Comstock Announces Second Quarter 2023 Results and Corporate Updates

VIRGINIA CITY, Nev., Aug. 10, 2023 (GLOBE NEWSWIRE) — Comstock Inc. (NYSE: LODE) (“Comstock” and the “Company”), an innovator of technologies that enable systemic decarbonization and the energy transition by efficiently converting under-utilized natural resources into renewable energy products, today announced its second quarter results and business updates.

“The focus for 2023 is the commercialization of our technologies,” said Corrado De Gasperis, Comstock’s executive chairman and chief executive officer. “Our biorefining and metal recycling technologies are commercially ready and offer unprecedented performance for our prospective customers. Our dedicated Fuels team is progressing multiple revenue producing opportunities with globally recognized renewable fuel producers while our Metals team has finalized its first commercial-ready production system, applied for all permits and is readying the equipment and the site for deployment in the second half of 2023. We have also commercialized a portion of our mining claims bringing in new cash proceeds estimated at well over $2.0 million in 2023.”

Selected Strategic Highlights from the Second Quarter 2023

Strategic Investments

The Company’s strategic investments have outperformed in providing non-dilutive cash and rapid technology development. Notable actions:

- Agreed to sell the LINICO facility for $27+ million delivering non-dilutive proceeds of over $15 million in cash
- Agreed to sell 4% of Green Li-ion Pte. Ltd. (“Green Li-ion”) preferred shares for $0.8 million
- Advanced discussion for the monetization of our investments in Silver Springs real estate and water rights

“We successfully monetized our LINICO facility for 2023 cash proceeds of over $15 million and have agreed to monetize a portion of our investment in Green Li-Ion, at a valuation suggesting potential additional proceeds of up to $20 million,” continued De Gasperis. “Our Silver Springs properties have also risen in value to potentially yield another $20 million.”

Comstock’s strategic investment in Quantum Generative Materials LLC (“GenMat”) represents a valuable component of the Company’s long-term innovation strategy, both in terms of advancing technologies that enable systemic decarbonization and by leveraging artificial general physics-based intelligence (“AGPI”) for more efficient and effective mineral discovery. It has:

- Established a research agreement with the Indian Institute of Science (IISc), collaborative conducting experiments in the fields of density functional theory (DFT), artificial intelligence (AI), material prediction and computational fluid dynamics (CFD), atomistic simulation, and machine learning models, further accelerating GenMat technologies
- Elevated physics-based material simulations and confirmed the precision and accuracy of those simulations
- Received regulatory approval for the launch and operation of its hyperspectral imaging sensor for mineral discovery

"GenMat is an important component of our technology innovation strategy," stated Mr. De Gasperis. "Its ability to simulate and engineer new material solutions, including, for example, batteries and semi-conductors, can be employed today for commercial use, while it continues developing toward AGPI for more efficient and effective mineral discovery."

Comstock Fuels

- Demonstrated the production of commercially effective lignocellulosic bio-intermediates suitable for use in existing renewable fuel refineries at pilot scale in our R&D facility and established the capability for ongoing operations
- Developed a baseline lifecycle carbon analysis ("LCA") model with a third-party engineering firm to demonstrate industry-leading carbon intensity ("CI") scores for fuel produced through our pathways
- Advanced development agreement discussions for commercial scale projects with multiple, operationally experienced, technologically sophisticated, and well capitalized customers

"Our innovation and engineering teams have now demonstrated the highest industry yields with the most beneficial carbon impact," stated David Winsness, President of Comstock Fuels. "Producing 100+ gasoline gallon equivalents per tonne of lignocellulosic feedstock delivers a leading lifecycle carbon intensity score and a profitable pathway to expanded biofuel production globally."

Comstock Metals

- Finalized commercial deployment plans for our production-ready photovoltaic recycling system
- Leased an operating facility and submitted permits for proprietary metal processing and recycling system in Nevada
- Finalized the broader material recycling system and equipment for deployment, and permit-pending production
- Engaged leading electronic waste material suppliers for securing photovoltaics feedstock

“We have effectively repositioned our recycling production system, attacking the immediately addressable photovoltaic materials market,” said Dr. Fortunato Villamagna, President of Comstock Metals. “We are now readying our newly leased facility and establishing agreements with material suppliers so we can start production as soon as our permits are approved.”

Comstock Mining

- Executed a revenue generating lease with Mackay Precious Metals Inc. resulting in $2+ million in 2023 cash revenues, and advancing mineral exploration in our northernmost mining claims
- Established a plan for more than doubling our mineral resources, leveraging our team, technology and partners
- Continued engagement with multiple mineral-development parties for expanding revenues and mineral resources
- Advanced our planning with GenMat for developing and expanding the next-generation geostatistical digital model of the most strategic development areas, including the launch of space-based hyperspectral imager later this year

“We have received cash proceeds of $1.25 million from our new mineral lease with nearly $1.0 million more expected in 2023,” continued Mr. De Gasperis. “We are engaged with multiple, potential development partners with the objective of enabling a material expansion of our gold and silver mineral resources, while simultaneously achieving cash profitability.”

Selected Financial Results

The Company unveiled its companywide vision during its *UPLODE23 Virtual Investor Day* online, June 28, 2023. The videos from this event are available on the Company’s website.

“UPLODE23 showcased the scope of our dedicated, knowledgeable, and innovative leadership teams and enabled our investors to broadly appreciate how Comstock has positioned itself as a technology company, leading an unprecedented and globally impactful clean energy transition. Our investments and the ongoing commercialization of these decarbonizing technologies have positioned us for explosive, exponential growth that will span decades,” stated Mr. De Gasperis.

Net loss for the six-months ended June 30, 2023 decreased by $9.5 million to $11.2 million (or a loss of $0.11 per share) from a loss of $20.6 million (or a loss of $0.30 per share) for the comparable 2022 period. Debt was $6.4 million at June 30, 2023, as compared to $7.9 million at December 31, 2022. Cash and cash equivalents were $1.6 million and $2.5 million, on June 30, 2023 and December 31, 2022, respectively. The Company had 105,876,509 outstanding common shares at June 30, 2023.

The Company meaningfully advanced and expects to complete the monetization of over $30 million in sales of our non-strategic assets during 2023, including the net $15 million in cash and stock proceeds already received from the sale of the LINICO facility and certain equipment ("Facility.") For the six-months ended June 30, 2023, the Company received cash proceeds of $21.0 million from American Battery Technology Company ("ABTC") and a net 9,076,923 of ABTC common stock toward the sale of the Company's Facility. The Company now expects to sell these shares during in the third and fourth quarters of 2023, and expects to receive, at a minimum, proceeds of $6.0 million. The Company paid $12.0 million to close on the Facility, representing estimated 2023 of approximately $15.0 million from the purchase and sale of the Facility. The Company anticipates a more than $7.0 million gain upon closing the Facility sale.

Outlook Highlights

Comstock Fuels is engaged with multiple, operationally experienced, technologically sophisticated customers and partners for early adopter commercial agreements for commercial scale projects for supplying our bio-intermediates and expects one or more agreements to be completed this year.

Comstock Metals has submitted all permits for operating its manufacturing facility in Silver Springs, NV, and expects receipt of permits and the full deployment of its entire production system by the end of 2023, with operations commencing as soon as permits are received. Comstock Metals also expects initial supply-revenue agreements in advance of production.

Comstock Mining is developing, in collaboration with GenMat and potentially other mineral development partners, a next-generation geostatistical digital model of the most strategic development areas, including the broader Dayton resource area, using existing geologic and geophysical data and advancing those efforts toward expansion plans of the existing resources.

The Company expects to exceed its non-mining asset sales target by well over $30 million in net cash proceeds.

Conference Call Details

Comstock will host a conference call today, Thursday, August 10, 2023, at 4:15 p.m. ET to report its Second Quarter 2023 results and business update. We invite all investors and other interested parties to register for the webinar at the link below.
Date: August 10**,** 2023
Time: 4:15 pm ET
Register: Webinar Registration

HAVE QUESTIONS? There will be an allotted time following the live presentation for a Q&A

session. Unaddressed questions will be reviewed by management and responded to accordingly. You may submit your question(s) beforehand in the registration form (linked above) or by email at: ir@comstockinc.com.

About Comstock
Comstock (NYSE: LODE) commercializes technologies that enable systemic decarbonization and the energy transition by efficiently converting under-utilized natural resources into renewable energy products, and by leveraging physics based artificial intelligence for more efficient and effective mineral and materials discovery.

To learn more, please visit www.comstock.inc.

Forward-Looking Statements
This press release and any related calls or discussions may include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, are forward-looking statements. 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. Forward-looking statements include statements about matters such as: future market conditions; future explorations or acquisitions; future changes in our research, development and exploration activities; future financial, natural, and social gains; future prices and sales of, and demand for, our products and services; land entitlements and uses; permits; production capacity and operations; operating and overhead costs; future capital expenditures and their impact on us; operational and management changes (including changes in the Board of Directors); changes in business strategies, planning and tactics; future employment and contributions of personnel, including consultants; future land and asset sales; investments, acquisitions, joint ventures, strategic alliances, business combinations, operational, tax, financial and restructuring initiatives, including the nature, timing and accounting for restructuring charges, derivative assets and liabilities and the impact thereof; contingencies; litigation, administrative or arbitration proceedings; environmental compliance and changes in the regulatory environment; offerings, limitations on sales or offering of equity or debt securities, including asset sales and associated costs; business opportunities, growth rates, future working capital, needs, revenues, variable costs, throughput rates, operating expenses, debt levels, cash flows, margins, taxes and earnings. 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, many of which are unforeseeable and beyond our control and 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 set forth in our filings with the SEC and the following: adverse effects of climate changes or natural disasters; adverse effects of global or regional pandemic disease spread or other crises; global economic and capital market uncertainties; the speculative nature of gold or mineral exploration, and lithium, nickel and cobalt recycling, including risks of diminishing quantities or grades of qualified resources; operational or technical difficulties in connection with exploration, metal recycling, processing or mining activities; costs, hazards and uncertainties associated with precious and other metal based activities, including environmentally friendly and economically enhancing clean mining and processing technologies, precious metal exploration, resource development, economic feasibility assessment and cash generating mineral production; costs, hazards and uncertainties associated with metal recycling, processing or mining activities; contests over our title to properties; potential dilution to our stockholders from our stock issuances, recapitalization and balance sheet restructuring activities; potential inability to comply with applicable government regulations or law; adoption of or changes in legislation or regulations adversely affecting our businesses; permitting constraints or delays; challenges to, or potential inability to, achieve the benefits of business opportunities that may be presented to, or pursued by, us, including those involving battery technology and efficacy, quantum computing and generative artificial intelligence supported advanced materials development, development of cellulosic technology in bio-fuels and related material production; commercialization of cellulosic technology in bio-fuels and generative artificial intelligence development services; ability to successfully identify, finance, complete and integrate acquisitions, joint ventures, strategic alliances, business combinations, asset sales, and investments that we may be party to in the future; changes in the United States or other monetary or fiscal policies or regulations; interruptions in our production capabilities due to capital constraints; equipment failures; fluctuation of prices for gold or certain other commodities (such as silver, zinc, lithium, nickel, cobalt, cyanide, water, diesel, gasoline and alternative fuels and electricity); changes in generally accepted accounting principles; adverse effects of war, mass shooting, terrorism and geopolitical events; potential inability to implement our business strategies; potential inability to grow revenues; potential inability to attract and retain key personnel; interruptions in delivery of critical supplies, equipment and raw materials due to credit or other limitations imposed by vendors; assertion of claims, lawsuits and proceedings against us; potential inability to satisfy debt and lease obligations; potential inability to maintain an effective system of internal controls over financial reporting; potential inability or failure to timely file periodic reports with the Securities and Exchange Commission; potential inability to list our securities on any securities exchange or market or maintain the listing of our securities; 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. Except as may be required by securities or other law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Neither this press release nor any related calls or discussions constitutes an offer to sell, the solicitation of an offer to buy or a recommendation with respect to any securities of the Company, the fund, or any other issuer.

Contact Information:

For investor inquiries, contact
RB Milestone Group
Tel (203) 487-2759
ir@comstockinc.com

For press inquiries or questions, contact
Zach Spencer
Comstock Inc.
Tel (775) 847-7532
questions@comstockinc.com

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