



## **Comstock Metals Ltd.**

**Form 51-102F1  
Management's Discussion and Analysis  
For the Three-Month Period Ended December 31, 2018  
Expressed in Canadian Dollars Unless Otherwise Noted**

This Management Discussion and Analysis ("MD&A"), dated as of February 28, 2019, should be read in conjunction with the condensed interim financial statements for the three months ended December 31, 2018 of Comstock Metals Ltd. (also referred to as "Comstock" or the "Company", or "we" or "our") and other corporate filings available under Comstock's company profile on SEDAR at [www.sedar.com](http://www.sedar.com) and the Company's website, [www.comstock-metals.com](http://www.comstock-metals.com). We report our financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

### **Overview and Overall Performance**

Comstock is primarily a gold exploration company. Its shares are traded on the TSX Venture Exchange under the symbol "CSL" as well as on the OTC under symbol "CMMMFF". Comstock is led by a focused management team engaged in the acquisition and exploration of projects in mining friendly jurisdictions. Comstock is currently engaged in the exploration and development of mineral properties in the La Ronge Gold Belt in Saskatchewan. On January 11, 2019 Comstock entered into a binding letter agreement to sell its Yukon based QV gold deposit to White Gold Corp. In April, 2018 the Company optioned its first cobalt exploration property located in the Gowganda area of the historic Greater Cobalt Mining Camp of northern Ontario. Last summer the Company entered into a joint venture agreement and equity investment in E3 Metals Corp. (TSX-V: ETMC) ("E3 Metals") which is engaged in developing a petro-lithium project as well as developing concentration and extraction technology for the extraction of lithium from its petro-lithium brine project located in the Leduc Reservoir, Alberta. For the funding of property acquisitions and exploration the Company currently depends primarily on the issuance of shares from the treasury to investors. The head office, registered office, principal address and records office of the Company are located at 850 West Hastings Street, Suite 310, Vancouver, British Columbia, Canada, V6C 1E1.

As of December 31, 2018, the Company has working capital of \$3,493,749 (September 30, 2018 - \$3,799,310) and cash on hand of \$402,804 (September 30, 2018 - \$591,146). As of the date of this report, the Company had not advanced its properties to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations or to monetize one or more of its assets. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and companies controlled by directors and or private placement of common shares.

## Preview SW Gold Project

On September 13, 2016, the Company and Select Sands Corp. (TSX-V:SNS) ("Select Sands") completed a transaction pursuant to which the Company purchased Select Sands' Preview SW gold project located in the La Ronge district of Saskatchewan and early-stage Old Cabin property in Ontario (the "Assets"). The Company acquired the Assets in exchange for 20 million common shares (the "Shares") in the capital of the Company issued to Select Sands and the assumption of certain liabilities associated with the Assets. The closing price of the Shares on September 13, 2016 was \$0.26 per share and this was used to give the Assets a total value of \$5,200,000. The Company allocated 95% of the cost to Preview SW at \$4,940,000 and 5% of the cost to Old Cabin at \$260,000.

Given that Comstock and Select Sands have certain directors that serve as directors of both Comstock and Select Sands, each board appointed independent committees to review the transaction. Furthermore, each committee received independent fairness opinions confirming that the transaction is fair from a financial perspective to the shareholders of each of Comstock and Select Sands.

The Preview SW gold project is located 40 km north of La Ronge, Saskatchewan and 80 km southwest of Silver Standard Resources Inc.'s Seabee gold mine. The mineral rights to the 843 ha property are 100% owned by Comstock. Private company North-Sask Ventures Ltd. hold a 2.5% NSR of which an initial 1% may be purchased for \$1 million and the remaining 1.5% for \$2 million at any time prior to production decision. In addition, the following payments must be made to North-Sask Ventures: 1) \$60,000 upon receipt of a positive feasibility study and, 2) issuance of such number common shares of Comstock, determined by dividing \$87,500 by the closing price of the Company's common shares on the TSXV on the day before the acceptance by the TSXV of the transaction with Select Sands, upon making a production decision.

The Preview SW project database contains results from 162 core holes, totaling 26,250 m, drilled between 1985 and 2013. Of these, 136 were drilled on the main Preview SW deposit and form the basis for a NI 43-101 Resource Estimate (see September 28, 2016 news release) that included:

- Indicated resources containing 158,300 ounces of gold (2.61 million tonnes grading 1.89 g/t Au) based on a 0.50 g/t Au cut-off grade.
- Inferred resources containing 270,800 ounces of gold (5.70 million tonnes grading 1.48 g/t Au) based on a 0.50 g/t Au cut-off grade.

On September 28, 2016, the Company filed a NI 43-101 Technical Report entitled "Technical Report, Preview SW Gold Project, La Ronge, Saskatchewan" dated September 27, 2016 under the Company's profile on SEDAR. The filing of this report follows the Company's acquisition of the Preview SW project and supports the current mineral resource estimate for the Preview SW gold deposit referred to therein. This resource estimate was conducted by GeoSim Services Inc. Ronald G. Simpson, P. Geo., of GeoSim, is the Qualified Person, as defined under National Instrument 43-101, responsible for the resource estimates. Mineral resources have been classified using the definitions set out in CIM (2010).

The main Preview SW deposit is comprised of several sub-parallel northeast-trending gold-bearing quartz-sulphide mineralized structural zones, 500 m in strike length and totaling 150 m in width. Preliminary metallurgical test work indicates total gold recovery in concentrates ranged from 90% to 93% (see September 27, 2016 NI 43-101 Technical Report).

In addition, there are six additional known gold zones on the property with only limited drilling, including the Preview North zone which has been the focus of recent 2017 and 2018 diamond drill campaigns completed by the Company; the significant results of which are described in detail below.

### *Fall 2018 Diamond Drilling Program*

On December 4, 2018, the Company announced that it was commencing a winter exploration program at its 100% owned Preview SW Gold Project. The 2018 Preview SW diamond drilling program comprised 5 NQ diameter holes, totaling 810 metres, at the Preview North zone. In addition, a detailed ground magnetic survey was completed totaling 81 line-km extending from the Preview North zone southwest to the Preview SW deposit area was completed to assist in advancing other targets on the property.

Drilling at Preview North tested the interpreted down plunge extension to shear hosted vein zones occurring within the same major northeast-oriented structural trend that hosts gold mineralization at the Preview SW deposit approximately 2.6 km to the southwest. Structural geologic data collected during the 2017 winter and summer drilling programs indicates a steep northeast plunge to the mineralization at Preview North, suggesting potential for encountering additional gold mineralization at depth, and along strike within steeply plunging mineralized shoots. The 2018 winter program focused on testing the down-dip and down-plunge continuity of previously identified gold mineralization at Preview North, which included 16.7 metres averaging 5.08 g/t gold within drill hole PR17-176 starting at 23.3 metres down hole.

On January 31, 2019, the Company reported the results from the diamond drilling program at its 100% owned Preview SW gold project. These results are from 5 NQ diameter drill holes, totaling 810 metres, completed at the Preview North zone ("Preview North"). Highlights of the results include:

- 23.6 m averaging 3.60 g/t gold in PR18-187 starting at 50.40 m down hole and including 2.10 m averaging 13.85 g/t gold starting at 64.40 m down hole.
- 8.00 m averaging 7.47 g/t gold in PR18-187 starting at 31.00 m down hole and including 0.75 m averaging 74.6 g/t gold starting at 33.00 m down hole.
- 5.20 m averaging 5.30 g/t gold in PR18-183 starting at 113.80 m down hole and including 3.30 m averaging 8.04 g/t gold starting at 115.70 m down hole.
- 21.50 m averaging 2.87 g/t gold in PR18-185 starting at 23.00 m down hole and including 3.25 m averaging 10.35 g/t gold starting at 36.75 m down hole.

The Preview North zone is located approximately 2.6 km northeast of the Preview SW deposit, which hosts Indicated resources containing 158,300 ounces of gold (2.61 million tonnes grading 1.89 g/t Au) and Inferred resources containing 270,800 ounces of gold (5.70 million tonnes grading 1.48 g/t Au)<sup>1</sup>, both based on a 0.50 g/t Au cut-off grade (see Comstock's news release dated September 14, 2016).

The 2018 Preview SW winter diamond drilling program comprised 5 NQ diameter holes, totalling 810 metres, at the Preview North zone. The program was designed to test the interpreted down-plunge and down-dip continuity of gold mineralization identified during the 2017 winter and summer drilling programs (see Comstock news release dated September 28, 2017), and from 2013 drill hole PR13-183 (17.98 g/t Au over 5.71 m starting at 10 m below surface, 5.96 g/t Au over 5.66 m starting at 19 m below surface and, 1.88 g/t Au over 21.26 m starting at 29 m below surface). Visible gold was identified in four of the five holes drilled during the 2018 program, associated with sheared quartz-carbonate vein zones containing variable sulphide mineralization (arsenopyrite, pyrite +/- pyrrhotite).

<sup>1</sup>Preview SW Mineral Resources outlined in 2016 NI-43-101 Technical Report, Preview SW Gold Project, La Ronge, Saskatchewan; the report can be found on Comstock's website ([www.comstock-metals.com](http://www.comstock-metals.com)) or on SEDAR ([www.sedar.com](http://www.sedar.com))

Results from the 2018 program correlate well with previous results, and with the Preview North zone 3D mineralization model. Previous drilling has defined three principal parallel structures/vein zones along which the main mineralized intercepts occur, extending 350 metres along strike and up to a depth of 140 metres below surface. Higher grade intersections occur within a core zone over a strike length of approximately 170 metres.

The 2018 drilling program succeeded in identifying additional high-grade gold mineralization down-dip and along strike of previous drill holes, and enhances the understanding of the geometry of mineralization at Preview North. The current structural interpretation suggests the presence of steeply plunging high-grade gold zones at Preview North, however further work and interpretation is required to resolve the continuity of individual gold intercepts between holes.

The Company has integrated the new results from the Preview North zone into its project database along with geological data collected, and will incorporate the new information into the 3D model for Preview North to direct future exploration.

Significant weighted average intercepts are presented in Table 1. Hole locations are shown on [Map 1](#) and [Section 1](#), [Section 2](#) and [Section 3](#).

<b>Table 1</b>				
<b>Hole ID</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Interval (m)*</b>	<b>Au (g/t)</b>
<b>PR18-183</b>	69.50	72.15	<b>2.65</b>	<b>4.60</b>
Including	70.65	72.15	<b>1.50</b>	<b>7.89</b>
<b>PR18-183</b>	88.00	100.50	<b>12.50</b>	<b>0.75</b>
Including	88.00	90.00	<b>2.00</b>	<b>1.51</b>
And	95.00	99.00	<b>4.00</b>	<b>1.38</b>
<b>PR18-183</b>	113.80	119.00	<b>5.20</b>	<b>5.30</b>
Including	115.70	119.00	<b>3.30</b>	<b>8.04</b>
<b>PR18-184</b>	93.00	101.90	<b>8.90</b>	<b>0.92</b>
including	93.00	95.50	<b>2.50</b>	<b>2.00</b>
<b>PR18-184</b>	136.50	138.00	<b>1.50</b>	<b>1.85</b>
<b>PR18-185</b>	23.00	44.50	<b>21.50</b>	<b>2.87</b>

Including	27.80	28.70	<b>0.90</b>	<b>10.25</b>
And	36.75	40.00	<b>3.25</b>	<b>10.35</b>
<b>PR18-187</b>	18.50	27.50	<b>9.00</b>	<b>2.76</b>
Including	19.50	20.50	<b>1.00</b>	<b>15.33</b>
And	24.50	26.50	<b>2.00</b>	<b>4.00</b>
PR18-187	31.00	39.00	<b>8.00</b>	<b>7.47</b>
Including	33.00	33.75	<b>0.75</b>	<b>74.6</b>
PR18-187	50.40	74.00	<b>23.60</b>	<b>3.60</b>
Including	54.00	59.25	<b>5.25</b>	<b>5.49</b>
And	64.40	66.50	<b>2.10</b>	<b>13.85</b>

\* Intervals listed are for core length. True thickness is interpreted to be 50-60% for PR18-183 and PR18-184; and 70-80% of core length for holes PR18-185 and PR18-187.

#### *Methodology and QA/QC*

The analytical work reported on herein was performed by ALS Canada Ltd., an internationally recognized analytical services provider. The Company follows industry standard procedures for the work carried out on the Preview SW project, with a quality assurance/quality control (QA/QC) program. Blank, duplicate and standard samples were inserted into the sample sequence sent to the laboratory for analysis. Comstock detected no significant QA/QC issues during review of the data.

#### *Qualified Persons*

Kristopher Raffle P.Geo., Principal and Consultant of APEX Geoscience Ltd., and Christopher Livingstone, P.Geo., Project Geologist of APEX Geoscience Ltd., Qualified Persons as defined by National Instrument 43-101, supervised the exploration work and diamond drilling program at the Preview SW project and reviewed, verified (including sampling, analytical and test data) and compiled the data reported herein. Mr. Raffle has reviewed and approved the scientific and technical disclosure in this news release as it relates to the Preview SW Gold Project.

*Winter 2017 Diamond Drilling Program*

On May 8, 2017, the Company reported initial results from the first three holes drilled during the winter diamond drilling program at Preview. A total of 1,777 m was completed in eight NQ drill holes during the winter phase of the program which paused for spring breakup. Drill hole details are included in the table at the end of the Preview SW section for the 2017 holes. Five holes totaling 945 m were completed at Preview North and three holes totaling 832 m at the northern area of the Preview SW deposit.

Significant weighted average intercepts from the first three holes completed at the Preview North zone are presented in the table below; for hole locations see [Map 1](#). These holes were designed to test for lateral and down-dip extensions to multiple high-grade gold intercepts previously reported from PR13-163 (17.98 g/t Au over 5.71 m starting at 10 m below surface, 5.96 g/t Au over 5.66 m starting at 19 m below surface and, 1.88 g/t Au over 21.26 m starting at 29 m below surface). Each of the holes encountered multiple zones of gold mineralization associated with quartz-carbonate vein zones and variable sulphide content in sheared intermediate-mafic meta-volcanic rocks; visible gold was locally observed.

**Weighted Average Intercepts from PR17-164-167**

Hole	Zone	From m	To m	Interval m*	Au g/t	
PR17-164	North	41.0	43.0	2.0	9.66	
		77.1	78.7	1.6	83.39	
		95.5	96.3	0.8	2.05	
PR17-165	North	58.6	60.9	2.3	5.31	
		75.0	86.0	11.0	1.28	
		<i>including</i>	79.0	84.0	5.0	2.15
PR17-166	North	21.0	22.0	1.0	3.62	
		41.0	53.0	12.0	4.64	
		<i>including</i>	41.0	46.0	5.0	10.33
		67.0	85.0	18.0	1.03	
		<i>including</i>	67.0	70.0	3.0	3.04
<i>and</i>		79.0	81.0	2.0	2.14	

\*True thickness is interpreted to be approximately 85% of drilled width

The Preview North target is approximately 2.6 kilometres to the northeast of the Preview SW deposit and along the mineralized corridor that links the two areas. Historic (circa 1940's and 1960's) diamond drilling, limited surface and underground bulk sampling via a 50m trench and 20m exploration adit, in addition to three widely spaced diamond drill holes completed in 2013, have tested gold bearing quartz veins over a 200m northeast trending strike length and approximate 100m vertical depth. At the Preview North Zone, narrow quartz-carbonate veins locally containing coarse visible gold are hosted within an approximately 60 m true-width zone of strongly foliated pyrite-arsenopyrite ( $\pm$ chalcopyrite) mineralized intermediate to mafic meta-volcanic rocks. Host meta-volcanic rocks occur on the northeast margin of a less deformed coarse grained magnetic diorite intrusive body. Mineralization locally forms broad zones of highly strained, silicified, folded and boudinaged quartz-carbonate veins (for example drill holes PR13-163 and PR17-166 reported here).

Interpretation of historic exploration, recent and current diamond drill results of Comstock, suggest the presence of shallow-moderately south west plunging high grade gold zones, however further work and interpretation is required to determine the continuity of individual gold intercepts between holes.

On June 7, 2017, the Company reported results from the balance of the winter diamond drilling program at Preview SW which are set out below.

Significant weighted average intercepts from PR17-167-171 are presented in the table below. Hole locations are shown on [Map 1 \(North\)](#) and [Map 2 \(SW\)](#).

**Weighted Average Intercepts from PR17-168-171**

Hole	Zone	From m	To m	Interval m*	Au g/t
PR17-167	North	106	109	3	2.36
		136	138	2	2.39
		149	168.3	19.3	0.73
PR17-168	North	10	14	4	0.52
		65	70	5	0.61
		97	102	5	0.45
		127	130	3	0.91
PR17-169	Preview SW	67.5	172.3	104.8	1.01
<i>including</i>		98	101	3	2.75
<i>and</i>		112	118.4	6.4	2.57
<i>and</i>		127	130.5	3.5	6.62
<i>and</i>		158.5	161.5	3	4.06
		210	212.2	2.2	2.23
PR17-170	Preview SW	72	86.5	14.5	0.52
		165	171.5	6.5	1.87
PR17-171	Preview SW	78.3	79.8	1.5	3.08
		134.8	145	10.3	1.99
		181.6	182.1	0.5	4.68
		196.3	196.8	0.5	5.76
		199.7	200.6	0.9	208
		227.1	228	1	4.69
		264.5	273.7	9.2	1.17
		323.5	324.5	1	18.95

\*\*True thickness is interpreted to be approximately 85% of drilled width; intervals column may not add due to rounding

The new drilling at Preview North, combined with historical work, has outlined a composite zone of up to 5 parallel shear hosted veins/vein zones extending 200 m along strike and to a depth up to 100 m below surface.

The 2017 Preview SW deposit area drilling very successfully infilled an open area of the resource model with PR17-169, which intersected multiple close-spaced vein zones with a weighted average of 1.01 g/t gold over 104.8 m; extended the deposit to the northeast by 30 m with hole PR17-170 in an area with limited historical drill density and swampy low-lying topography; and intersected high-grades (0.9 m at 208.00 g/t gold) in PR17-171, a 45 m down-dip step-back on section targeting ultra-high grade gold values previously intersected in drill hole PR13-151 (1,123 g/t Au over 2.3 m uncapped; including 4,279 g/t over 0.6 m (reported in the Company's March 4, 2013 news release). The Preview SW deposit as currently modelled comprises a series of nine (9) sub-parallel northeast-trending gold-bearing quartz-sulphide mineralized structural zones, 550 m in strike length and totaling 150 m in width.

#### *Summer 2017 Diamond Drilling Program at Preview SW*

On July 5, 2017, the Company announced that it had commenced a summer exploration program at its Preview SW gold project. On August 24, 2017 the Company announced that it had completed the summer program which consisted of a total of 2111.5 metres of diamond drilling in 11 holes; 7 on the Preview North zone and 4 at the southern end of the Preview SW deposit. Drill hole details are included in the table at the end of the Preview SW section for the 2017 holes. In addition to the drilling program, humus sampling, detailed ground magnetics, high resolution drone surveys and structural studies were completed on the property during the summer program.

On September 28, 2017 Comstock reported partial results from the summer diamond drilling at Preview SW for 7 NQ drill holes completed on the North zone.

The 2017 Preview North zone holes were designed to test for lateral and down-dip extensions to multiple high-grade gold intercepts previously reported in the Company's [May 8, 2017](#) and [June 7, 2017](#) news releases and from PR13-163 (17.98 g/t Au over 5.71 m starting at 10 m below surface, 5.96 g/t Au over 5.66 m starting at 19 m below surface and, 1.88 g/t Au over 21.26 m starting at 29 m below surface<sup>1</sup>). Each of the 2017 holes encountered multiple zones of gold mineralization associated with quartz-carbonate vein zones and variable sulphide content in sheared intermediate-mafic meta-volcanic rocks; visible gold was observed in drill holes PR17-164 and PR17-165 ([May 8, 2017 news release](#)) and holes PR17-175-178.

Significant weighted average intercepts are presented in the table below. Hole locations are shown on [Map 1](#).



**Weighted Average Intercepts from PR17-172-178**

HOLE ID	Zone	FROM (m)	TO (m)	INTERVAL (m)*	Au g/t
PR17-172 <i>including</i>	North	46.30	58.00	11.70	0.41
		81.00	89.00	8.00	1.18
		81.00	83.00	2.00	3.45
		105.00	125.00	20.00	0.45
PR17-173	North	88.00	97.20	9.20	0.47
PR17-174	North	82.30	86.60	4.30	1.64
		128.20	133.60	5.40	0.61
PR17-175 <i>including</i>	North	20.50	24.70	<b>4.20</b>	<b>9.66</b>
		41.15	44.40	<b>3.25</b>	<b>87.16</b>
		41.15	42.40	<b>1.25</b>	<b>220.96</b>
PR17-176 <i>including and including including including</i>	North	9.25	9.80	<b>0.55</b>	<b>13.20</b>
		23.30	40.00	<b>16.70</b>	<b>5.08</b>
		23.30	25.00	1.70	3.01
		28.00	32.20	<b>4.20</b>	<b>17.40</b>
		29.40	30.00	<b>0.60</b>	<b>108.00</b>
		51.00	56.00	<b>5.00</b>	<b>16.19</b>
PR17-177 <i>including</i>	North	42.50	61.00	18.50	1.21
		51.00	58.00	7.00	2.45
PR17-178	North	184.00	189.00	5.00	2.15

\*True thickness is interpreted to be approximately 75-85% of drilled width for most holes; PR17-176 was drilled at a steeper angle and true width is interpreted to be approximately 60% of drilled width; intervals column may not add due to rounding

Interpretation of historical exploration, recent and current diamond drill results of Comstock, suggest the presence of steeply plunging high grade gold zones at the North Zone and moderately southwest plunging zones at the Preview SW deposit, however further work and interpretation is required to determine the continuity of individual gold intercepts between holes.

On November 9, 2017 the Company reported the balance of results from the summer program at Preview SW which included results from 1,017.0 m in 4 NQ drill holes completed on the southern flank of the Preview SW deposit, continued modelling of North zone mineralized zones, as well as surface sampling.

Highlights from the summer program include:

- Multiple high-grade gold intercepts below historical 50 m production trench at the North zone, including 3.25 m averaging 87.16 g/t gold in PR17-175 starting at 41.15 m depth and including 1.25 m averaging 220.96 g/t gold starting at 41.15 m depth (true thickness is interpreted to be 75-85% of drilled width; previously disclosed in [September 28, 2017 news release](#))
- Drilling in the southern sector of the Preview SW deposit was successful in extending select zones further south (10.00 m averaging 1.04 g/t in PR17-179; 11.52 m averaging 1.12 g/t gold in PR17-181) and intersecting visible gold – [Map 1](#)
- Orientation humus soil geochemical sampling covering the North and C zones defines 3 gold-in-soil anomalies not associated with known areas of mineralization – [Map 2](#)

- A detailed structural study by SRK (Canada) Inc. has helped to recognize key relationships between gold mineralization, lithology and shear intensity and has provided a 3D interpretation that will assist in future resource and exploration targeting
- Reconnaissance rock sampling in areas of under-explored historical showings on the property returned significant gold values, including 23.5 g/t gold from the Clearwater A showing – [Map 3](#)

At the North zone, new modelling of the drill data modelling has defined three (formerly five) principal parallel structures/veins/vein zones along which the main mineralized intercepts occur, extending 350 m along strike and to a depth up to 140 m below surface; higher grades intersected to date occur within a core zone over a strike length of approximately 170 m. Structural data collected during the winter and summer programs indicates a steep plunge to the mineralization, suggesting good potential for encountering additional gold mineralization at depth, as evidenced by the longitudinal sections for [Zone 1](#), [Zone 2](#) and [Zone 3](#). There is also excellent potential for identifying additional high-grade shoots along and across strike, or as blind zones at depth. A 3D visualization of the North zone drill holes and interpreted zones can be found by following this [link](#).

Drilling at the southern half of the SW deposit were designed to: 1) to test down-plunge (PR17-179) or up-plunge (PR-180) of adjacent holes and to test for southwestern continuity of the eastern lodes and 2) to test the southwest strike extent of the SW deposit (PR17-181, 182). Significant weighted average intercepts are presented in the table below. Hole locations are shown on [Map 1](#).

**Weighted Average Intercepts from PR17-179-182**

HOLE ID	Zone	FROM (m)	TO (m)	INTERVAL (m)*	Au g/t	
PR17-179	SW	25.30	37.00	11.70	1.12	
		54.00	63.50	9.50	2.07	
		74.00	87.00	13.00	1.96	
		<i>including</i>	77.00	79.00	2.00	10.48
		111.20	117.00	5.80	4.62	
		126.00	145.50	19.50	1.23	
		<i>including</i>	134.00	137.00	3.00	3.61
		<i>and including</i>	142.50	145.50	3.00	2.95
		150.50	160.50	10.00	1.04	
PR17-180	SW	11.00	12.00	1.00	3.12	
		31.00	34.20	3.20	1.20	
		62.00	70.50	8.50	0.93	
		<i>including</i>	62.00	64.50	2.50	1.85
		68.50	70.50	2.00	1.21	
		115.80	116.80	1.00	3.61	
		136.40	138.40	2.00	1.54	
PR17-181	SW	156.00	157.00	1.00	4.23	
		196.50	208.00	11.50	1.12	
		<i>including</i>	200.00	203.00	3.00	2.91
		246.30	252.70	6.40	0.67	
		<i>including</i>	246.30	247.00	0.70	3.06
PR17-182	SW				NSV**	

\*True thickness is interpreted to be approximately 75-85% of drilled width for most holes; intervals column may not add due to rounding; \*\*NSV = no significant values

**2017 Preview SW Project Drill Hole Data**

Hole ID	Zone	Easting*	Northing*	Elevation (m)	Azimuth	Dip	Total Depth (m)
PR17-164	North	511399	6140998	397	122.0	-43.3	256
PR17-165	North	511397	6141030	396	121.5	-46.2	204
PR17-166	North	511445	6141030	397	122.0	-46.6	107
PR17-167	North	511365	6141049	397	122.0	-45.0	198
PR17-168	North	511324	6140975	398	170.0	-45.0	180
PR17-169	SW	510119	6139520	392	112.0	-45.0	226
PR17-170	SW	510138	6139618	384	112.0	-45.0	256
PR17-171	SW	509992	6139538	397	116.0	-45.0	351
PR17-172	North	511422	6141047	396	121.5	-45.0	150
PR17-173	North	511342	6140999	397	122.0	-45.0	177
PR17-174	North	511367	6141020	398	121.5	-45.0	174
PR17-175	North	511493	6141040	398	122.5	-49.9	102
PR17-176	North	511493	6141040	398	122.5	-64.2	126
PR17-177	North	511501	6141075	410	122.0	-46.6	115
PR17-178	North	511360	6141050	402	122.0	-53.1	251
PR17-179	SW	510004	6139251	393	112.0	-45.1	219
PR17-180	SW	510004	6139206	394	111.5	-44.4	207
PR17-181	SW	510067	6139043	395	292.0	-44.7	291
PR17-182	SW	510031	6138948	395	292.0	-54.8	300

\*All coordinates referenced to North American Datum 1983 UTM Zone 13N

On January 23, 2018 the Company reported results from new metallurgical test work completed on sample materials from the Preview SW deposit. The test work was completed at ALS Metallurgy of Kamloops B.C., in December 2017 under the direction of Jeffrey B. Austin, P.Eng and is a follow-up to previous testing completed in 2013. Test work in 2017 was focused on better defining the quality of gravity and flotation concentrates that are expected from the Preview project materials and providing preliminary test results for cyanide leaching of flotation concentrate.

Highlights Included:

- Combined gold recovery for both gravity and bulk flotation processes in the current test work is estimated at 82 percent for zone 103 and 89 percent for zone 104 and compares well with the previous metallurgical results of 2013.
- Cyanide leaching of flotation concentrates indicated that in excess of 98 percent of the gold contained in flotation concentrates could be extracted using industry standard cyanide leaching conditions.

This test work better defines the potential processing options for the Preview project and indicates that gold recovery using gravity, flotation and concentrate leaching is possible. As well, flotation concentrates were shown to have sufficient quality to warrant evaluating the off-site processing alternatives of these concentrates in order to potentially simplify on-site processing. Optimization work is still required for the metallurgical process at Preview, but no significant metallurgical issues related to gold recovery have been identified from the work to date.

Metallurgical studies, data interpretation and detailed planning for the next phase of work at Preview is ongoing.

### *Methodology and QA/QC*

The analytical work reported on from the 2017 program at Preview SW was performed by ALS Canada Ltd., an internationally recognized analytical services provider. The Company follows industry standard procedures for the work carried out on the Preview SW project, with a quality assurance/quality control (QA/QC) program. Blank, duplicate and standard samples were inserted into the sample sequence sent to the laboratory for analysis. Comstock detected no significant QA/QC issues during review of the data.

### *Qualified Persons*

Kristopher Raffle P.Geo., Principal, and Chris Livingstone, P.Geo., Project Geologist of APEX Geoscience Ltd., Qualified Persons as defined by National Instrument 43-101, supervised the exploration work and diamond drilling program at the Preview SW project and reviewed, verified (including sampling, analytical and test data) and compiled the data reported herein. Jeffrey B. Austin, P.Eng. supervised the metallurgical testwork completed in 2017.

<sup>1</sup>See this link for the [Preview SW technical report](#);

### **Rawhide Property Option Agreement**

On April 5, 2018, the Company entered into an option agreement whereby it can acquire a 100% interest in five mining claims comprising 42 claim units (662 ha) located in the Gowganda area of the historic Greater Cobalt Mining Camp of northern Ontario, comprising the Rawhide cobalt-silver property (the "Rawhide Property").

Under the terms of the option agreement, the Company can earn a 100% interest in the Rawhide Property by making cash and common share payments to the optionors, and completing exploration expenditure commitments, over two years. Details are provided in the table below.

<b>Timing</b>	<b>Cash Payment</b>	<b>Share Payment</b>	<b>Expenditure</b>
Receipt of regulatory approval (PAID)	\$30,000	200,000	
6 Months from Signing (PAID)	\$30,000	200,000	
12 Months from Signing	\$35,000	200,000	\$100,000
18 Months from Signing	\$35,000	200,000	
24 Months from Signing	\$45,000	200,000	\$400,000
<b>Total</b>	<b>\$175,000</b>	<b>1,000,000</b>	<b>\$500,000</b>

The option agreement has been approved by the TSX Venture Exchange. The Company has made the first payment of \$30,000 and issued 200,000 common shares to the vendors. The Company has also completed its \$100,000 expenditure requirement for the first 12 months from signing.

In addition, if the option is exercised by the Company, the optionors will retain a 2% Net Smelter Returns royalty (NSR) on future production from the Rawhide Property, 1% of which can be purchased at any time for \$1 million.

On September 18, 2018, the Company reported results from its summer work on the Rawhide Property. The soil results are very encouraging because of the presence of multiple high priority Cobalt soil anomalies throughout the property and high-grade cobalt rock samples. Highlighted by several samples of high levels of cobalt just north of the Rawhide shaft area.

During July 2018, the Company's geologic consultants, APEX Geoscience Ltd. completed a surface exploration program comprising the collection of 30 rock grab samples, 381 humus soil geochemical samples, and data from 41 line-km of ground magnetic geophysical survey on the Rawhide Property (Figure 1). Soil samples were collected at 50 metre intervals along 100 or 200 metre spaced east-west gridlines; with ground magnetic geophysical data collected along 100 metre spaced east-west oriented lines.

The Rawhide Property is underlain by an approximately 1 km wide north-south trending Nipissing diabase sill that is interpreted to dip shallowly to the east subparallel to bedding within Cobalt Group (Gowganda Formation) metasedimentary host-rocks. The Rawhide Property contains numerous historic mineral occurrences comprising shallow prospect pits, shafts, and adits targeting diabase-hosted silver-cobalt-copper bearing quartz-calcite veins. From south to north these occurrences include: The Rawhide shaft; McRae Lake shaft; Shanty Lake pits; Fletcher shaft and pits; and Bloom Lake adit and pits.

The July 2018 reconnaissance rock grab sampling focused on ground truthing the historic mineral occurrences. Results include five (5) samples returning greater than 0.10% cobalt; and up to 0.78% cobalt (18KBP016) collected from a quartz-calcite vein within an historic prospect pit discovered west of Bloom Lake (See Table 1). Rock sampling at the Rawhide shaft returned values of 0.12% cobalt (18KBP023), and 0.27% cobalt 650 metres to the northeast from the McRae shaft.

These cobalt anomalies are associated with significant copper and silver values. A total of 7 rock grab samples returned greater than 1% copper, and up to 3.85% copper (18KBP015); and 8 samples returning greater than 10 grams-per-tonne (g/t) silver, and up to 155 g/t silver (18KBP027).

**Table 1: Rawhide 2018 Significant Rock Grab Sample Results**

Sample ID	Prospect	Sample Type	Co (%)	Cu (%)	Ag (g/t)
18KBP015	Bloom Lake (pits)	Float	0.12	3.85	18
18KBP016		Boulder	0.78	2.24	12
18KBP017		Float	0.40	3.03	9
18KBP025		Outcrop	0.01	1.95	45
18KBP027		Outcrop	0.05	0.58	155
18KBP018	Fletcher (pits)	Outcrop	0.09	1.46	11
18KBP029		Outcrop	0.27	0.72	42
18KBP030		Outcrop	0.01	1.88	9
18KBP014	McRae (shaft)	Outcrop	0.01	1.43	12
18KBP023	Rawhide (shaft)	Float	0.12	0.03	3

Note: grab samples are selected samples and are not necessarily representative of the mineralization hosted on the property.

The cobalt found in the humus soils defines a greater than 20 parts-per-million (ppm) north-south trending anomaly which extends from the Rawhide shaft area in the south for a distance of 4.4 km to the northern Rawhide claim boundary.

There is a clear association of anomalous cobalt (plus multi-element silver-copper-lead-zinc) in soil values with a strongly magnetic phase of the diabase unit as indicated by the July 2018 ground magnetic geophysical survey in the Rawhide Property. The cobalt in soil anomaly is also spatially associated with the mapped trace of the north-northeast trending McRae Lake fault, passing through McRae Lake and Bloom Lake to the north. Cobalt, silver and base metal anomalies are closely associated, and their spatial distribution along north and northeast trends are interpreted to indicate there are strong lithologic and structural controls on mineralization at the Rawhide Project.

Of the 381 soil samples, a total of 23 returned greater than 100 ppm cobalt; including 4 samples returning greater than 0.10% cobalt and up to 0.19% cobalt (**See Table 2**). Significantly, all 4 plus 0.10% cobalt soil samples occur along an apparent 600 x 200 metre northeast trend greater than 200 ppm cobalt anomaly proximal to the historic Rawhide and McRae Lake shafts.

The greater than 200 ppm Bloom Lake South cobalt in soil anomaly lies 1.6 km to the north of the Rawhide anomaly and occurs over a 600 x 200 metre north-south trend at the south end of Bloom Lake. A further 2 km to the north lies the 400 x 400 metre Bloom Lake North greater than 200 ppm cobalt in soil anomaly.

**Table 2: Rawhide 2018 Significant Humus Soil Sample Results**

Sample ID	Anomaly	Co (ppm)	Ag (ppm)	As (ppm)	Cu (ppm)	Pb (ppm)	Zn (ppm)
2018KBS102	Rawhide	1890	1.55	572	208	230	796
2018KBS105		1310	17.25	33	3190	1625	298
2018KBS099		1120	–	461	141	–	687
2018KBS100		1085	–	451	145	–	713
2018ALS165		644	2.38	59	357	929	471
2018KBS096		395	4.55	156	384	609	399
2018ALS159		383	1.34	80	434	384	407
2018ALS160		373	1.36	77	435	379	401
018ALS161		240	–	22	104	372	–
2018ALS155		198	3.86	–	3400	–	–
2018KBS046		156	3.98	–	140	132	–
2018ALS178		127	2.75	395	826	520	160

2018ALS158		20	4.31	–	191	157	–
2018KBS104		17	–	–	481	245	201
2018ALS177		–	2.38	16	–	–	–
2018ALS077	South Bloom Lake	816	1.25	63	112	182	102
2018KBS045		487	2.07	21	101	234	–
2018ALS118		270	1.09	11	–	–	–
2018ALS124		131	3.04	61	537	170	–
2018ALS041		30	2.77	–	134	160	–
2018KBS050		–	4.01	–	–	145	–
2018KBS049		–	4.25	–	–	136	175
2018ALS219		North Bloom Lake	381	16.00	467	–	232
2018ALS216	328		–	365.0	–	–	117
2018ALS220	273		18.10	294	–	178	–
2018ALS195	205		–	13	107	–	36

### **Methodology and QA/QC**

The analytical work reported on herein was performed by ALS. ALS is an ISO-IEC 17025:2017 and ISO 9001:2015 accredited Geoanalytical laboratory.

Humus soil samples were subject to screening at 180 microns, and analysis of a 0.5 gram sample digested in aqua-regia via multi-element ICP-MS (ME-MS41). Rock grab samples were crushed to 70% passing <2mm followed by pulverization of a 250 gram sample split to 85% passing 75 microns and analyzed for cobalt, copper and nickel via sodium peroxide fusion and ICP-AES (ME-ISP81); gold platinum, and palladium via 30 gram fire assays fusion and ICP-AES (PGM-ICP23), and silver via atomic absorption spectroscopy (Ag-AA45 or Ag-AA46).

The Company follows industry standard procedures for the work carried out on the Rawhide Cobalt-Silver Property. Given the reconnaissance nature of the samples submitted (select rock grab and humus soil) the Company has relied on the internal quality assurance/quality control (QA/QC) measures of ALS. In addition, 1 in 20 humus soil samples were collected in duplicate to assess repeatability. Comstock detected no significant QA/QC issues during review of the data.

### *Qualified Persons*

Kristopher Raffle P. Geo., Principal, of APEX Geoscience Ltd., a Qualified Person as defined by National Instrument 43-101, supervised the exploration work at the Rawhide Cobalt-Silver Property and reviewed, verified, and compiled the data reported herein.

### **Joint Venture with E3 Metals Corp.**

On August 8, 2018, the Company entered into a joint venture agreement with E3 Metals (TSXV: ETMC) to acquire and develop prospective mineral assets in the battery metal space. On August 20, 2018 (the "Closing Date"), the Company purchased 1,000,000 units ("Units") in E3 Metals' private placement in consideration of a payment of \$400,000. Each Unit consists of one common share in the capital of E3 Metals and one common share purchase warrant (a "Warrant"). Each Warrant entitles the holder thereof to acquire one common share at a price of \$0.40 for a period of 4 months following the Closing Date, and a price of \$0.60 thereafter for the balance of the term, with all Warrants expiring 1 year from the Closing Date.

The joint venture agreement is expected to create additional opportunities for both Comstock and E3 Metals to acquire additional assets on a joint venture basis and to potentially deploy E3 Metals' lithium extraction technology. As part of the agreement, Comstock's President and CEO Steven H. Goldman joined E3 Metals as an advisor. This investment expedites Comstock's entry into the battery metals space as the Company gains significant exposure to a developing petro-lithium extraction technology and one of the largest published NI 43-101 lithium carbonate resources in the world at combined 6.7 Mt LCE (inferred). (See E3 Metals news release dated May 3, 2018).

### **QV Gold Project, Yukon**

On January 11, 2019, the Company entered into a binding letter agreement with White Gold Corp. (TSX.V: WGO) to sell its Yukon based QV Gold Project subject to the terms and conditions therein. Consideration for sale consists of:

- Cash payment of \$375,000
- 1,500,000 common shares of White Gold Corp.
- 375,000 share purchase warrants of White Gold Corp. (Warrants). Each Warrant will be exercisable to acquire one additional common share in White Gold Corp. for a period of 3 years from the closing date of the acquisition at an exercise price equal to the greater of: (i) \$1.50; and (ii) the lowest price permitted by the TSX Venture Exchange.

The fair value of the warrants was \$401,973, determined using the Black-Scholes Option Pricing Model with the following assumptions: Risk free interest rate of 1.88%; Expected life of 3 years; Expected volatility of 114% and dividend yield of nil. The total value of the compensation was determined to be \$3,101,973. During the year ended September 30, 2018, the Company recognized an impairment of \$3,405,205 on the QV Property and has been classified as assets held for sale.

The sale remains subject to various closing conditions, including completion by White Gold Corp. of satisfactory due diligence, no material adverse change occurring with respect to the property prior to the closing date and receipt of all requisite third-party consents and all other necessary regulatory and other approvals, including, without limitation, the approval of the TSX Venture Exchange. (See Comstock's news release dated January 14, 2019).



Red Cloud Klondike Strike Inc. ("Red Cloud") acted as financial advisor to Comstock. As an advisor to Comstock on this transaction, Red Cloud is entitled to the payment of advisory fees equal to 5% of the value the transaction up to \$2 million and 3.5% of the value of the transaction in excess of \$2 million. The fees may be satisfied in part by the receipt of shares and warrants in White Gold Corp. For the year ended September 30, 2018, the Company impaired the QV Gold Project by \$3,405,205 to make its carrying value equal to its estimated subsequent sales price of \$3,101,973 and reclassified the project from exploration and evaluation assets to assets held for sale.

### **Old Cabin Project**

On November 16, 2018, the Company sold its mining claims making up the Old Cabin gold project located 80 km northeast of Wawa, Ontario for a total purchase price of \$96,000. For the year ended September 30, 2018, the Company impaired the Old Cabin project by \$205,433 to make its carrying value equal to its subsequent sales price of \$96,000 and reclassified the project from exploration and evaluation assets to assets held for sale. The Company had determined that the Old Cabin gold project was no longer a core asset.

### **Mexico**

The Corona Gold-Silver Project (the "Corona Property") is located in the Ocampo-Uruachic District of western Chihuahua, Mexico - a centre of gold and silver production for over 300 years. As a result of Fresnillo PLC's discovery of the Orisyvo gold deposit (Indicated & inferred resources: 2.72 million ounces of gold in oxides and 6.51 million ounces of gold in sulphides), the Uruachic district has drawn the attention of a number of gold exploration companies in addition to Comstock.

During the year ended September 30, 2013, the Company completed all option requirements and earned a 50% interest in the Corona Property. During the year ended September 30, 2014, the Company recognized an impairment charge of \$1,260,806 to write down the Corona Property to \$1.

On December 7, 2015, Golden Goliath Resources Ltd., which holds the other 50% interest in the Corona Property, announced that it had signed an option agreement with Fresnillo PLC that includes the Corona property. Under the terms of the agreement, Fresnillo PLC could earn a 100% interest (subject to a 1% NSR half of which may be purchased for US\$500,000) in the Corona property as well six other properties held by Golden Goliath by making cash payments totaling US\$3 million over 3 years and by paying all mining rights (property taxes) and conducting all assessment work required to keep the properties in good standing. During the year ended September 30, 2018, the Company received \$19,396 in option payments from Golden Goliath (2017 - \$19,233).

On December 3, 2018, Comstock announced that Fresnillo PLC had exercised its option to acquire the Corona Property. The Company received cash proceeds of \$218,319 (US\$164,286) for its 50% interest in the property. Comstock continues to own a 0.5% NSR in the Corona property.

### **Results of Operations for the Three Month Period Ended December 31, 2018**

For the three-month period ended December 31, 2018, the Company incurred a net and comprehensive loss of \$4,630 (2017 – \$108,208). The decrease in loss of \$103,578 from the prior period is primarily due to the company receiving \$218,319 for the final option payment on its Corona property in Mexico. Partially offsetting this was a \$113,250 unrealized fair value loss on its investment in E3 Metals Ltd. Other differences of note between the two period are as follows:

- Management fees decreased to \$30,000 (2017 - \$45,000) due to the Company changing its CEO and less fees being charged by the new CEO.
- Share based compensation increased to \$24,557 (2017 - \$Nil) due to the vesting of stock options granted by the Company in the prior fiscal year.

As at December 31, 2018, exploration and evaluation assets totaled \$7,351,093 (September 30, 2018 - \$6,916,216). The increase is due to the drilling campaign conducted on Preview SW, as well as acquisition costs and geological work for the Rawhide project.

### **Cash Flows**

For the three months ended December 31, 2018, the Company's net cash provided by operating activities was \$184,145 compared to \$(100,598) used in operating activities in the comparative 2017 period. The positive cash flow from operations in the current period is due to the receipt of \$218,319 for the final option payment on its Corona property in Mexico, as well as \$96,000 received from the sale of the Old Cabin property which had been classified as a current asset held for sale at September 30, 2018.

Net cash used in investing activities for the three months ended December 31, 2018 was \$372,487 compared to \$736,772 in the comparative 2017 year. The Company focused its exploration spending on its Rawhide and Preview SW Projects in the current period, while in the prior period, the Company also explored its QV property.

Net cash provided by financing activities was \$Nil compared to \$485,432 in the 2017 comparative year. The Company raised cash from issuing shares for private placement in the prior period, but did not do so in the current period.

The Company's cash decreased by \$188,342 during the three months ended December 31, 2018 compared to a \$351,938 decrease in the 2017 comparative year. The Company's cash balance as of December 31, 2018 was \$402,804 compared to \$591,146 at September 30, 2018.

## Summary of Quarterly Results

This table sets forth selected quarterly financial information for each of the last eight quarters:

Three Months Ended	Dec. 31 2018 \$	Sep. 30 2018 \$	Jun. 30 2018 \$	Mar. 31 2018 \$	Dec. 31 2017 \$	Sep. 30 2017 \$	Jun. 30 2017 \$	Mar. 31 2017 \$
Total option revenues	218,319	-	9,328	-	9,068	-	9,643	-
Net and comprehensive (loss) income	(4,630)	(3,638,830)	(264,313)	10,917	(108,208)	(196,024)	(211,280)	(490,925)
Net loss per share – basic and diluted	\$(0.00)	\$(0.04)	\$(0.00)	\$0.00	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.01)

The above quarterly results were prepared in accordance with International Financial Reporting Standards (“IFRS”). The decrease in net loss for the three months ended December 31, 2018 is primarily due to the company receiving \$218,319 for the final option payment on its Corona property in Mexico. Partially offsetting this was a \$113,250 unrealized fair value loss on its investment in E3 Metals Ltd. The increase in net and comprehensive loss for the three months ended September 30, 2018 is primarily due to the impairment of the QV and Old Cabin properties for \$3,610,638. The Company recorded net income for the three-month period ended March 31, 2018 mainly due to a \$107,000 flow-through shares liability reversal. The increased loss for the quarter ended March 31, 2017 is due to the granting of stock options that were valued at \$428,000 using the Black-Scholes model.

### Three-month period ended December 31, 2018

The Company's focus during the three-month period ended December 31, 2018 was to further explore and drill its Preview SW property, negotiate the sales of its Old Cabin and QV Gold Properties and monitor its E3 Metals investment and continue to review its Rawhide property.

### Liquidity

As of December 31, 2018, the Company has working capital of \$3,493,749 (September 30, 2018 - \$3,799,310) and cash on hand of \$402,804 (September 30, 2018 - \$591,146). This working capital consisted primarily of cash, prepaid expenses and assets held for sale less accounts payable and accrued liabilities.

### Capital Resources

On October 3, 2018, The Company issued an aggregate of 200,000 common shares with a fair value of \$6,000 in accordance with the terms of the Rawhide property option agreement.

On November 14, 2018, the Company issued an aggregate of 500,000 common shares with a fair value of \$15,000 in satisfaction of \$25,000 of indebtedness, resulting in a gain on debt settlement of \$10,000. This indebtedness was owing to the optionor of the Company's QV Property for the 2018 advance royalty payment.

On July 3, 2018 (the “Closing Date”), the Company closed a non-brokered private offering of units (“Units”). Pursuant to the offering, the Company issued a total of 12,127,400 Units at a price of \$0.05 per Unit raising aggregate gross proceeds of \$606,370.

Each Unit was issued at a price of \$0.05 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 Share at an exercise price of \$0.10 per Share for a period of 24 months from the Closing Date.

The Warrants include an acceleration clause, whereby, if the closing price of the Company's common shares on the TSX Venture Exchange (or such other exchange on which the common shares may trade) is at a price equal to or greater than \$0.15 for a period of 10 consecutive trading days, the Company will have the right to accelerate the expiry date of the Warrants. If the Company exercises such right, it will give written notice to the holders of the Warrants that such warrants will expire 30 days from the date of notice to the warrant holders. Such notice by the Company to the holders of the Warrants may not be given until 4 months and one day after the Closing Date.

In connection with the closing of the financing the Company paid finders an aggregate fee of \$6,300 and issued an aggregate of 126,000 compensation options. Each compensation option entitles the holder thereof to acquire one Unit at a price of \$0.05 per Unit for a period of 24 months from the Closing Date. All securities issued are subject to a four month hold period which will expire on November 4, 2018.

On December 28, 2017, the Company closed a non-brokered private offering of flow-through units ("FT Units"). Pursuant to the offering the Company issued a total of 5,944,443 FT Units at a price of \$0.09 per FT Unit raising aggregate gross proceeds of \$535,000.

Each FT Unit was issued at a price \$0.09 and consists of one flow-through common share in the capital of the Company (a "FT Share") and one-half of one common share purchase warrant (each whole warrant a "FT Warrant"). Each FT Warrant entitles the holder thereof to purchase one additional non flow-through common share of the Company at an exercise price of \$0.15 per Share for a period of 18 months from the Closing Date.

The FT Warrants include an acceleration clause, whereby, if the closing price of the Company's common shares on the TSX Venture Exchange (or such other exchange on which the common shares may trade) is at a price equal to or greater than \$0.20 for a period of 10 consecutive trading days, the Company will have the right to accelerate the expiry date of the FT Warrants. If the Company exercises such right, it will give written notice to the holders of the FT Warrants that such warrants will expire 30 days from the date of notice to the warrant holders. Such notice by the Company to the holders of the FT Warrants may not be given until 4 months and one day after the closing date.

In connection with the closing of the financing the Company paid finders an aggregate fee of \$35,490 and issued an aggregate of 394,332 compensation warrants. Each compensation warrant entitles the holder thereof to acquire one common share at a price of \$0.15 per Unit for a period of 18 months from the closing date.

The securities issued in this financing are subject to a hold period that expired on April 29, 2018.

#### **Off-Balance Sheet Arrangements**

The Company has not entered any off-balance sheet arrangements.

#### **Board of Directors and Officers**

On May 15, 2018, the Company appointed Steven H. Goldman as Interim President and CEO; and the Company accepted the resignation of each of Dr. David Terry Ph.D. as President, Chief Executive Officer and Director and Mr. Ken Kuchling and Mr. Douglas Turnbull as Directors. The Company entered into a one year consulting agreement effective May 15, 2018 with Lambent Consulting Corp. to provide the services of Steven H. Goldman as the Interim President and CEO.

At the Company's annual and special meeting of shareholders held May 16, 2018, Mr. Steven Goldman, Mr. Rasool Mohammad, Mr. Robert Luffman and Mr. Arnold Tenney were elected as directors of the Company.

As of the date of this report, the Company has the following officers and directors.

***Steven H. Goldman, Interim President & CEO / Director***

Steven H. Goldman is a senior partner in the Toronto law firm of Goldman Hine LLP. Before joining that firm, he successfully led the restructuring and turnaround of the Speedy Auto Service and Minute Muffler franchise systems as their President and CEO from December 2007 until December 2009. Mr. Goldman graduated from Carleton University in 1976 (BA, President's Medal) and from Queen's University in 1980 (LLB/JD). Mr. Goldman was called to the Bar in Ontario in 1982. He is a member of the Executive of the Ontario Bar Association, Franchise Section, the Law Society of Upper Canada, the American Bar Association Forum on Franchising, and the Institute of Corporate Directors. He is also a former Director of Tribute Pharmaceuticals Inc and Alegro Health Corp. He is currently a member of the board of directors of Select Sands Corp. (trading on the TSX.V as symbol SNS).

***Rasool Mohammad, Chairman / Director***

Mr. Mohammad has worked in mining and mineral exploration industry throughout the Americas. He graduated from the NWFP University of Engineering and Technology, Peshawar, Pakistan in 1991 with a B.Sc. (Mining Engineering). He has over 20 years of work experience in the mining and mineral exploration industry. He speaks English, Spanish, Urdu and Pashto. Mr. Mohammad is also COO / Director of Select Sands Corp (trading on TSX.V as symbol SNS).

***Robert Luffman, Director***

Robert Luffman, a Canadian CPA, CMA (certified management accountant), has close to 30 years of financial experience in a variety of businesses and charitable endeavors. Mr. Luffman currently serves as the Chief Financial Officer of Gracetree Investments, LLC, a family office in Bristol, Tennessee. Gracetree has numerous successful investments in the pharmaceutical industry, real estate, information technology, and other private businesses. Mr. Luffman began his career as an accountant at the United Co-operatives of Ontario and served for 13 years as a Division Controller of what is now AGC Glass North America, a Japanese-owned international automotive, residential and commercial glass manufacturer. Mr. Luffman is serving or has served on a number of corporate and charitable boards.

Mr. Luffman received his designation from the Society of Management Accountants of Ontario in 1992 and is currently a member of ACAUS (Association of Chartered Accountants in the U.S.).

***Arnold Tenney, Director***

Mr. Tenney has been an advisor to the Company for the past year. In addition, Mr. Tenney was the Chairman and a director of Tribute Pharmaceuticals Inc. from April 2004 to February 2016. Mr. Tenney was a financial consultant at Devine Entertainment Corporation ("Devine"), a children and family film production and development company from 2002 to 2011. Prior to his position at Devine, Mr. Tenney was Chief Executive Officer of ARC International Corporation from 1978 to 2000. ARC International Corporation was a developer of indoor ice arenas and tennis clubs, as well as an investment company involved in entertainment and cable television. Mr. Tenney was a director and Chairman of the Board of Cabletel Communications from 1985 to 2000, which was a leading supplier of broadband equipment to the cable television industry. Mr. Tenney was a director of Ballantyne of Omaha, Inc. from 1988 to 2000 and served as Chairman of the Board from 1992 to 2000. Ballantyne of Omaha, Inc. was a leading manufacturer of commercial motion picture projection equipment. Mr. Tenney served as a director for Phillip Services Inc., a Canadian metal recycling company, from 1998 to 2000. He served in such capacity as a representative of Mr. Carl Icahn.

***Darren Urquhart, CFO***

Mr. Urquhart is a chartered professional accountant with twenty years of experience working in public practice and industry. Mr. Urquhart operates his own public practice accounting firm offering chief financial officer and accounting services to TSX Venture Exchange listed companies in Vancouver. He has also served as director for some of his corporate clients. Mr. Urquhart began his career working as an audit accountant with Grant Thornton LLP, then later worked as a senior tax accountant with Lohn Caulder Chartered Accountants. Mr. Urquhart obtained his chartered accountant designation in 2001 and is a member of the Chartered Professional Accountants of British Columbia. In 1995, Mr. Urquhart graduated from the University of British Columbia with a Bachelor degree of Applied Science in Electrical Engineering.

**Transactions with Related Parties**

The Company incurred the following transactions with respect to officers and directors of the Company or corporations controlled by them during the three months ended December 31, 2018 and 2017:

***Key management personnel compensation***

	<b>Three months ended December 31, 2018</b>	Three months ended December 31, 2017
Steven Goldman – Consulting fees	30,000	3,000
Steven Goldman – Share based compensation	9,965	-
Rasool Mohammad – Consulting fees	6,000	6,000
Rasool Mohammad – Share based compensation	6,023	-
Robert Luffman – Consulting fees	3,000	3,000
Robert Luffman – Share based compensation	3,532	-
Arnold Tenney – Consulting fees	3,000	-
Arnold Tenney – Share based compensation	3,532	-
Darren Urquhart – Consulting fees	10,500	10,500
Darren Urquhart – Share based compensation	1,505	-
David Terry (Former CEO & Director) – Consulting fees	-	45,000
Doug Turnbull (Former Director) – Consulting fees	-	3,000
Ken Kuchling (Former Director) – Consulting fees	-	3,000
<b>Total cash compensation</b>	<b>52,500</b>	73,500
<b>Total share-based compensation</b>	<b>24,557</b>	-
<b>Total compensation of officers and directors</b>	<b>77,057</b>	73,500

Note: Share based compensation is a non-cash expense for valuing stock option grants that is computed using the Black-Scholes Valuation Model.

***Related party balances included in accounts payable and accrued liabilities***

	<b>December 31, 2018</b>	<b>September 30, 2018</b>
Due to directors for reimbursement of expenses	\$ -	\$ 20
Due to directors for consulting fees	5,000	8,650
Due to company with common directors	2,989	4,584
	<b>\$ 7,989</b>	<b>\$ 13,254</b>

The Company paid \$8,554 for shared rent and office services (2017 - \$7,297) to a company with common directors during the during the three months ended December 31, 2018.

### **Proposed Transactions**

As is typical of the mineral exploration and development industry, the Company is continually reviewing potential acquisition and joint venture transactions and opportunities that could enhance shareholder value. At present, there are no transactions being contemplated by management or the board that would affect the financial condition, results of operations and cash flows, other than in the normal course of the Company's business, other than those already disclosed herein.

### **Critical Accounting Estimates**

Mineral properties consist of exploration and mining concessions, options and contracts. Acquisition and exploration costs are capitalized and deferred until such time as the property is put into production, or the property is disposed of either through sale or abandonment. If put into production, the costs of acquisition and exploration will be written off over the life of the property, based on estimated economic reserves. Proceeds received from the sale of any interest in a property will be credited against the carrying value of the property, with any excess included in operations for the year. If a property is abandoned, the acquisition and deferred exploration costs will be written off to operations.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry norms for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property may be subject to unregistered prior agreements and non-compliance with regulatory requirements. The Company is not aware of any disputed claims of title.

Recorded costs of mineral properties and deferred exploration expenditures are not intended to reflect present or future values of mineral properties. The costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recognized amount.

Management reviews capitalized costs on its mineral properties on a periodic basis and will recognize impairment in value based upon current exploration results and upon management's assessment of the future probability of profitable revenues from the property or from sale of the property.

The Company measures the cost of the service received for all stock options made to consultants, employees and directors based on an estimate of fair value at the date of grant. The Company uses the Black-Scholes option pricing model to estimate the fair value of each stock option at the date of grant. Stock options which vest immediately are recorded at the date of grant. Stock options that vest over time are recorded over the vesting period using the straight line method. Stock options issued to outside consultants that vest over time are valued at the grant date and subsequently re-valued on each vesting date and expensed as services are rendered. Stock based compensation is recognized as expensed or, if applicable, capitalized to mineral property costs with a corresponding increase in contributed surplus. On exercise of the stock option, consideration received and the estimated fair value previously recorded in contributed surplus is recorded as share capital.

## Financial Instruments and Other Instruments

The Company has not entered into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk. As of the date hereof, the Company's investment in resource properties has full exposure to commodity risk, both upside and downside. As the metal prices move so does the underlying value of the Company's metal projects.

### Outstanding Share Data as of the Report Date

As of the date of this report, there was an aggregate of 92,547,530 common shares issued, 43,605,628 warrants outstanding at a weighted average exercise price of \$0.16 and 6,315,000 stock options outstanding at a weighted average exercise price of \$0.17.

A summary of the warrants outstanding as of the date of this report follows:

Expiry date	Quantity	Exercise price
December 9, 2019	10,458,397	\$0.18
December 27, 2019	2,048,274	\$0.18
June 28, 2019	3,366,552	\$0.15
July 3, 2020	12,127,400	\$0.10
* July 3, 2020	126,000	\$0.05
	28,126,623	

\* Broker units: entitles the holder thereof to acquire one unit at a price of \$0.05 per unit until the expiry date. Each unit consists of one common share in the capital of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share of the Company at an exercise price of \$0.10.

A summary of the options outstanding as of the date of this report follows:

Expiry date	Quantity	Exercise price
March 17, 2021	610,000	\$0.25
April 7, 2021	120,000	\$0.25
August 15, 2021	935,000	\$0.355
September 16, 2021	200,000	\$0.28
March 1, 2022	1,900,000	\$0.195
May 30, 2023	1,600,000	\$0.07
June 15, 2023	850,000	\$0.05
July 1, 2023	100,000	\$0.055
	<b>6,315,000</b>	



## **Subsequent Events**

### ***QV Property***

On January 11, 2019, the Company entered into a binding letter agreement to sell the QV Property to White Gold Corp. for the combined consideration of \$375,000, 1,500,000 common shares of White Gold Corp. at \$1.55 per share (the "Subject Shares") and 375,000 share purchase warrants of the vendor to acquire one common share for 3 years at an exercise price equal to the greater of (i) \$1.50; and (ii) lowest price permitted by the TSX Venture Exchange.

In connection with the completion of the sale, Comstock will pay a finders' fee to Red Cloud Klondike Strike Inc., an advisor to Comstock, consisting of \$11,775 in cash, 67,790 Subject Shares and 13,125 Warrants. As well, pursuant to the terms of an agreement with Lambent Consulting Inc., the entity through which Comstock's Interim CEO, Steven Goldman, provides services to Comstock, Lambent Consulting Inc. was paid a bonus payment consisting of \$11,250 in cash, 45,000 Subject Shares and 11,250 Warrants. The foregoing fees were approved by written consent obtained from a majority of Comstock's disinterested shareholders.

The Subject Shares shall be subject to the following hold periods:

- 35% of the Subject Shares issued shall be subject to a four-month hold period from the closing date;
- 35% of the Subject Shares issued shall be subject to an eight-month hold period from the closing date; and
- the remaining Subject Shares issued shall be subject to a 12-month hold period from the closing date;

during which they cannot be sold or otherwise transferred, provided that notwithstanding the foregoing, Comstock shall be entitled to transfer up to 10% of the initial number of Consideration Shares issued to Red Cloud, Steven Goldman or Lambent Consulting Corp. in accordance with Applicable Laws in payment of the Advisory Fee or other compensation to be paid to Steven Goldman or Lambent Consulting Corp.

The sale remains subject to various closing conditions, including completion by the purchaser of satisfactory due diligence, no material adverse change occurring with respect to the property prior to the closing date and receipt of all requisite third-party consents and all other necessary regulatory and other approvals, including, without limitation, the approval of the TSX Venture Exchange.

### ***Warrants Expiry***

On February 27, 2019, there were 15,126,107 warrants with an exercise price of \$0.20 and 352,898 broker units with an exercise price of \$0.15 that expired unexercised.

## **Risks and Uncertainties**

The Company is subject to a number of risks and uncertainties due to the nature of its business. The Company's exploration and development activities expose the Company to various financial and operational risks that could have a significant impact on its level of operating cash flows in the future. Readers are advised to study and consider risk factors stressed below.

The following are identified as main risk factors that could cause actual results to differ materially from those stated in any forward-looking statements made by, or on behalf of, the Company.

## **General Resource Exploration Risks and Competitive Conditions**

The resource exploration industry is an inherently risky business with significant capital expenditures and volatile metals markets. The marketability of any minerals discovered may be affected by numerous factors that are beyond the Company's control and which cannot be predicted, such as market fluctuations, mineral markets and processing equipment, and changes to government regulations, including those relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. This industry is intensely competitive and there is no guarantee that, even if commercial quantities are discovered, a profitable market will exist for their sale. The Company competes with other junior exploration companies for the acquisition of mineral claims as well for the engagement of qualified contractors. Metal prices have fluctuated widely in recent years, and they are determined in international markets over which the Company has no influence.

## **Governmental Regulation**

Regulatory standards continue to change, making the review process longer, more complex and therefore more expensive. Exploration and development on the Company's properties are affected by government regulations relating to such matters as environmental protection, health, safety and labour, mining law reform, restrictions on production, price control, tax increases, maintenance of claims, and tenure. There is no assurance that future changes in such regulations couldn't result in additional expenses and capital expenditures, decreasing availability of capital, increased competition, reserve uncertainty, title risks, and delays in operations. The Company relies on the expertise and commitment of its management team, advisors, employees and contractors to ensure compliance with current laws.

## **Approval**

The Board of Directors of Comstock Metals Ltd. has approved the contents of this Management Discussion and Analysis as of the date of this report.

## **Additional Information**

Additional information concerning the Company and its operations is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company website at [www.comstock-metals.com](http://www.comstock-metals.com)

## **Cautionary Note Regarding Forward Looking Statements**

*This MD&A includes some statements that may be considered "forward-looking statements". All statements in this discussion that address the Company's expectations about future exploration and development are forward-looking statements. Although the Company believes the expectations presented in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploration successes, availability of capital and financing, and general economic, market, and business conditions. Readers are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.*