



COMSTOCK METALS LTD

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NEWS RELEASE

Comstock Announces Update to Proposed Non-Brokered Private Placement of Units and Flow-Through Units

Vancouver, BC – September 28, 2021 - Comstock Metals Ltd. (TSX-V: CSL) ("Comstock" or the "Company") is pleased to announce that it has amended the terms of its previously disclosed proposed non-brokered private placement of units ("**Units**") and flow-through units ("**FT Units**") (see press release dated March 12, 2021).

The Company anticipates that the offerings will be comprised of 1,715,000 Units and 2,225,000 FT Units. Each Unit will be priced at \$0.09 and will consist of one common share in the capital of the Company (a "**Share**") and one common share purchase warrant (a "**Warrant**"). Each Warrant will entitle the holder thereof to purchase one additional common share of the Company (a "**Warrant Share**") at an exercise price of \$0.12 per Warrant Share for a period of 24 months from the closing of the offering. Each FT Unit will be priced at \$0.11 and consist of one flow-through common share in the capital of the Company (a "**FT Share**") and one Warrant. The expiry date of the Warrants will be subject to an acceleration provision that will provide that if the closing price of the Company's common shares is equal to or greater than \$0.24 for a period of 10 consecutive trading days, the Company will have the right to accelerate the expiry date of the Warrants by giving written notice to the holders of the Warrants with the revised expiry date being 30 days from the date of the notice to the warrant holders. The acceleration of the Warrant expiry date may not be triggered prior to four months and one day after the Warrants are issued.

The Company will use the gross proceeds of the offering of FT Units for eligible exploration expenditures, which will constitute "Canadian Exploration Expenses" ("**CEE**") that are "Flow-Through mining expenditures", as defined in the *Income Tax Act* (Canada) which can be renounced to purchasers of the FT Units for the 2021 taxation year in the aggregate amount of not less than the total amount of the gross proceeds raised from the flow-through offering. The CEE shall be incurred no later than December 31, 2022.

The proceeds from the offering of Units will be used to fund exploration on the Company's Preview SW gold deposit (with a focus on Comstock's Preview North zone) located in Saskatchewan, Canada and for general working capital.

The offerings are being offered on a non-brokered private placement basis in certain provinces of Canada and such other jurisdictions as the Company may determine in its sole discretion and will be subject to a statutory hold period of four (4) months and a day from the closing of the offerings. The Company may pay finder's fees in accordance with the rules and policies of the TSX Venture Exchange. The offerings remain subject to the approval of the TSX Venture Exchange. The securities to be issued under the offerings 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.

Pursuant to the proposed offering, insiders within the Company (including the Company's CEO Steven Goldman as well as the Company's Chairman Arnold Tenney, or parties related to the CEO and Chairman) will be participating. As such, the Company will be issuing securities to purchasers that are considered "related parties" (within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("**MI 61-101**")), making the applicable offering a "related party transaction" (within the meaning of MI 61-101) (the "**Related Party Subscriptions**"). If such sales are completed the Company will be exempt from obtaining a formal valuation for, and minority approval of, the Related Party Subscriptions pursuant to Section 5.5(b) and 5.7(1)(a) of MI 61-101, respectively. Mr. Goldman has previously filed an early warning respect to the securities of the Company which he owns or has control of and the securities being acquired under the offering are not anticipated to result in a change of ownership that would necessitate the filing of an updated early warning report.

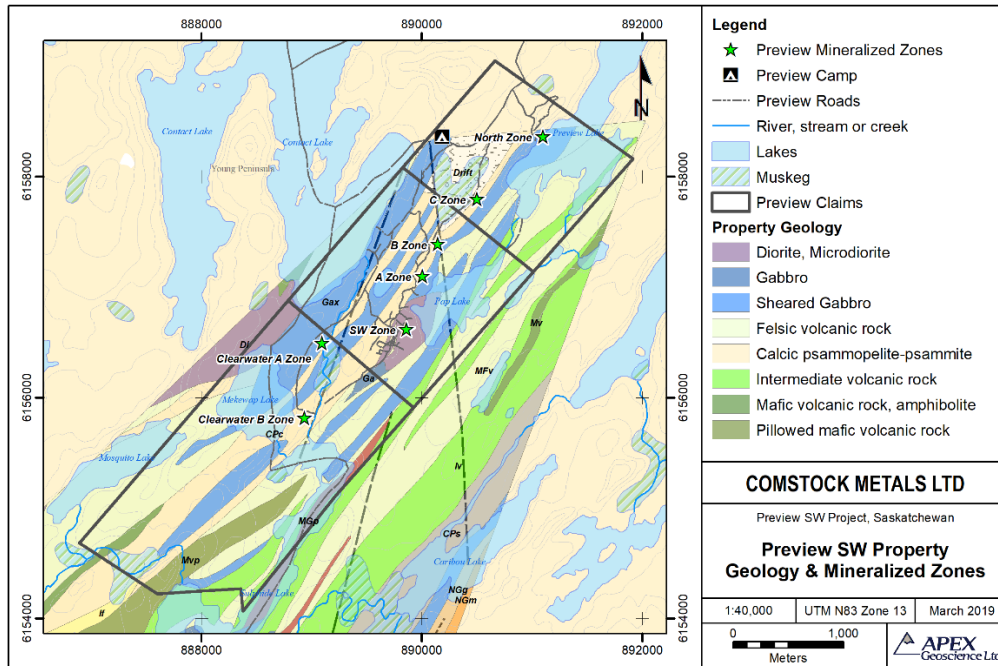
Closing of the offerings remains subject to approval of the TSX Venture Exchange. The Company did not seek Exchange approval for the financing announced on March 12, 2021 and as a result the price protection associated with such financing has lapsed. This press release will serve as the price reservation for the current offerings referenced herein.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended (the "**1933 Act**") and may not be offered or sold to, or for the account or benefit of, persons in the United States or "U.S. persons" (as such term is defined in Regulation S under the 1933 Act) absent registration or an applicable exemption from the registration requirements of the 1933 Act any application state securities laws.

About Comstock Metals Ltd.

Comstock Metals is advancing the Preview SW Gold Project, a resource-stage gold project in the La Ronge district of Saskatchewan. The Preview SW deposit hosts indicated mineral resources containing 158,300 ounces of gold (2.61 million tonnes grading 1.89 g/t Au) and inferred mineral resources containing 270,800 ounces of gold (5.70 million tonnes grading 1.48 g/t Au), both based on a 0.50 g/t Au cut-off grade¹. During 2017 and 2018, Comstock completed diamond drilling campaigns targeting the Preview North zone and the Preview SW deposit comprising 24 holes totaling 4,700 metres. Several additional, relatively untested targets remain on the Property, including the A, B, C, and Clearwater zones (**Map 2**).

¹ The Company has filed on SEDAR the 43-101 Technical Report, Preview SW Gold Project, La Ronge, Saskatchewan, prepared for Comstock Metals Ltd. by Ronald G. Simpson, P.Geo., Geosim Services Inc. Effective date September 27, 2016.



Map 2. Preview SW Property Map Showing Drilled Gold Zones

For further details, see the Company's website at www.comstock-metals.com

Qualified Persons

The scientific and technical information contained in this news release as it relates to the Preview SW Gold Project has been reviewed and approved by Kristopher J. Raffle, P.Geo. (BC) Principal and Consultant of APEX Geoscience Ltd. of Edmonton, AB and a "Qualified Person" as defined in National Instrument 43-101 - Standards of Disclosure for Mineral Projects. Mr. Raffle verified the data disclosed which includes a review of the analytical and test data underlying the information and opinions contained therein.

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 the anticipated closing of the proposed financing and the use of proceeds resulting therefrom. 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. The assumptions on which the forward looking statements contained herein rely include the ability to complete the proposed financing and receipt of regulatory approval. 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 refer to Comstock Metals' website at www.comstock-metals.com or contact:

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