the Secretary to distribute) to each Committee member prior to each meeting an agenda for the meeting. Each Committee member is free to raise at any meeting subjects that are not on the agenda for that meeting.

Information that is important to understanding the business to be conducted at a meeting should generally be distributed to the Committee members at least one week (or, if that is not feasible, as soon as practicable) before the meeting, and Committee members should review these materials before the meeting.

It is the sense of the Board that, subject to Section V below, the activities and procedures of the Committee should remain flexible so that it may appropriately respond to changing circumstances.

V. Responsibilities

Without limiting the scope of the preceding provisions of this Charter, the Committee shall:

Corporate Governance

1. Report on its meetings, proceedings and other activities at each regular meeting of the Board.
2. Review and assess the adequacy of this Charter at least annually. Submit changes to this Charter to the Board for approval.
3. Conduct an annual self-assessment to determine whether the Committee is functioning effectively, including evaluating the Committee's contributions to the Company, with a specific emphasis on areas in which such contributions could be improved.
4. Direct the establishment and maintenance of procedures for the receipt and retention of, and the treatment of, complaints received regarding accounting, internal control or auditing matters.
5. Direct the establishment and maintenance of procedures for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters.



6. Discharge the Committee's responsibilities with respect to the adoption, improvement and implementation of the Code of Conduct as set forth in such Code. Review and assess at least annually the adequacy of the Code of Conduct or other codes of conduct relating to ethics, integrity, conflicts of interest, confidentiality, public disclosure and insider trading, and adopt appropriate changes.

Public Reporting

7. Prepare annually the report of the Committee to stockholders to be included in the annual proxy statement as required by the rules of the SEC.
8. Review, prior to filing, all annual reports on Form 10-K and quarterly reports on Form 10-Q to be filed with the SEC. Review, prior to filing, all interim reports on Form 8-K to be filed with the SEC that contain financial disclosures of similar scope and magnitude as annual reports on Form 10-K and quarterly reports on Form 10-Q.¹ Meet to review and discuss with management and the auditors, prior to filing, the financial statements (including the notes thereto), including (a) the specific disclosures under the related "Management's Discussion and Analysis of Financial Condition and Results of Operations"² and (b) any certifications regarding the financial statements or the Company's internal accounting and financial controls and procedures and disclosure controls or procedures filed with the SEC by the Company's senior executive and financial officers.
9. Review and discuss earnings press releases as well as financial information and earnings guidance provided to analysts and rating agencies (and, to the extent that information is disclosed on an interim report on Form 8-K in lieu of an earnings press release, interim reports on Form 8-K to be filed with the SEC), which may be limited to a general discussion of the types of information to be disclosed and the type of presentation to be made (paying particular attention to any use of "pro forma," or "adjusted" non- GAAP, information). Nothing herein shall require the Committee to discuss in advance each earnings release or each instance in which the Company may provide earnings guidance.
10. Obtain from the chief executive officer and principal financial officer assurances that the chief executive officer and principal financial officer are meeting their obligations to the Committee, the auditors and the public under certification requirements established by the SEC, the Listing Market and SOX.
11. Review with management, as appropriate, policies and practices relating to disclosure of material information to the public, analysts, rating agencies, lenders, stockholders and others, including compliance with Regulation FD and other applicable laws.

¹ This will not require prior review where such review is or may be impracticable, such as certain filings under Regulation FD or filings with respect to certain items in current reports on Form 8-K.

² The Chair may represent the entire Committee for purposes of this review with respect to quarterly and interim reports.



Auditors

12. Select, retain, determine appropriate compensation of (and provide for payment of such compensation), evaluate and, as appropriate, terminate and replace the auditors (and the Committee shall have the sole authority to take any such action), who shall report directly to the Committee.³
13. Obtain and review, at least once annually, a report by the auditors describing (i) their internal quality control procedures, (ii) any material issues raised by the most recent internal quality control review or peer review or by any inquiry or investigation by any governmental or professional authority (including the Public Company Accounting Oversight Board (the “PCAOB”)) within the preceding five years, in each case with respect to one or more independent audits carried out by them, (iii) any steps taken to deal with any such issues and (iv) all relationships between the auditors and the Company.
14. Review annually the independence of the auditors by (i) receiving written independence disclosures required by the PCAOB’s or other applicable requirements, (ii) discussing with the auditors all disclosed relationships between the auditors and the Company and all other disclosed relationships or services that may impact the objectivity and independence of the auditors (and, to the extent required by Independence Standards Board Standard 1 or any successor or superseding rule, receiving from the auditors a formal written statement delineating all relationships between the auditor and the issuer), (iii) discussing with management its evaluation of the independence of the auditors, and (iv) otherwise taking (or recommending that the Board take) appropriate action to oversee the independence of the auditors.
15. Review and, as appropriate, approve, prior to commencement, all audit services (including comfort letters in connection with securities underwritings and tax services) and all non-audit services to be provided by the auditors (other than with respect to de minimus exceptions permitted by SOX).⁴

³ The auditors are ultimately accountable to the Board and the Committee, as representatives of the Company’s stockholders, and these stockholder representatives have ultimate authority and responsibility to select, evaluate and (where appropriate) replace the auditors (or nominate the auditors to be proposed for stockholder approval in any proxy statement).

⁴ The Committee may designate one member to approve such non-audit services, but that member must inform the Committee of the approval at the next meeting of the Committee. All such approvals must be disclosed in periodic reports filed with the SEC. Exchange Act Section 10A(g) makes it unlawful for the auditors to provide, contemporaneously with the audit, any non-audit service, including tax services, unless the Committee approves the activity in advance. Certain non-audit services are prohibited regardless of Committee approval. These prohibited services are: (1) unless it is reasonable to conclude that the results of the services will not be subject to audit procedures during an audit of the audit client's financial statements: (a) bookkeeping or



16. Review with the auditors annually all compensation to the auditors for all audit and non-audit services.
17. Set and review, as appropriate, (a) policies for hiring of employees or former employees of the auditors and (b) the experience and qualifications of the senior members of the audit team of the auditors.
18. Monitor compliance with the requirement and direct that (a) the lead and concurring/reviewing partners on the audit engagement rotate off the engagement after five consecutive years (and, upon rotation, are subject to a five-year cooling off period before they may return to the engagement) and other audit partners on the audit engagement team rotate off after no more than seven years (and are subject to a two-year cooling off period), each in accordance with Section 10A(j)⁵ of the Securities Exchange Act of 1934 (the “Exchange Act”), and (b) the auditors observe the one-year cooling off period for anyone hired as chief executive officer, controller, chief financial officer, chief accounting officer or an equivalent position for the Company, in accordance with Exchange Act Section 10A(l)⁶.
19. Obtain from the auditors assurances that they will give the Company notice if any person associated with them and engaged in providing any service to the Company comes under suspension or bar from being associated with a registered public accounting firm pursuant to SOX Section 105⁷ and the related PCAOB rules.
20. Obtain from the auditors assurances that they (a) comply with all PCAOB auditing, quality control and independence standards as adopted pursuant to SOX Section 103 and

other services related to the Company’s accounting records or financial statements; (b) financial information systems design and implementation; (c) appraisal or valuation services, fairness opinions, or contribution-in-kind reports; (d) actuarial services; and (e) internal audit outsourcing services; (2) management functions or human resources; (3) broker or dealer, investment adviser, or investment banking services; and (4) legal services and expert services unrelated to the audit.

⁵ Section 10A(j) makes it unlawful for the auditors to provide audit services if either the lead or concurring/reviewing audit partner has performed audit services for the Company in each of the Company’s five previous fiscal years.

⁶ Section 10A(l) makes it unlawful for the auditors to perform any audit service if the Company’s CEO, controller, CFO, chief accounting officer or equivalent officer was employed by the auditors and participated in any capacity in the audit during the one-year period before the audit’s beginning date.

⁷ Section 105 requires the PCAOB to establish fair procedures for investigating and disciplining registered public accounting firms and their associated persons. The PCAOB may sanction such firms or their associated persons for refusing to testify, produce documents or otherwise cooperate with it in an investigation or for failing to supervise. Rules to be adopted by the PCAOB may require testimony to be given or audit work papers to be produced, and allows it to share information with other government agencies. The PCAOB may investigate such firms’ acts or practices that may violate SOX or securities laws relating to audit reports, and establish procedures as to sanctions to be applied.



(b) will inform management concerning any information coming to their attention indicating that an illegal act has or may have occurred.⁸

21. Obtain and review the public version of the most recent report as to the auditors of the inspection conducted by the PCAOB.

Audits and Accounting

22. Review with the auditors annually the plan, scope, staffing and timing of their audit.
23. After completion of the audit of the financial statements, review with management, the director of internal audits, where applicable, and the auditors (a) the audit report; (b) the management letter relating to the audit report; (c) all problems or questions (resolved or unresolved) that arose and any difficulties that were encountered during the audit; (d) the disposition of all audit adjustments identified by the auditors; (e) all significant financial reporting issues encountered and judgments made during the course of the audit (including the effect of different assumptions and estimates on the financial statements); and (f) the management response provided, cooperation afforded or limitations (including restrictions on scope or access), if any, imposed by management on the conduct of the audit.
24. Review and discuss with management and the auditors all reports delivered by the auditors in accordance with Exchange Act Section 10A(k)⁹ with respect to (a) critical accounting policies and practices used or to be used, (b) any alternative treatments of financial information within GAAP that have been discussed with management (together with ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the auditors), (c) any other material written communications (including letters under SAS No. 50) between the auditors and management, including any management letter or schedule of unadjusted differences, (d) any accounting and financial reporting proposals that may have a significant impact on the Company's financial statements and (e) any analysis performed by the auditors as to the accountants' judgment as to the quality of the Company's accounting principles, setting forth significant reporting issues and judgments made in connection with the preparation of the financial statements, under SAS No. 90 or otherwise.
25. Review all items required to be communicated to the auditors in accordance with SAS No. 61 (Communications with Audit Committees), as amended, as adopted by the PCAOB in Rule 3200T, and PCAOB Auditing Standard No. 5 (An Audit of Internal

⁸ The Committee should consider whether to include these items in the audit engagement letter.

⁹ Section 10A(k) requires auditors to report timely to the Committee: (a) critical accounting policies and practices to be used; (b) alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and treatment preferred by the auditors; and (c) other material written communications between the auditors and management, such as management letters or schedules of unadjusted differences.



Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements) as such standards may be amended or superseded in the future.

26. Review with management and the auditors at least once annually all correspondence with regulatory authorities and all employee complaints or published reports that raise material issues regarding the financial statements or accounting policies.
27. Review regularly with the auditors significant disagreements between the auditors and management and resolve or direct the resolution of all material disagreements between management and the auditors regarding accounting and financial reporting.
28. Review with management major issues regarding auditing, accounting, internal control and financial reporting principles, policies and practices and regulatory and accounting initiatives, and presentation of financial statements, including any significant changes in the selection or application of accounting principles, and major issues as to the adequacy of the internal controls and any special audit steps adopted in light of material control deficiencies. Review with management, the director of internal audits, where applicable, and the auditors recommended, proposed or adopted changes to or improvements in those principles, policies and practices and their impact on the financial statements. Review the effect on those policies and practices of pronouncements and initiatives of the SEC, the PCAOB, other regulatory authorities and the accounting profession.
29. Review, as appropriate, the adequacy of auditing, accounting, financial reporting and internal control resources.
30. Review with the auditors and management the extent to which changes or improvements in financial or accounting practices directed or approved by the Committee have been implemented (which review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Committee).
31. Meet periodically with representatives of the Disclosure Committee to discuss any matters of concern arising from its activities.
32. Review with management and the auditors, at least annually, (i) all significant accounting estimates, (ii) the effect of off balance sheet structures on the financial statements, (iii) all significant valuation allowances and liability, restructuring and other reserves and (iv) analyses prepared by management setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.

Internal Audits and Internal Controls

33. Review with management and the auditors the adequacy of financial reporting and internal control systems, and, where applicable, the scope and results of the internal audit program and, where applicable, and the cooperation afforded or limitations, if any, imposed by management on the conduct of the internal audit program.



34. Obtain from and review with the auditors a report on the assessment made by management as to the effectiveness of the internal control structure and procedures as required pursuant to Section 404 of SOX and the rules promulgated thereunder¹⁰.
35. Review at least annually best practices with respect to internal controls. Direct changes as appropriate.

Finance

36. Review with management financial planning policies and practices and financial objectives. Review financial forecasts and budgets. Review performance against budget, prior years' performance and competition.
37. Review financial condition and liquidity and funding requirements, including short-term and long-term capital expenditure plans and working capital needs.
38. Review and recommend appropriate actions related to mergers, acquisitions, divestitures and significant asset sales or purchases.
39. Review and, as appropriate, approve the amounts, timing, types and terms of public and private stock and debt issues and credit facilities.
40. Review with management compliance with covenants under debt issues and credit facilities.
41. Review tax planning and compliance.
42. Review dividend policy and corporate insurance coverage.

Other

43. Review and discuss with management, including the principal financial officer, major financial risk exposure and steps management has taken to minimize such risks. Discuss guidelines and policies to govern the process by which financial risk assessment and risk management is undertaken.
44. Review investor relations program.

¹⁰ Section 404 (together with the rules promulgated thereunder) require each Annual Report on Form 10-K of an accelerated filer to contain an internal control report stating management's responsibility for establishing and maintaining adequate internal control structures and financial reporting procedures, and containing an assessment of the effectiveness of such structures and procedures as of the end of the most recent fiscal year, and also requires the auditors to attest to and report on management's assessment as to such internal controls. Such attestation may not be the subject of a separate engagement, and must be made in accordance with standards adopted or to be adopted by the PCAOB.



45. Review with counsel for the Company all legal matters that may have a significant impact on the Company's financial condition or performance.
46. Review periodically with counsel for the Company legal and regulatory compliance matters.
47. Review and exercise oversight over and, as appropriate, determine whether to approve (or refer to another independent Board committee for approval), all transactions with Company affiliates or their related parties (including significant stockholders, directors or executive officers or other members of senior management or their family members, including immediate family members).¹¹
48. Perform any other activities consistent with this Charter, the Company's by-laws and governing law, as the Committee or the Board deems necessary or appropriate.

VI. Limitations

Nothing contained herein shall operate to expand the duties, liabilities or responsibilities that a director would otherwise have under applicable laws, rules and regulations in the absence of this Charter. In addition, notwithstanding anything contained herein to the contrary, the duties and responsibilities of the Committee and each of its members is one of oversight and neither the Committee nor any of its members shall have any duty or responsibility to:

- plan, conduct or provide resources for audits;
- determine that financial statements have been properly prepared or financial disclosures are full and complete;
- guarantee or provide other assurance that there are no financial risks or uncertainties or that such risks or uncertainties have been reduced or eliminated; or
- act as an expert or provide guarantees, representations, warranties, professional or other certifications or assurance with respect to, or verify, any matter within the scope of this Charter.

VII. Qualified Legal Compliance Committee

The Committee is hereby designated and shall constitute a Qualified Legal Compliance Committee within the meaning of the rules of the SEC. As such, the Committee

¹¹ This will not apply to transactions with majority-owned subsidiaries or compensation of directors or executive officers.



shall adopt written procedures for the confidential receipt, retention and consideration of any report of evidence of a material violation within the meaning of the Standards of Professional Conduct for Attorneys adopted by the SEC. In addition, as such, the Committee shall:

- inform the Chief Executive Officer and counsel for the Company of any report of evidence of such a material violation (unless the Committee reasonably believes that it would be futile to report evidence of such a material violation the Chief Executive Officer and counsel for the Company, in which case the Committee may report the evidence directly to the Board);
- determine whether an investigation thereof is necessary or appropriate and, if so: notify the Board thereof; initiate an investigation, which may be conducted either by counsel for the Company or by other external counsel; and retain such additional expert personnel as the Committee deems necessary or appropriate; and
- at the conclusion of any such investigation: recommend that the Company implement an appropriate response thereto and inform counsel for the Company, the Chief Executive Officer and the Board of the results of such investigation and the appropriate remedial measures to be adopted.

The Committee shall take all other appropriate action, including notifying the SEC, if the Company fails in any material respect to implement an appropriate response that the Committee has recommended.

IX. Web Site

This Charter shall be placed on the Company's website.

Date: December 31, 2010