



COMSTOCK METALS LTD

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NEWS RELEASE

Comstock Announces Closing of Non-Brokered Private Placement of Units and Flow-Through Units

Vancouver, BC – October 1, 2021 - Comstock Metals Ltd. (TSX-V: CSL) ("Comstock" or the "Company") is pleased to announce that it has closed previously disclosed proposed non-brokered private placement of units ("**Units**") and flow-through units ("**FT Units**") (see press release dated September 28, 2021) for aggregate gross proceeds of \$388,900.

The Company issued an aggregate of 1,715,000 FT Units and 2,225,000 Units pursuant to the offerings. Each Unit was priced at \$0.09 and consists of one common share in the capital of the Company (a "**Share**") and one common share purchase warrant (a "**Warrant**"). Each Warrant entitles 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 offerings. Each FT Unit was 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 is subject to an acceleration provision that provides 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 has 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 February 2, 2022.

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 were 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 ending on February 2, 2022. The Company paid finder's fees totalling \$13,398 and issued 125,300 broker warrants as compensation to a finder that assisted with the offerings. Each broker warrant entitles the holder thereof to acquire one common share at a price of \$0.09 per share at any time on or before October 1, 2023.

The securities 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.

Pursuant to the offering, the Company issued securities 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(b) and 5.7(1)(a) of MI 61-101, respectively.

Steven H. Goldman's wife's company subscribed for a total of 1,000,000 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, 3,006,626 common shares (or, approximately 10.27% of the issued and outstanding common shares or approximately 14.39% 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's spouse subscribed for a total of 450,000 FT 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, 871,666 common shares (or, approximately 3.0% of the issued and outstanding common shares or approximately 5.2% of the issued and outstanding common shares on a partially diluted basis) (including all options and warrants owned or controlled by Mr. Tenney).

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 offerings. 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 updated 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 3,006,626 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 410,000 common shares, which represents approximately 14.39% of the issued and outstanding common shares as calculated in accordance with National Instrument 62-104 Take-Over Bids and Insider Bids.

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.

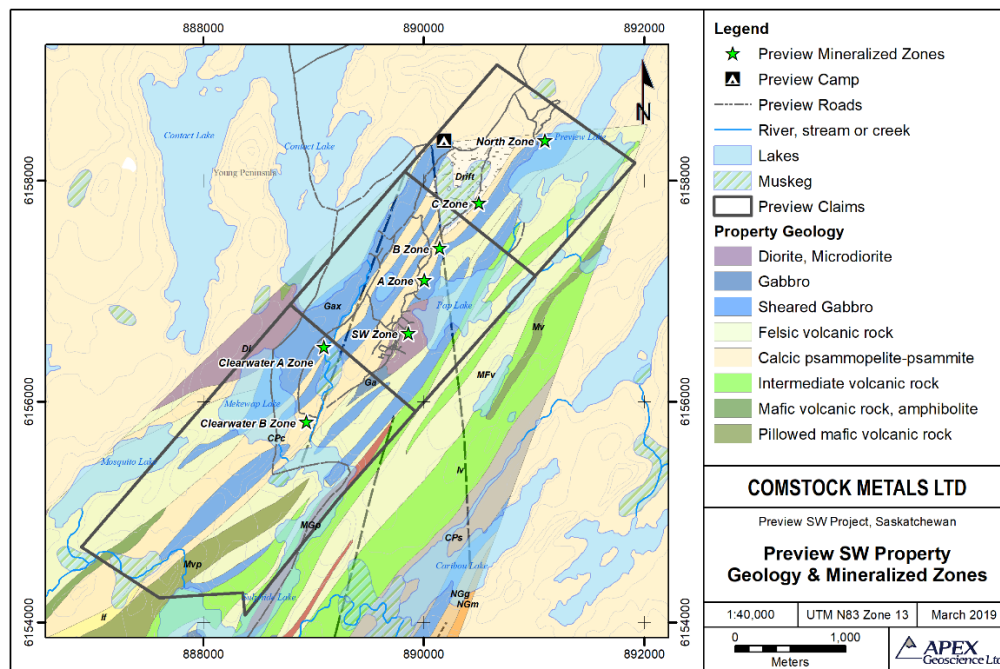
This news release is being issued in accordance with National Instrument 62-103 - The Early Warning System and Related Take-Over Bid and Insider Reporting Issues in connection with the filing of an early warning report dated October 1, 2021. A copy of the early warning report relating to the Goldmans' 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.

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**).



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,

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.

operations, financial performance, prospects, and other plans, intentions, expectations, estimates, and beliefs of the Company. Such statements include statements regarding the use of proceeds resulting from the financing. 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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