

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

	September 30, 2019	December 31, 2018
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 276,649	\$ 488,657
Assets held for sale, Net (Note 2)	6,902,600	5,363,403
Prepaid expenses and other current assets (Note 3)	5,232,119	2,712,202
Total current assets	12,411,368	8,564,262
MINERAL RIGHTS AND PROPERTIES, Net	5,690,885	7,205,081
PROPERTIES, PLANT AND EQUIPMENT, Net (Note 4)	8,197,249	9,742,120
RECLAMATION BOND DEPOSIT	2,680,347	2,622,544
RETIREMENT OBLIGATION ASSET (Note 5)	152,456	203,274
INVESTMENT IN PREFERRED SHARES (Note 16)	5,650,000	—
OTHER ASSETS	625,149	274,444
TOTAL ASSETS	\$ 35,407,454	\$ 28,611,725
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 806,215	\$ 405,146
Accrued expenses and other liabilities (Note 6)	1,274,839	1,674,733
Deferred liabilities (Note 16)	9,915,596	—
Long-term debt— current portion (Note 7)	323,415	309,843
Total current liabilities	12,320,065	2,389,722
LONG-TERM LIABILITIES:		
Long-term debt (Note 7)	6,618,823	8,857,870
Long-term reclamation liability (Note 8)	7,048,203	7,441,091
Other liabilities	531,416	538,140
Total long-term liabilities	14,198,442	16,837,101
Total liabilities	26,518,507	19,226,823
COMMITMENTS AND CONTINGENCIES (Note 10)		
STOCKHOLDERS' EQUITY:		
Preferred Stock, \$.000666 par value, 50,000,000 shares authorized; no shares issued and/or outstanding at September 30, 2019, and December 31, 2018	—	—
Common stock, \$.000666 par value, 790,000,000 shares authorized, 116,230,203 and 75,338,273 shares issued and outstanding at September 30, 2019, and December 31, 2018, respectively	77,409	50,175
Additional paid-in capital	244,422,620	241,419,897
Accumulated deficit	(235,611,082)	(232,085,170)
Total stockholders' equity	8,888,947	9,384,902
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 35,407,454	\$ 28,611,725

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2019	2018	2019	2018
REVENUES				
Revenue - mining	\$ —	\$ —	\$ —	\$ —
Revenue - real estate	48,350	32,281	130,132	83,946
Total revenues	<u>48,350</u>	<u>32,281</u>	<u>130,132</u>	<u>83,946</u>
COSTS AND EXPENSES				
Costs applicable to mining revenue	318,537	717,155	1,329,322	2,174,618
Real estate operating costs	8,651	12,887	31,362	29,858
Exploration and mine development	109,189	241,902	576,594	700,088
Mine claims and costs	(324,027)	(291,602)	(36,172)	(20,346)
Environmental and reclamation	30,590	88,612	(278,784)	208,866
General and administrative	697,793	801,157	2,322,428	2,355,320
Total costs and expenses	<u>840,733</u>	<u>1,570,111</u>	<u>3,944,750</u>	<u>5,448,404</u>
LOSS FROM OPERATIONS	<u>(792,383)</u>	<u>(1,537,830)</u>	<u>(3,814,618)</u>	<u>(5,364,458)</u>
OTHER INCOME (EXPENSE)				
Interest expense	(179,588)	(340,548)	(822,632)	(1,054,775)
Other income (expense)	1,358,868	(166,732)	1,111,338	(526,113)
Total other income (expense), net	<u>1,179,280</u>	<u>(507,280)</u>	<u>288,706</u>	<u>(1,580,888)</u>
LOSS BEFORE INCOME TAXES	386,897	(2,045,110)	(3,525,912)	(6,945,346)
INCOME TAXES	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
NET INCOME (LOSS)	<u>\$ 386,897</u>	<u>\$ (2,045,110)</u>	<u>\$ (3,525,912)</u>	<u>\$ (6,945,346)</u>
Net loss per common share – basic and diluted	<u>\$ 0.00</u>	<u>\$ (0.03)</u>	<u>\$ (0.04)</u>	<u>\$ (0.13)</u>
Weighted average common shares outstanding — basic and diluted	<u>100,062,905</u>	<u>58,531,058</u>	<u>87,482,183</u>	<u>54,755,753</u>

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

	Nine Months Ended	
	September 30,	
	2019	2018
OPERATING ACTIVITIES:		
Net loss	\$ (3,525,912)	\$ (6,945,346)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation, amortization, and depletion	1,573,236	2,468,817
(Reduction) accretion of reclamation liability	(392,888)	17,233
Gain on sale of properties, plant, and equipment	(3,125)	(26,000)
Amortization of debt discounts and issuance costs	174,254	282,708
Net loss on early retirement of long-term debt	284,647	164,751
Payment-in-kind interest expense	470,246	437,852
Cancellation of Tonogold share option	(2,200,000)	—
Change in make-whole liability with Pelen, LLC	46,591	369,000
Change on make-whole liability - MCU	370,750	—
Mark to market Tonogold preferred shares	332,263	—
Preferred shares issuance expense	432,000	—
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(72,515)	(775,311)
Accounts payable	401,069	24,633
Accrued expenses and other liabilities	(173,127)	484,443
NET CASH USED IN OPERATING ACTIVITIES	(2,282,511)	(3,497,220)
INVESTING ACTIVITIES:		
Proceeds from principal payment on note receivable	396	376
Proceeds from sale of mineral rights and properties, plant, and equipment	3,125	26,000
Proceeds from deposits on Membership Interest Purchase Agreement	3,925,000	—
Purchase of mineral rights and properties, plant and equipment	(1,635,000)	(1,055,631)
Investment in Sierra Springs Opportunity Fund	(225,000)	—
Investment in Mercury Clean Up LLC	(350,000)	—
Change in reclamation bond deposit	(57,803)	—
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	1,660,718	(1,029,255)
FINANCING ACTIVITIES:		
Principal payments on long-term debt	(3,154,622)	(2,000,631)
Proceeds from the issuance of share option with Tonogold	—	2,000,000
Proceeds from the issuance of common stock	3,835,867	3,783,442
Common stock issuance costs	(271,460)	(84,276)
NET CASH PROVIDED BY FINANCING ACTIVITIES	409,785	3,698,535
DECREASE IN CASH AND CASH EQUIVALENTS	(212,008)	(827,940)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	488,657	2,066,718
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 276,649	\$ 1,238,778
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	\$ 66,854	\$ 99,092

(Continued)

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

	Nine Months Ended September 30,	
	2019	2018
Supplemental disclosure of non-cash operating, investing and financing activities:		
Receipt of preferred shares of Tonogold	\$ 5,650,000	\$ —
Advance payment received on Membership Interest Purchase Agreement (Note 16)	\$ 5,982,263	\$ —
Issuance of common stock for mineral lease	\$ 482,500	\$ —
Issuance of common stock to pay for common stock issuance costs	\$ —	\$ 245,000
Issuance of common stock (in advance) to purchase Pelen membership interest	\$ —	\$ 585,000
Issuance of common stock (in advance) to purchase MCU membership interest	\$ 751,050	