Comstock Announces Third Quarter 2023 Results and Corporate Updates

Validates Unprecedented Renewable Fuel Performance; Realizes Significant Gains From Major Asset Sales

VIRGINIA CITY, Nev., Oct. 26, 2023 (GLOBE NEWSWIRE) — Comstock Inc. (NYSE: LODE) ("Comstock" and the "Company") today announced its recent operational highlights, third quarter 2023 results, and updated outlook.

"Substantially all of our activities are focused on commercialization, with recent achievements demonstrating our substantial progress including asset sales, permits, license agreements, patent filings, etc., as well as the completion of all milestones required for the scale-up of our proprietary lignocellulosic biomass refining process," said Corrado De Gasperis, Comstock's executive chairman and chief executive officer.

Strategic Investments

The Company's strategic investments provided non-dilutive cash and profitable gains during the third quarter, as we:

- Sold a battery facility for $28.9 million and recognized a gain of $7.3 million;
- Sold 1,500 Green Li-ion preferred shares for $0.8 million, triggering a realized gain of $0.6 million;
- Recognized additional unrealized gains on the remaining Green Li-ion preferred shares of $14.6 million; and
- Advanced discussion for additional monetization of our investments in Silver Springs and Green Li-ion.

"We completed a number of strategic investment transactions that resulted in meaningful financial gains, including non-dilutive cash inflows, significant accounting gains, and recognition of materially increased asset values. This resulted in a positive net income reflected in our quarterly and year-to-date results," said Mr. De Gasperis. "There has also been a tremendous increase in Silver Springs activity, with many recently-announced, high-profile approvals and transactions in the immediate vicinity of our assets. This established higher comparable values and an increased expectation of higher sale prices for these properties."

Comstock's strategic investment in generative physics-based artificial intelligence through Quantum Generative Materials LLC ("GenMat") is a crucial component of Comstock's technology innovation strategy. GenMat focuses on developing and using its proprietary generative physics-based artificial intelligence ("ZENO") to accelerate the development of materials and the discovery of minerals, with the following achievements during the nine months ended September 30, 2023:

- Received full regulatory approvals and approved the launch of GenMat-1, GenMat's space-based satellite and advanced hyperspectral imaging sensor for mineral discovery applications;
- Advanced material simulation capability to TRL 7 by synthesizing and directly testing ZENO's ability to predict material properties and confirmed the precision and accuracy of those new material simulations;
- Successfully tested its generative physics AI models to create unique nano particle structures which inform downstream synthesis, demonstrating an accelerated capability for materials discovery; and,
- Progressed discussions with potential early adopter enterprise clients for advanced materials simulation and synthesis.

"GenMat is a crucial component of our technology innovation strategy," stated Mr. De Gasperis. "Its ability to simulate and engineer new material solutions, including batteries and semi-conductors, can be employed today for commercial use, while we continue collaborating toward artificial general physics intelligence for more efficient and effective mineral discovery."

Comstock Fuels

The Company completed all validation milestones for its proprietary lignocellulosic biomass refining process, including:

- Biomass conversion yields exceeding 100 gallons per dry tonne on a gasoline gallon equivalent basis ("GGE");
- Confirmed market-leading, extremely low carbon intensity ("CI") scores of 15;
- Executed an exclusive license with RenFuel K2B AB ("RenFuel") to use its patented catalytic esterification process to refine Comstock's proprietary Bioleum™ biointermediates in North America, Central America, and South America;
- Completed our techno-economic analysis for deploying Bioleum™ hub solutions across the Americas; and,
- Advanced discussions with operationally experienced, technologically-sophisticated and well-capitalized customers.

"These achievements significantly raise the bar for the CI-enhanced value of our cellulosic fuel yields while providing meaningful diversification and availability of feedstocks for producers today," stated Mr. De Gasperis. "Our unprecedented low CI and high yields continue to receive confirmation as a major competitive differentiator in our ongoing sales discussions."

Comstock Metals

- Finalized technology readiness for photovoltaic material recycling and ordered all equipment;
- Leased and prepared facility for equipment arrival;
- Received required county operating permit;
- Submitted State operating and air quality permits, with issuance of both expected this year; and,
- Engaged multiple sources of photovoltaic materials toward securing revenue and supply agreements.

We have taken a leadership position in this huge, readily available, and rapidly growing photovoltaic market," stated Mr. De Gasperis. "We have submitted all permits for our manufacturing facility in Silver Springs, NV, and expect permit issuance and deployment of all equipment before the end of 2023, with solar panel recycling operations commencing in early 2024."

Comstock Mining

- Developing next-generation geostatistical digital model of Comstock's most strategic development areas, with plans for an expanded dataset from the launch of space-based hyperspectral imager November 2023;
- Enhanced exploration targets for an excess of 2 million gold equivalent ounces targeted for development; and,
- Recorded an additional $0.5 million in revenue during the third quarter.

"Our joint development efforts with GenMat are enabling a new AI-based mineral discovery capability that we expect will enhance and accelerate our mineral development efforts, with the hope of accelerating us past our 2-million-ounce target," stated De Gasperis. "The recent regulatory approval of GenMat-1's best-in-class hyperspectral imager clears us for the launch of the satellite in early November, while our geologic teams continue building towards a digital twin of the Comstock district."

Selected Financial Results

For the three-months ended September 30, 2023, the Company recognized net income of $13.7 million, or $0.11 per share, representing an increase of $19.0 million as compared to a net loss of $5.3 million, or $(0.07) per share, from the comparable prior period. The increase primarily resulted from an unrealized gain on higher value ascribed to the Green Li-ion investments of $14.6 million and the realized gain from the sale of the battery facility and related equipment of $7.1 million, partially offset by higher selling, general and administrative expenses of $1.2 million and a prior period gain of $1.1 million on the sale of the Daney Ranch (“Daney”). Cash and cash equivalents were $3.4 million at September 30, 2023.

For the nine-months ended September 30, 2023, the Company recognized net income of $2.6 million, or $0.01 per share, an increase of $28.5 million as compared to a net loss of $25.9 million, or $(0.36) per share, from the comparable prior period. The increase resulted from an unrealized gain on higher value ascribed to the Green Li-ion investments of $14.6 million, the gain from the sale of the battery facility and related equipment of $7.3 million and prior period expenses of $6.7 million for fair value changes in derivative instruments and $3.2 million for impairment of investments and notes receivables that did not recur, and higher selling, general and administrative expenses of $3.2 million, partially offset by a prior period gain of $1.1 million from the Daney Ranch sale.

Selected Operating Highlights

During the quarter, the Company completed all of the milestones required for the scale-up of its proprietary lignocellulosic biomass refining process, including announcing its proprietary Hydrodeoxygenated Bioleum™ Oil (“HBO”) product, biofuel production yields of more than 100 GGE per dry tonne of woody biomass, and market-leading, extremely low CI scores of 15 for Cellulosic Ethanol and the Company’s. HBO is a unique, compliant, drop-in biointermediate used in the production of Sustainable Aviation Fuel and Renewable Diesel Fuel. It has been verified to increase the diversity of hydroprocessed, fat-based feedstock and significantly reduce CI scores beyond what is commercially achievable today. The carbon intensity of fossil fuels is industry-benchmarked at between 80 and 95. A score of 15 demonstrates carbon reductions in excess of 80%.

The Company also executed an exclusive license agreement with RenFuel K2B AB (“RenFuel”) for use of RenFuel’s patented catalytic esterification process to refine Comstock Fuel’s proprietary Bioleum™ biointermediates in North America, Central America, and South America.

Outlook

Comstock Fuels is engaged with multiple, operationally experienced, technologically sophisticated customers and partners for early adopter commercial agreements for committed offtake, supply of feedstocks and commercial scale production projects for supplying our biointermediates and is working toward one or more such 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 early in 2024. Comstock Metals also expects initial supply-revenue agreements in advance of production.

Comstock Mining is developing, in collaboration with GenMat, AI-based, next-generation exploration tools, using the Company's extensive geologic and geophysical data along with GenMat's hyperspectral imaging solution to condition the AI and ground-truth its predictions. The launch of the satellite and hyperspectral imager is scheduled for November 2023.

Comstock's Strategic Investments are expected to contribute 2024 net cash asset sales proceeds in excess of $40 million.

Conference Call Details

Comstock will host a conference call today, Thursday, October 26, 2023, at 4:15 p.m. ET to report its Third Quarter 2023 results and business update. We invite all investors and other interested parties to register for the webinar at the link below.

Date: October 26, 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 Inc.

Comstock (NYSE: LODE) commercializes technologies that enable systemic decarbonization and accelerate the energy transition by efficiently converting under-utilized natural resources into renewable energy products and solutions, 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. 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Source: Comstock Inc.