



Comstock Metals Ltd.

Form 51-102F1

Management's Discussion and Analysis

For the Three Months Ended December 31, 2020

Expressed in Canadian Dollars Unless Otherwise Noted

This Management Discussion and Analysis ("MD&A"), dated as of February 26, 2021, should be read in conjunction with the condensed interim financial statements for the three months ended December 31, 2020 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 and the Company's website, 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 "CMMMF". 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. In November 2020, Comstock distributed its common shares investments in White Gold Corp. (TSX.V: WGO) and E3 Metals Corp. (TSX-V: ETMC) ("E3 Metals") to Comstock's shareholders by way of a return of capital. Comstock continues to own warrants in White Gold Corp. 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, 2020, the Company has working capital of \$217,447 (September 30, 2020 - \$246,670) and cash on hand of \$257,354 (September 30, 2019 - \$274,905). 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 may finance operating costs over the next twelve months with cash on hand, sale of assets, loans and or private placement of common shares.

Common Share Consolidation

On May 26, 2020, the Company consolidated its issued and outstanding common shares on a 5 for 1 basis which resulted in 18,549,507 shares outstanding post-consolidation. All references to common shares, stock options, warrants and earnings (loss) per share in this MD&A have been adjusted to reflect this change.

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. The Company acquired the Preview SW in exchange for 3.8 million common shares (the "Shares") in the capital of the Company with a fair value of \$4,940,000 issued to Select Sands and the assumption of certain liabilities.

Given that Comstock and Select Sands had certain directors that served 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 was 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. holds 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 TSX-V on the day before the acceptance by the TSX-V of the transaction with Select Sands, upon making a production decision.

As of September 26, 2018, the Preview SW project database contained 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.

Winter 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 five 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, to assist in advancing other targets on the property. The Preview North zone occurs within the same major northeast-oriented structural trend that hosts the Preview SW deposit, located approximately 2.6 km to the southwest.

Drilling at Preview North tested the interpreted down plunge extension to gold-mineralized shear hosted vein zones 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).

On [January 31, 2019](#), the Company reported the results from the 2018 diamond drilling program at 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.

Results from the 2018 program correlate well with previous results, and with the Preview North zone 3D mineralization model developed from the 2017 drilling results. 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 integrated the new results from the Preview North zone into its project database along with geological data collected, and is planning to incorporate the new information into the 3D model for Preview North to direct future exploration.

Significant weighted average intercepts are presented below.

Significant Weighted Average Intercepts from the 2018 Winter Diamond Drilling Program

Hole ID	From (m)	To (m)	Interval (m)*	Au (g/t)
PR18-183	69.50	72.15	2.65	4.60
Including	70.65	72.15	1.50	7.89
PR18-183	88.00	100.50	12.50	0.75
Including	88.00	90.00	2.00	1.51
And	95.00	99.00	4.00	1.38
PR18-183	113.80	119.00	5.20	5.30
Including	115.70	119.00	3.30	8.04
PR18-184	93.00	101.90	8.90	0.92
including	93.00	95.50	2.50	2.00
PR18-184	136.50	138.00	1.50	1.85
PR18-185	23.00	44.50	21.50	2.87
Including	27.80	28.70	0.90	10.25
And	36.75	40.00	3.25	10.35
PR18-187	18.50	27.50	9.00	2.76
Including	19.50	20.50	1.00	15.33
And	24.50	26.50	2.00	4.00
PR18-187	31.00	39.00	8.00	7.47
Including	33.00	33.75	0.75	74.6
PR18-187	50.40	74.00	23.60	3.60
Including	54.00	59.25	5.25	5.49
And	64.40	66.50	2.10	13.85

* True thickness is interpreted to be 50-60% of drilled width for PR18-183 and PR18-184; and 70-80% of drilled width for holes PR18-185 and PR18-187.

¹Preview 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) or on SEDAR (www.sedar.com)

Methodology and QA/QC

The analytical work reported on from the 2018 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.Geol., Principal and Consultant of APEX Geoscience Ltd., and Christopher Livingstone, P.Geol., 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 2017 winter diamond drilling program at Preview. The balance of the results from the winter drilling program were reported on [June 7, 2017](#). A total of 1,777 m of diamond drilling was completed in eight NQ drill holes during the winter phase of the program which paused for spring breakup. Five holes totaling 945 m were completed at Preview North and three holes totaling 832 m were completed at the northern area of the Preview SW deposit.

Drill holes PR17-164 through 168 were drilled at Preview North, and were designed primarily 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 observed locally.

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, previously tested gold bearing quartz veins over a 200m northeast trending strike length and approximate 100m vertical depth at Preview North. 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/gabbro intrusive body. Mineralization locally forms broad zones of highly strained, silicified, folded and boudinaged quartz-carbonate veins. The 2017 winter drilling at Preview North, combined with historical work, outlined a composite zone of up to 5 parallel shear hosted vein zones extending 200 m along strike and to a depth up to 100 m below surface.

Drill holes PR17-169 through 171 were drilled at the northern end of the Preview SW deposit within areas of limited or incomplete historic drilling and were designed to infill and test the down dip continuity of select drill sections, as well as test the northeast strike extent of the deposit. The 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).

Significant weighted average intercepts are presented below.

Significant Weighted Average Intercepts from the Winter 2017 Diamond Drilling Program

Hole ID	Zone	From (m)	To (m)	Interval (m)*	Au (g/t)
PR17-164	North	41.0	43.0	2.0	9.66
PR17-164	North	77.1	78.7	1.6	83.39
PR17-164	North	95.5	96.3	0.8	2.05
PR17-165	North	58.6	60.9	2.3	5.31
PR17-165	North	75.0	86.0	11.0	1.28
<i>including</i>	North	79.0	84.0	5.0	2.15
PR17-166	North	21.0	22.0	1.0	3.62
PR17-166	North	41.0	53.0	12.0	4.64
<i>including</i>	North	41.0	46.0	5.0	10.33
PR17-166	North	67.0	85.0	18.0	1.03
<i>including</i>	North	67.0	70.0	3.0	3.04
<i>and</i>	North	79.0	81.0	2.0	2.14
PR17-167	North	106	109	3	2.36
PR17-167	North	136	138	2	2.39
PR17-167	North	149	168.3	19.3	0.73
PR17-168	North	10	14	4	0.52
PR17-168	North	65	70	5	0.61
PR17-168	North	97	102	5	0.45
PR17-168	North	127	130	3	0.91
PR17-169	Preview SW	67.5	172.3	104.8	1.01
<i>including</i>	Preview SW	98	101	3	2.75
<i>and</i>	Preview SW	112	118.4	6.4	2.57
<i>and</i>	Preview SW	127	130.5	3.5	6.62
<i>and</i>	Preview SW	158.5	161.5	3	4.06
PR17-169	Preview SW	210	212.2	2.2	2.23
PR17-170	Preview SW	72	86.5	14.5	0.52
PR17-170	Preview SW	165	171.5	6.5	1.87
PR17-171	Preview SW	78.3	79.8	1.5	3.08
PR17-171	Preview SW	134.8	145	10.3	1.99
PR17-171	Preview SW	181.6	182.1	0.5	4.68
PR17-171	Preview SW	196.3	196.8	0.5	5.76
PR17-171	Preview SW	199.7	200.6	0.9	208
PR17-171	Preview SW	227.1	228	1	4.69
PR17-171	Preview SW	264.5	273.7	9.2	1.17
PR17-171	Preview SW	323.5	324.5	1	18.95

* True thickness is interpreted to be approximately 75-85% of drilled 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. A total of 2111.5 metres of diamond drilling was completed in eleven NQ holes. Seven holes totaling 1094.5 m were completed at Preview North and four holes totaling 1017 m were completed at the southern end of the Preview SW deposit. In addition to the drilling program, prospecting, humus soil sampling, detailed ground magnetics, high resolution drone imagery and a structural study were completed on the property during the summer program.

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). 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).

On [September 28, 2017](#) Comstock reported partial results from the 2017 summer diamond drilling program at Preview SW and Preview North. The balance of the results from the summer drilling program were reported on [November 9, 2017](#). Highlights of the results 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).
- 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.
- Orientation humus soil geochemical sampling covering the North and C zones defined 3 gold-in-soil anomalies not associated with known areas of mineralization.
- A detailed structural study by SRK (Canada) Inc. has helped to recognize key relationships between gold mineralization, lithology and shear intensity and 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.

At the North zone, additional modelling of the drill data modelling 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 sub-vertical to steeply northeast plunge to the mineralization, suggesting good potential for encountering additional gold mineralization at depth. There is also excellent potential for identifying additional high-grade shoots along and across strike, or as blind zones at depth.

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 intersected visible gold in two of four holes. The Preview SW deposit as currently modelled comprises nine sub-parallel northeast trending gold-bearing quartz-sulphide mineralized structural zones. Structural data collected during the winter and summer 2017 programs indicates a moderate southwest plunge to the mineralization. The combined mineralized zones have been defined by drilling up to approximately 550 m along strike, up to 250 m in width, and up to 275 m down dip.

Significant weighted average intercepts are presented below.

Significant Weighted Average Intercepts from the Summer 2017 Diamond Drilling Program

Hole ID	Zone	From (m)	To (m)	Interval (m)*	Au (g/t)
PR17-172	North	46.30	58.00	11.70	0.41
PR17-172	North	81.00	89.00	8.00	1.18
<i>including</i>	North	81.00	83.00	2.00	3.45
PR17-172	North	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
PR17-174	North	128.20	133.60	5.40	0.61
PR17-175	North	20.50	24.70	4.20	9.66
PR17-175	North	41.15	44.40	3.25	87.16
<i>including</i>	North	41.15	42.40	1.25	220.96
PR17-176	North	9.25	9.80	0.55	13.20
PR17-176	North	23.30	40.00	16.70	5.08
<i>including</i>	North	23.30	25.00	1.70	3.01
<i>and</i>	North	28.00	32.20	4.20	17.40
<i>and</i>	North	29.40	30.00	0.60	108.00
PR17-176	North	51.00	56.00	5.00	16.19
<i>including</i>	North	52.92	54.20	1.28	62.00
PR17-177	North	42.50	61.00	18.50	1.21
<i>including</i>	North	51.00	58.00	7.00	2.45
PR17-178	North	184.00	189.00	5.00	2.15
PR17-179	SW	25.30	37.00	11.70	1.12
PR17-179	SW	54.00	63.50	9.50	2.07
PR17-179	SW	74.00	87.00	13.00	1.96
<i>including</i>	SW	77.00	79.00	2.00	10.48
PR17-179	SW	111.20	117.00	5.80	4.62
PR17-179	SW	126.00	145.50	19.50	1.23
<i>including</i>	SW	134.00	137.00	3.00	3.61
<i>and</i>	SW	142.50	145.50	3.00	2.95
PR17-179	SW	150.50	160.50	10.00	1.04
PR17-180	SW	11.00	12.00	1.00	3.12
PR17-180	SW	31.00	34.20	3.20	1.20
PR17-180	SW	62.00	70.50	8.50	0.93
<i>including</i>	SW	62.00	64.50	2.50	1.85
PR17-180	SW	68.50	70.50	2.00	1.21
PR17-180	SW	115.80	116.80	1.00	3.61
PR17-180	SW	136.40	138.40	2.00	1.54
PR17-181	SW	156.00	157.00	1.00	4.23
PR17-181	SW	196.50	208.00	11.50	1.12

Hole ID	Zone	From (m)	To (m)	Interval (m)*	Au (g/t)
<i>including</i>	SW	200.00	203.00	3.00	2.91
PR17-181	SW	246.30	252.70	6.40	0.67
<i>including</i>	SW	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; PR17-176 was drilled at a steeper angle and true thickness is interpreted to be approximately 60% of drilled width. **NSV = no significant values.

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 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. Jeffrey B. Austin, P.Eng. supervised the metallurgical test work completed in 2017.

Impairment

During the year ended September 30, 2019, the Company recognized an impairment of \$4,541,812 on the Preview SW gold project to reduce its value to \$2,695,000 based on the result of an independent fair market valuation performed by an arm's length certified business valuation consultant.

Rawhide Property Option Agreement

On April 3, 2018, the Company entered into an option agreement whereby it could 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"). During 2020, the Company determined that it was in its best interests not to pursue the Rawhide Property and ceased making any further payments. The Rawhide Property option is now terminated. The Company took an impairment charge of \$269,096 reducing the carrying cost of the Rawhide Property option to \$NIL.

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"). The Warrants expired unexercised during the year ended September 30, 2019.

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). In November 2020, the Company distributed the 1,000,000 shares it owned in E3 Metals to Comstock's shareholders as a return of capital. For further details see Subsequent Events.

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 wrote down the carrying value to \$1. On December 7, 2015, Golden Goliath Resources Ltd. ("Golden Goliath"), 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. During the year ended September 30, 2019, the option agreement was completed and exercised by Fresnillo PLC.

The Company retains a 0.5% NSR on the Corona property.

Results of Operations for the Three Months Ended December 31, 2020

For the three months ended December 31, 2020, the Company recognized net and comprehensive income of \$551,915 (three months ended December 30, 2019 ("2019") – \$92,349). The increase in income of \$459,566 from the prior period is primarily due to the Company recognizing an unrealized gain on its investments of \$625,585 in the current period compared to \$175,112 in 2019. Other differences of note between the two periods are as follows:

- Filing fees increased to \$7,417 (2019 - \$2,213) due to the Company's return of capital in the current period.
- Investor relations decreased to \$529 (2019 - \$6,604) due to the Company terminating its investor relations service agreement.
- Professional fees increased to \$27,303 (2019 - \$14,609) due to the Company incurring higher legal fees relating to the return of capital in the current period.
- Share based compensation decreased to \$Nil (2019 - \$5,901) due to the Company not granting any options in the current period.

As at December 31, 2020, exploration and evaluation assets totaled \$2,704,089 (September 30, 2019 - \$2,701,391).

Cash Flows

For the three months ended December 31, 2020, the Company's net cash used in operating activities was \$79,051 compared to \$91,590 in 2019.

Net cash used in investing activities for the three months ended December 31, 2020 was \$Nil compared to \$345 in 2019. The Company is currently evaluating its exploration options as it seeks new funding.

Net cash received from financing activities for the three months ended December 31, 2020 was \$61,500 compared to \$Nil in 2019. The Company received \$62,500 from the exercise of warrants in the current period and paid \$1,000 for brokerage fees for its return of capital.

The Company's cash decreased by \$17,551 during the three months ended December 31, 2020 compared to a \$91,935 decrease in 2019. The Company's cash balance as of December 31, 2020 was \$257,354 compared to \$125,791 at December 31, 2019.

Summary of Quarterly Results

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

Three Months Ended	Dec. 31 2020 \$	Sep. 30 2020 \$	Jun. 30 2020 \$	Mar. 31 2020 \$	Dec. 31 2019 \$	Sep. 30 2019 \$	Jun. 30 2019 \$	Mar. 31 2019 \$
Net and comprehensive income (loss)	551,915	(304,330)	827,356	(1,460,192)	92,349	(5,212,320)	(192,490)	(767,352)
Net earnings (loss) per share – basic and diluted *	\$0.02	(0.01)	\$0.03	\$(0.08)	\$0.00	\$(0.28)	\$(0.01)	\$(0.04)

* On May 26, 2020, the Company consolidated its issued and outstanding common shares on a 5 for 1 basis. All references to common shares in this MD&A have been adjusted to reflect this change.

The above quarterly results were prepared in accordance with International Financial Reporting Standards ("IFRS"). The December 31, 2020 increase in income is primarily due to the Company recognizing a \$625,585 unrealized gain on investments. June 30, 2020 increase in income is primarily due to unrealized gain on investments of \$908,701. The increase in loss for the three months ended March 31, 2020 is primarily due to the Company recognizing an unrealized loss on investments of \$1,102,947 and impairing its Rawhide property by \$269,096. The increase in income for the three months ended December 31, 2019 is primarily due to the Company recognizing an unrealized gain on investments of \$175,112.

Three month period ended December 31, 2020

During the three-month period ended December 31, 2020, the Company held its annual and special meeting of shareholders where the Company's shareholders approved the return of capital. Management continued to consider exploration opportunities for the Company's Preview SW project.

Liquidity

As of December 31, 2020, the Company has working capital of \$217,447 (September 30, 2020 - \$246,670) and cash on hand of \$257,354 (September 30, 2019 - \$274,905). This working capital consisted primarily of cash, GST receivable and prepaid expenses less accounts payable and accrued liabilities.

Investments

Name	Type	December 31, 2020		September 30, 2020	
		Number	Fair Value	Number	Fair Value
E3 Metals Corp.	common shares	-	\$ -	1,000,000	\$ 425,000
White Gold Corp.	common shares	-	-	1,387,210	1,290,105
White Gold Corp.	warrants	350,625	23,348	350,625	52,497
Total Investments			\$ 23,348		\$ 1,767,602

On August 8, 2018, the Company entered into a joint venture agreement with E3 Metals Corp. (TSXV: ETMC) ("E3 Metals") 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 consisted of one common share in the capital of E3 Metals and one common share purchase warrant (a "Warrant"). The Warrants expired unexercised during the year ended September 30, 2019.

On February 28, 2019, the Company sold its QV mineral property to White Gold Corp. ("White Gold") (TSXV: WGO) for net proceeds that included 1,387,210 common shares of White Gold then trading with a fair value of \$1,969,838 at \$1.42 per share and 350,625 share purchase warrants of White Gold to acquire one common share for 3 years at an exercise price equal to \$1.50.

Return of capital

At the Company's Annual and Special General Meeting held on October 19, 2020, the Company's shareholders approved a motion to distribute the Company's investments in the 1,000,000 common shares of White Gold and 1,387,210 common shares of E3 Metals to the Company's shareholders on a pro-rata basis by way of a return of capital (the "Investments"). On November 13, 2020 (the "Record Date"), the Company distributed the Investments to its shareholders. The closing price of White Gold was \$0.84 and the closing price of E3 Metals was \$1.22 on the Record Date. As a result, the Company's capital was reduced by a total of \$2,385,256. The Company recorded a realized gain of \$14,418 and unrealized gain of \$625,585 on the disposal of the Investments from the return of capital.

The Company retained its 350,625 warrants in White Gold. The warrants were fair valued at \$23,348 (September 30, 2020 - \$52,497) using the Black-Scholes Option Pricing Model and the following assumptions: Expected life: 1.16 years; Risk free rate: 0.28%; Expected volatility: 66%; Expected dividend rate: 0% and Expected forfeiture rate: 0%.

The Company accounts for its investments at FVTPL.

Capital Resources

The Company's share capital consists of an unlimited number of common shares without par value.

Return of capital

At the Company's Annual and Special General Meeting held on October 19, 2020, the Company's shareholders approved a motion to distribute the Company's investments in the 1,000,000 common shares of White Gold and 1,387,210 common shares of E3 Metals to the Company's shareholders on a pro-rata basis by way of a return of capital. The Company retained its 350,625 warrants in White Gold. On the Record Date, the Company distributed the Investments to its shareholders. The closing price of White Gold was \$0.84 and the closing price of E3 Metals was \$1.22 on the Record Date. As a result, the Company's capital was reduced by a total of \$2,385,256.

Under the Exchange rules, the Company is required to reprice its options and warrants to reflect the reduction in the Company's capital by the fair value of the Investments in proportion to the Company's market capitalization as determined by the Company's closing share price of \$0.17 and 25,331,985 common shares issued and outstanding on the Record Date. The Company had no warrants outstanding on the Record Date. The Company repriced its outstanding options as per the following table:

Expiry date	Options Outstanding*	Options Vested*	Original Exercise price*	Exercise Price Modifier	Modified Options Exercise price
17-Mar-21	58,000	58,000	\$1.25	0.446118415	\$0.56
7-Apr-21	24,000	24,000	\$1.25	0.446118415	\$0.56
15-Aug-21	127,000	127,000	\$1.78	0.446118415	\$0.79
1-Mar-22	240,000	240,000	\$0.98	0.446118415	\$0.43
30-May-23	240,000	240,000	\$0.35	0.446118415	\$0.16
15-Jun-23	130,000	130,000	\$0.25	0.446118415	\$0.11
4-Apr-24	308,000	308,000	\$0.25	0.446118415	\$0.11
	1,127,000	1,127,000			

* On May 26, 2020, the Company consolidated its issued and outstanding common shares on a 5 for 1 basis. All references to common shares in these financial statements have been adjusted to reflect this change.

On May 28, 2020, the Company closed a non-brokered private placement and issued 3,391,239 units (the "Units") priced at \$0.075 per Unit for gross proceeds of \$254,343 (the "Offering"). The Units issued under the Offering consist of one common share of the Company and one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant is exercisable for a period of 36 months from closing into one common share at an exercise price of \$0.075.

During the three months ended December 31, 2020, the Company received total proceeds of \$62,500 from the exercise of the warrants. During the year ended September 30, 2020, the Company received total proceeds of \$191,843 from the exercise of the warrants.

Off-Balance Sheet Arrangements

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

Board of Directors and Officers

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

Steven H. Goldman, President & CEO / Director

Steven H. Goldman was appointed as Interim CEO and President effective May 15, 2018, and then appointed as CEO and President effective May 15, 2019. He initially became a director in Comstock Metals in 2016. He was a founding partner and is now counsel to 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).

Arnold Tenney, Chairman of the Board

Mr. Tenney is the Chairman and a director of the Company. 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.

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 and as the Chief Financial Officer of Gregory Pharmaceutical Holdings, Inc. 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.).

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, 2020 and 2019:

Key management personnel compensation

	Three Months ended	
	December 31, 2020	December 31, 2019
Steven Goldman – Consulting fees	\$ 30,000	\$ 30,000
Steven Goldman – Share based compensation	-	2,874
Robert Luffman – Consulting fees	3,000	3,000
Robert Luffman – Share based compensation	-	1,150
Arnold Tenney – Consulting fees	6,000	6,000
Arnold Tenney – Share based compensation	-	1,150
Darren Urquhart – Consulting fees	10,500	10,500
Darren Urquhart – Share based compensation	-	575
Total cash compensation	\$ 49,500	\$ 49,500
Total share-based compensation	\$ -	\$ 5,749
Total compensation of officers and directors	\$ 49,500	\$ 55,249

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

	December 31, 2020	September 30, 2020
Due to directors for consulting fees	\$ 5,650	\$ 8,650
Due to company with a common director and officer	4,542	1,548
	\$ 10,192	\$ 10,198

The Company paid \$4,542 for shared rent and office services (2019 - \$5,716) to a company with a common director and officer during the three months ended December 31, 2020.

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.

Commitments

New Agreement Signed with President and CEO

On May 15, 2019, the Company signed a new agreement with Lambent Consulting Corp., a company owned and controlled by Steven Goldman, under which Steven Goldman was appointed as the Company's President and CEO, (the "CEO"), for a 12-month term. Under the agreement, the CEO is to be paid \$10,000 per month or \$15,000 per month during a private placement. The CEO shall also receive a bonus of 3% of the value of any material asset sale that occurs during his term. In the event that no such material asset sale occurs during his term, the CEO shall be eligible to earn a bonus of up to \$50,000 as determined by the Company's other board members.

On May 15, 2020, the Company renewed its consulting agreement with its CEO for another one-year term. The agreement terms remain unchanged except that either party may terminate the agreement on three months written notice.

Outstanding Share Data as of the Report Date

As of the date of this report, there was an aggregate of 25,331,985 common shares issued, no warrants outstanding and 1,127,000 stock options outstanding at a weighted average exercise price of \$0.67.

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

Expiry date	Outstanding*	Vested	Exercise price
March 17, 2021	58,000	58,000	\$0.56
April 7, 2021	24,000	24,000	\$0.56
August 15, 2021	127,000	127,000	\$0.79
March 1, 2022	240,000	240,000	\$0.43
May 30, 2023	240,000	240,000	\$0.16
June 15, 2023	130,000	130,000	\$0.11
April 4, 2024	308,000	308,000	\$0.11
	1,127,000	1,127,000	

* On May 26, 2020, the Company consolidated its issued and outstanding common shares on a 5 for 1 basis. All references to common shares in this MD&A have been adjusted to reflect this change.

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 and on the Company website at 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.