

COMSTOCK MINING INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	September 30, 2017	December 31, 2016
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,296,078	\$ 184,359
Assets held for sale, Net (Note 3)	5,444,228	5,894,220
Prepaid expenses and other current assets (Note 2)	372,638	1,885,792
Total current assets	8,112,944	7,964,371
MINERAL RIGHTS AND PROPERTIES, Net	7,205,081	7,205,081
PROPERTIES, PLANT AND EQUIPMENT, Net (Note 3)	13,618,346	15,148,567
RECLAMATION BOND DEPOSIT	2,622,544	2,622,544
RETIREMENT OBLIGATION ASSET (Note 4)	366,341	617,126
OTHER ASSETS	285,342	285,342
TOTAL ASSETS	\$ 32,210,598	\$ 33,843,031
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 302,731	\$ 804,551
Accrued expenses (Note 5)	710,615	1,135,934
Long-term debt— current portion (Note 6)	287,417	483,669
Total current liabilities	1,300,763	2,424,154
LONG-TERM LIABILITIES:		
Long-term debt (Note 6)	10,277,826	8,986,626
Long-term reclamation liability (Note 4)	7,401,596	7,353,346
Other liabilities	615,750	662,316
Total long-term liabilities	18,295,172	17,002,288
Total liabilities	19,595,935	19,426,442
COMMITMENTS AND CONTINGENCIES (Note 9)		
STOCKHOLDERS' EQUITY:		
Common stock, \$.000666 par value, 3,950,000,000 shares authorized, 224,063,435 and 185,363,676 shares issued and outstanding at September 30, 2017 and December 31, 2016, respectively	149,227	123,453
Additional paid-in capital	232,697,588	226,321,375
Accumulated deficit	(220,232,152)	(212,028,239)
Total stockholders' equity	12,614,663	14,416,589
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 32,210,598	\$ 33,843,031

COMSTOCK MINING INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
REVENUES				
Revenue - mining	\$ —	\$ 1,106,196	\$ —	\$ 4,544,951
Revenue - real estate	26,960	28,599	73,624	101,641
Total revenues	<u>26,960</u>	<u>1,134,795</u>	<u>73,624</u>	<u>4,646,592</u>
COST AND EXPENSES				
Costs applicable to mining revenue	846,443	829,558	2,663,188	3,507,795
Real estate operating costs	19,396	31,367	59,342	176,120
Exploration and mine development	240,020	589,351	782,124	4,027,859
Mine claims and costs	235,535	358,886	744,528	929,196
Environmental and reclamation	152,075	296,493	669,390	1,026,427
General and administrative	571,931	696,586	2,189,828	2,744,626
Total cost and expenses	<u>2,065,400</u>	<u>2,802,241</u>	<u>7,108,400</u>	<u>12,412,023</u>
LOSS FROM OPERATIONS	<u>(2,038,440)</u>	<u>(1,667,446)</u>	<u>(7,034,776)</u>	<u>(7,765,431)</u>
OTHER INCOME (EXPENSE)				
Interest expense	(442,610)	(165,212)	(1,297,546)	(603,307)
Other income (expense), net	(15,961)	(360,543)	128,409	(730,642)
Total other expense, net	<u>(458,571)</u>	<u>(525,755)</u>	<u>(1,169,137)</u>	<u>(1,333,949)</u>
LOSS BEFORE INCOME TAXES	(2,497,011)	(2,193,201)	(8,203,913)	(9,099,380)
INCOME TAXES	—	—	—	—
NET LOSS	<u>\$ (2,497,011)</u>	<u>\$ (2,193,201)</u>	<u>\$ (8,203,913)</u>	<u>\$ (9,099,380)</u>
Net loss per common share – basic	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.04)</u>	<u>\$ (0.05)</u>
Net loss per common share – diluted	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.04)</u>	<u>\$ (0.05)</u>
Weighted average common shares outstanding	<u>217,990,163</u>	<u>182,134,873</u>	<u>193,902,517</u>	<u>174,173,436</u>
Weighted average common shares outstanding	<u>217,990,163</u>	<u>182,134,873</u>	<u>196,902,517</u>	<u>174,173,436</u>

COMSTOCK MINING INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Nine Months Ended September 30,	
	2017	2016
OPERATING ACTIVITIES:		
Net loss	\$ (8,203,913)	\$ (9,099,380)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation, amortization and depletion	3,263,948	4,643,513
Stock payments and stock-based compensation	—	18,900
Accretion of reclamation liability	48,250	139,334
Gain on sale of properties, plant, and equipment	(137,229)	(357,037)
Amortization of debt discounts and issuance costs	317,559	182,471
Payment of interest expense and sales tax with common stock	—	299,379
Loss on payment of debt obligation with common stock	—	150,166
Net loss on early retirement of long-term debt	126,997	—
Changes in operating assets and liabilities:		
Accounts receivable	—	1,677
Inventories	—	361,978
Stockpiles and mineralized material on leach pads	—	981,937
Prepaid expenses and other current assets	(1,551)	(271,687)
Accounts payable	(483,112)	(48,301)
Accrued expenses and other liabilities	10,614	(238,144)
NET CASH USED IN OPERATING ACTIVITIES	<u>(5,058,437)</u>	<u>(3,235,194)</u>
INVESTING ACTIVITIES:		
Proceeds from sale of properties, plant and equipment	911,597	3,277,011
Purchase of mineral rights and properties, plant and equipment	(126,639)	(150,325)
Decrease in reclamation bond deposit	—	20,260
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>784,958</u>	<u>3,146,946</u>
FINANCING ACTIVITIES:		
Principal payments on long-term debt and capital lease obligations	(8,639,335)	(5,648,610)
Proceeds from long-term debt obligations (net of issuance costs)	9,379,446	925,000
Proceeds from the issuance of common stock	5,861,203	4,180,944
Common stock issuance costs	(216,116)	(585,703)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>6,385,198</u>	<u>(1,128,369)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,111,719	(1,216,617)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	184,359	1,663,170
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 2,296,078</u>	<u>\$ 446,553</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	\$ 776,846	\$ 321,405
Supplemental disclosure of non-cash investing and financing activities:		
Payment for purchase of property, plant and equipment with prepaid deposits	\$ 1,158,785	\$ —
Issuance of debt to purchase of property, plant and equipment	\$ 247,494	\$ 3,200,000
Settlement of long-term debt obligations with prepaid deposits	\$ 231,000	\$ —
Issuance of common stock for settlement of long-term debt obligations	\$ 124,920	\$ 4,140,029
Property transferred in satisfaction of accounts payable	\$ —	\$ 1,100,000
Issuance of common stock to purchase properties, plant and equipment	\$ 274,400	\$ —
Issuance of common stock for mineral lease	\$ 482,500	\$ —

See notes to condensed consolidated financial statements.