



COMSTOCK METALS LTD

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NEWS RELEASE

Comstock Announces Closing of Non-Brokered Private Placement

Vancouver, BC – May 28, 2020 – Comstock Metals Ltd. (TSX-V: CSL) (“Comstock” or the “Company”) is pleased to announce that it has closed its previously disclosed (see press release dated April 21, 2020) non-brokered private offering of units (“Units”). Pursuant to the offering the Company issued a total of 3,391,239 Units raising aggregate gross proceeds of \$254,342.93. Following the closing of the offering, Comstock will have 21,940,746 common shares issued and outstanding.

Each Unit was issued at a price \$0.075 and consists of one common share in the capital of the Company (a “Common Share”) and one common share purchase warrant (a “Warrant”). Each Warrant entitles the holder thereof to purchase one additional Common Share at an exercise price of \$0.075 per Common Share for a period of 36 months from the Closing Date.

The Company will use the gross proceeds of the offering of Units for general working capital purposes.

The securities issued under the offering have not been, and will not be, registered under the U.S. Securities Act or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

The securities issued in connection with the offering were issued pursuant to applicable exemptions from the prospectus requirements under applicable securities laws. Such securities are subject to a four month hold period which will expire on September 29, 2020.

Pursuant to the offering, the Company issued Units to certain purchasers that are considered to be “related parties” (within the meaning of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“MI 61-101”)), making the Offering a “related party transaction” (within the meaning of MI 61-101) (the “Related Party Subscriptions”). The Company was exempt from obtaining a formal valuation for, and minority approval of, the Related Party Subscriptions pursuant to Section 5.5(a) and 5.7(1)(a) of MI 61-101, respectively.

Steven H. Goldman and his wife subscribed for a total of 800,000 Units pursuant to the offering. Mr. Goldman is an officer and director of the Company and a “related party” of the Company (within the meaning

of MI 61-101). Mr. Goldman now beneficially owns, or exercises control or direction over, 1,206,626 Common Shares (or, approximately 5.5% of the issued and outstanding Common Shares or approximately 11.5% of the issued and outstanding Common Shares on a partially diluted basis) (including all options and warrants owned or controlled by Mr. Goldman).

Arnold Tenney subscribed for a total of 133,333 Units pursuant to the offering. Mr. Tenney is a director of the Company and a "related party" of the Company (within the meaning of MI 61-101). Mr. Tenney now beneficially owns, or exercises control or direction over, 288,333 Common Shares (or, approximately 1.3% of the issued and outstanding Common Shares or approximately 3% of the issued and outstanding Common Shares on a partially diluted basis) (including all options and warrants owned or controlled by Mr. Tenney).

SJ Strategic Investments, LLC, Gracetre Investments, LLC, Gregory Asset Partners, LLC and the Gregory Irrevocable Equalizing Trust, acting jointly (collectively the "Syndicate"), subscribed for a total of 1,691,240 Units pursuant to the offering. The Syndicate are together a control person of the Company and a "related party" of the Company (within the meaning of MI 61-101). The Syndicate now beneficially owns, or exercises control or direction over, 4,843,640 Common Shares (or, approximately 22.1% of the issued and outstanding Common Shares or approximately 28.7% of the issued and outstanding Common Shares as calculated in accordance with National Instrument 62-104 - *Take-Over Bids and Insider Bids*).

The material change report to be filed in connection with the Private Placement will be filed less than 21 days prior to the closing of the offering. The shorter period was necessary in order to permit the Company to close the Private Placement in a timeframe consistent with usual market practice for transactions of this nature.

Early Warning Report

Steven Goldman and his wife Nancy Carroll, acting jointly (collectively the "Goldmans"), announced that they have filed an early warning report related to their participation in the offering of Units

Upon completion of the offering, the Goldmans beneficially owns and has control of 1,206,636 Common Shares of the Issuer, as well as Common Share purchase warrants to acquire a further 1,000,000 Common Shares and options to acquire 479,000 Common Shares, which represents approximately 11.47% of the issued and outstanding Common Shares as calculated in accordance with National Instrument 62-104 Take-Over Bids and Insider Bids.

The forgoing numbers are reported on a post-consolidation basis with reference to the 5 to 1 share consolidation of the Company's issued and outstanding Common Shares that was completed on May 26, 2020.

The Units were acquired for investment purposes only by the Goldmans. The Goldmans' view of the Company and the investment may change, depending on market and other conditions, or as future circumstances may dictate, from time to time. The Goldmans, on an individual or joint basis, may increase or dispose of some or all of their ownership in the Issuer or each may continue to hold its current position.

This news release is being issued in accordance with National Instrument 62-103 - The Early Warning System and Related Take-Over Bid and Insider Reporting Issues in connection with the filing of an early warning report dated May 28, 2020. A copy of the early warning report relating to the Goldmans' participation in the

Offering will be available under the Issuer's profile on the System for Electronic Document Analysis and Review ("SEDAR") at www.sedar.com.

About Comstock Metals Ltd.

Comstock Metals Ltd. is a diversified mineral exploration company advancing its wholly owned projects located in North America and holds several equity positions in companies with large mineral resources.

- 100% owned Preview SW Gold Project in Saskatchewan (43-101 Resource Stage)
- Joint Venture and equity investment with E3 Metals Corp. (TSX-V: ETMC), a petro-lithium company developing lithium extraction technology in Alberta. (43-101 Resource Stage). Comstock currently owns 1,000,000 common shares in E3 Metals Corp.
- Equity investment in White Gold Corp. (TSX-V: WGO) developing its portfolio of properties located in the White Gold District of the Yukon (43-101 Resource Stage). Comstock currently owns 1,387,210 common shares in White Gold Corp. as well as 350,625 warrants, expiring February 28, 2022, to purchase additional common shares in White Gold Corp. with a strike price \$1.50.

Forward Looking Statements

This news release includes forward-looking information and statements, which may include, but are not limited to, information and statements regarding or inferring the future business, operations, financial performance, prospects, and other plans, intentions, expectations, estimates, and beliefs of the Company. Such statements include statements regarding use of proceeds from the offering of Units. Forward-looking information and statements involve and are subject to assumptions and known and unknown risks, uncertainties, and other factors which may cause actual events, results, performance, or achievements of the Company to be materially different from future events, results, performance, and achievements expressed or implied by forward-looking information and statements herein. Although the Company believes that any forward-looking information and statements herein are reasonable, in light of the use of assumptions and the significant risks and uncertainties inherent in such information and statements, there can be no assurance that any such forward-looking information and statements will prove to be accurate, and accordingly readers are advised to rely on their own evaluation of such risks and uncertainties and should not place undue reliance upon such forward-looking information and statements. Any forward-looking information and statements herein are made as of the date hereof, and except as required by applicable laws, the Company assumes no obligation and disclaims any intention to update or revise any forward-looking information and statements herein or to update the reasons that actual events or results could or do differ from those projected in any forward looking information and statements herein, whether as a result of new information, future events or results, or otherwise, except as required by applicable laws.

For more information about Comstock Metals Ltd., please visit www.comstock-metals.com or contact:

Steven H. Goldman
President, CEO and Director
COMSTOCK METALS LTD.
Phone: (416) 867-9100 / Cell Phone: (416)-917-1533
Email: s.goldman@goldmanhine.com

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