

Comstock Metals Ltd.

Form 51-102F1

Management's Discussion and Analysis For the Nine Months Ended June 30, 2016 Expressed in Canadian Dollars Unless Otherwise Noted

This Management Discussion and Analysis ("MD&A"), dated as of August 17, 2016, should be read in conjunction with the condensed consolidated interim financial statements for the nine months ended June 30, 2016 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 Metals is primarily a gold exploration company with its shares traded on the TSX Venture Exchange under the symbol "CSL" and led by a technically 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 White Gold District of the Yukon and the Athabasca Basin of Saskatchewan. For the funding of property acquisitions and exploration the Company depends on the issuance of shares from the treasury to investors and does not use long term debt. 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 June 30, 2016 the Company has working capital (deficiency) of \$1,429,979 (September 30, 2015 - \$(21,274)) and cash on hand of \$1,568,428 (September 30, 2015 - \$26,284). 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. 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, private placements of common shares, public offerings of common shares, convertible debt instruments and/or loans from which may or may not originate from insiders of the Company.

Comstock Enters into Definitive Agreement for Acquisition of Select Sands' Gold Assets

On August 11, 2016, the Company and Select Sands Corp. (TSX-V:SNS) ("Select Sands") entered into a definitive agreement (the "Agreement") setting forth the terms under which the Company will purchase Select Sands' Preview SW gold project located in the La Ronge district of Saskatchewan and early-stage Old Cabin property in Ontario (together the "Assets"). Under the terms of the Agreement the Company will acquire the Assets in exchange for 20 million common shares in the capital of the Company and the assumption of certain liabilities associated with the Assets.

Preview SW Gold Project

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 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 Estimate¹ (see Select Sands' October 1, 2013 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.

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 Select Sands' June 3, 2013 News Release).

In addition, there are six additional known gold zones on the 853 ha property with only limited drilling. At the Preview North zone, located 2.6 km northeast of the Preview SW deposit, drill hole PR13-163 (see Select Sands' April 8, 2013 News Release) intersected:

- 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

There has been insufficient drilling at the Preview North zone to determine the attitude of the reported mineralized intervals and, therefore, the above mineralized intersections may not represent true widths. No drilling has been carried out for over 600 m to the south of this hole.

The Company confirms that it will file a technical report on the Preview SW Gold Property within 180 days of this press release to support the above disclosed SW deposit mineral resource estimate. For more details about the project please visit: www.selectsandscorp.com/projects/sk-gold-project/.

Old Cabin Project

The 1,118 ha Old Cabin project is located 80 km northeast of Wawa, Ontario and 10 km east of Richmond Mines' Island Gold Mine, which is forecast to produce 62-67,000 oz of gold in 2016². It should be noted that the mineralization hosted on the Richmond Property is not necessarily similar to the mineralization hosted on the Old Cabin Property. The property has had surface sampling and geological mapping carried out, resulting in the discovery of 13 discrete gold zones, all associated with shear zones and strong iron carbonate alteration. Highlights of results reported by Select Sands include a channel sample of 40.5 g/t Au over 1.68 m.

The completion of the transaction is subject to a number of conditions including receipt of all necessary regulatory approvals (including the approval of the TSX Venture Exchange).

¹This 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). Mineral resources have an effective date of August 31, 2013. A copy of the report is available on Select Sands website at:

www.selectsandscorp.com/wp-content/uploads/2016/03/LaRonge43-101.pdf

²See www.richmont-mines.com

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 proposed 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.

This transaction remains subject to a number of conditions and there can be no assurances that the proposed transaction will be completed as proposed or at all.

QV, Yukon

Comstock's flagship project is the QV Property in the Yukon Territory, which covers 16,335 hectares (40,000 acres) within the prolific White Gold District in the Yukon Territory, about 70 kilometres south of Dawson City. Comstock optioned the claims from Shawn Ryan, a Yukon-based prospector responsible for the initial identification of two of the prominent gold discoveries in the White Gold District, Kinross Gold's +1.0 million ounce White Gold project (previously named Golden Saddle) 10 km to the southeast and Kaminak Gold's 4.9 million ounce Coffee project 40 km to the south.

The QV project is contiguous to Kinross Gold's White Gold project and hosts a similar style mineralization as the White Gold deposit. The Company has completed 3,422 metres of drilling on the VG Zone in 17 diamond-drill holes outlining a 350 m by 350 m zone down to 250 m depth that remains open in all directions.

The 2011 program included a helicopter airborne magnetic and radiometric survey of 769 line-kilometres at 100 m spacing. Both the airborne survey and the soil surveys identified two gold trends. One trend is oriented north-easterly (QV grid) that measures 2,500 m by 500 m. The northeasterly trends are known to carry potentially economic grade gold mineralization, both at Kinross's White Gold and Kaminak's Coffee Project. The second anomalous zone, (Stewart grid) measuring 1,300m by 350m has a north-westerly trend, which parallels the known regional trends in the White Gold District.

The 2012 exploration program consisted of approximately 1.5 kilometres of trenching (twelve trenches over 4 zones), geological mapping, prospecting, rock sampling, and additional grid line soil sampling over soil anomalies defined in 2011. During the 2012 trenching program, visible gold associated with oxidized pyrite was discovered in a northeast trending quartz vein near the contact between orthogenesis (metamorphosed granite) and a metasedimentary unit, similar to the package of rocks that underlies the White Gold Deposit of Kinross Gold; this area was named the VG Zone. Additional visible gold was found in another quartz vein, 25 m from the initial visible gold-bearing vein. Several stages of quartz injection are evident with later stockwork veining cutting quartz veining and silicified wallrock and minor brecciation is also evident.

This northeasterly trending visible gold-bearing quartz vein returned 16.28 g/t Au by metallic screen gold assay, and the fine (-150 mesh) fraction returned 13.12 g/t gold (Au), indicating that most of the gold occurs as fine particles. The discovery trench, QVTR12-06, assayed 3.74 g/t Au over 75 m, (3.31 g/t over the entire length of the 95 metre long trench), with a maximum grade of 7.31 g/t Au over 5 m. Trench QVTR 12-15 assayed 3.77 g/t Au over 45m, QVTR 12-13 assayed 2.18 g/t Au over 85m and QVTR 12-12 assayed 1.63 g/t Au over 95m.

Based on the success of the 2012 trenching results, a late season 2012 drill program was designed to test the VG Zone over a length of 260 metres along strike and up to 240 metres down dip. The 1,334 m drill program in 8 holes intersected thick zones of quartz-sericite-carbonate altered quartz-biotite gneiss, feldspar augen gneiss, and feldspar porphyry dikes with stockwork quartz veining, breccias, disseminated and vein hosted pyrite, and, locally, visible gold. The alteration and mineralization appears to be hosted along a north-east trending fault zone, with a shallow 30° dip to the northwest, and overlies intensely potassic and iron altered footwall units.

Seven out of the eight diamond-drill holes intersected near-surface gold mineralization, and hole QV12-004 intersected 2.34 grams per tonne gold (g/t Au) over 89.85 metres (m) starting at 43.75 m, including 3.04 g/t Au over 45.5 m.

The 2013 Phase I drill program consisted of 2,088 metres in nine drill holes including one significant step-out drill hole 650 m along strike to the west. The 2013 drilling has extended the VG Zone down-dip and along strike, but it remains open to the east, to the west and down-dip to the north. Gold mineralization is hosted within units of massive, silicified gneiss cut by swarms of quartz vein stockworks and breccia, with disseminated and vein controlled pyrite and occasionally visible gold. With drill-defined dimensions of 350 by 350 metres the VG Zone is one of the larger gold-systems in the White Gold District. The Company also evaluated various regional targets on the QV property. Field evaluation of the Stewart and Shadow targets, five kilometres to the northeast and twelve kilometres to the north of the VG Zone respectively, are suggestive of an intrusion associated mineralized system where significant gold-in-soil and gold-in-rock anomalies have also been defined.

The mapping and prospecting programs focused on structures and mineralization parallel to the Telegraph Fault which hosts the VG Zone as previously reported (July 22 and August 1, 2013 News Releases). Sampling was completed on the VG North structure, 1200 metres north of the VG Zone, the Adit Fault, 450 metres south of the VG Zone and the Shadow Zone, 14 kilometres north of the VG Zone. Gold mineralization with similar grades and geological setting to the VG Zone was confirmed in these structures. Mapping completed on the Adit Fault shows the host to be a biotite schist with sericite alteration and quartz veining associated with an east-west trending vertical fault (Adit Fault) and low angle shears dipping approximately 30 degrees to the north-northeast. Channel samples previously reported (August 1, 2013 News Release) 4.67 g/t Au. Additional significant results from the immediate area included grab samples yielding 2.90 g/t Au, 5.61 g/t Au and 3.31 g/t Au.

On the Shadow Zone, two structures have been interpreted from magnetic data and surface mapping. Anomalous soil and rock sampling expanded the Shadow Zone target to a 2,500 m by 1,400 m area, highlighted by a peak gold-in-soil result of 514 ppb gold. Trench sampling in 2012 returned 88 m of 0.33 g/t Au (as reported December 11, 2012). The highest rock grab sample result from 2013 returned 1.51g/t Au. The mineralization at the Shadow Zone is hosted in felsic intrusive and augen gneiss rocks. The zone and structures display similar characteristics to the VG Zone.

On July 8, 2014 the Company announced a National Instrument ("NI") 43-101 compliant Inferred Mineral Resource of 230,000 ounces of gold (4.4 million tonnes at a grade of 1.65 g/t Au at a 0.5 g/t Au cut-off grade (COG)), at the VG zone, on its QV Project, White Gold District, Yukon Territory. The VG Zone remains open along strike and down dip and other targets exist on the QV Project with potential for intrusion-related or orogenic gold mineralization.

The QV Property is subject to a 2.0% Net Smelter Royalty ("NSR") to the optionor. The Company has the right to acquire 1.0% of the NSR for a payment of \$2,500,000. Commencing June 22, 2015, the Company must also make annual cash advance payments of \$25,000 to the optionor until the commencement of commercial production (the "Advance Royalty"). The Advance Royalty is deductible against the NSR. The Company may pay the Advance Royalty in cash or by issuing common stock of the Company based on the average closing price of its shares in the 10 trading days prior to the due date of the Advance Royalty. On September 30, 2015, the Company and the optionor agreed to settle the two \$25,000 annual cash payments due on June 22, 2015 and 2016 in return for the issuance of 400,000 common shares of the Company. On July 12, 2016, the Company received TSX approval to issue 200,000 shares with a deemed issue price of \$0.125 to satisfy the \$25,000 owing from June 22, 2015 and issue 125,000 shares with a deemed issue price of \$0.20 to satisfy the \$25,000 owing from June 22, 2016. See also subsequent events.

Mineral Resource Estimate Methodology

From the 17 diamond drill holes (DDH) completed in 2012 and 2013, 16 (3,278 m) were used to construct a 3D resource model for the VG Zone. The model is comprised of 3 sub-parallel, geology-guided grade shells (at a nominal COG of 0.4 g/t gold). Assays within these zones were capped at 7 g/t au and composited into 2-meter lengths for estimation by block model. A 20 meter (Easting), 20 meter (Northing) and 10 meter (Vertical) block model was constructed using commercially-available software (GEMS®). Grades for the blocks were estimated with Inverse Distance Squared (ID2) method using the modelled zones as hard boundaries. Density values for the model were assigned based on the average value from 63 density determinations carried out by Comstock using weight in air/weight in water method.

All reported Mineral Resources for the VG Zone are classified in the Inferred Mineral Resources category. To limit the reported estimate to material considered potentially minable by open pit mining, a resource constraining pit shell was constructed using a gold price of US\$1,300/ounce for gold, and cost and recovery assumptions used in previous NI 43-101 Technical Reports for the White Gold deposit 10 km to the south. Only the portions of the modeled zones at VG that fall within this pit are reported here as Mineral Resources at a COG of 0.5 g/t gold.

To demonstrate the relatively low sensitivity of the Inferred Mineral Resource estimate to changes in COG, tabulations at various COGs are listed below with the base case at a COG of 0.5 g/t gold highlighted.

VG Zone Inferred Mineral Resource Estimate at a 0.5 g/t Gold cut-off grade

Cut-off Grade Gold (g/t)	Tonnes	Gold Grade (g/t)	Contained Gold (Ounces)
0.3	4,480,000	1.62	230,000
0.4	4,420,000	1.64	230,000
0.5	4,390,000	1.65	230,000
0.6	4,340,000	1.66	230,000
0.8	3,970,000	1.75	220,000
1.0	3,520,000	1.86	210,000
1.2	2,990,000	1.99	190,000
1.5	2,210,000	2.22	160,000
2.0	1,130,000	2.72	100,000

The Technical Report (NI 43-101) was posted on SEDAR on August 21, 2014 and is available there in full for review.

Detailed maps of the property and exploration results as well as photographs may be found on the Company's website: http://comstock-metals.com/projects/yukon/qv_project/

Patterson Lake North East, Saskatchewan, Canada

In November 2014, the Company staked claims in the Cree-Key Lake and Patterson Lake areas of the Athabasca Basin of Saskatchewan. The Cree-Key Lakes claims have lapsed whereas the Patterson South Uranium claims are active. The Company's two claims lie along similar corridors to Fission Uranium's Patterson Lake South (PLS) uranium deposit, and Nexgen Energy's recent Arrow discovery. Comstock intends to embark on a staged and systematic exploration program starting with an airborne geophysics reconnaissance survey aiming to delineate "conductors" that could carry Uranium mineralization along the above mentioned corridors. This would be followed by additional ground geophysical work which could delineate high potential drill targets for further testing.

Walhalla Property, Yukon

The Walhalla Property, consists of 1,988 quartz claims covering approximately 41,800 hectares located 120 km southeast of Dawson City, in the White Gold District immediately east of and contiguous with Pacific Ridge's Mariposa Project. Previous work on the property identified strong anomalous gold zones in soils as well as anomalous pathfinder elements such as arsenic and barium.

During the year ended September 30, 2014, the Company recognized impairment of \$521,309 to write down the property to \$1. The Company has allowed these claims to lapse.

Mexico

The Corona Gold-Silver Project is 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 impairment of \$1,260,806 to write down the 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 may 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. Comstock estimates its potential share of these option payments to be US\$200,000 if all option payments are made by Fresnillo PLC over the three year period. Fresnillo PLC has the right to terminate the option agreement at any time. During the nine months ended June 30, 2016, the Company received \$9,900 in option payments from Golden Goliath (2015 - \$Nil).

Results of Operations for the Nine Months Ended June 30, 2016

For the nine months ended June 30, 2016, the Company incurred a comprehensive loss of \$359,369 (2015 – \$73,335). The increased loss is mainly due to the granting and vesting of stock options valued at \$172,121 during the current period.

Other significant differences between the two periods include:

- Investor relations increased to \$20,197 (2015 - \$2,962) due the Company starting a new Investor relations campaign in the current period.
- Management fees increased to \$45,546 (2015 - \$Nil) due to the Company hiring a new CEO during the current period.
- Professional fees increased to \$71,837 (2015 - \$16,906) due to negotiating the Company's mineral property acquisition agreement with Select Sands Corp. (see page 1).

As at June 30, 2016 and, exploration and evaluation assets totaled \$5,172,071 (September 30, 2015 - \$5,093,178).

Cash Flows

For the nine months ended June 30, 2016, the Company's net cash flows used in operating activities was \$94,863 compared to \$60,357 in the comparative 2015 period. The Company received a \$42,535 refund of an exploration deposit from the Saskatchewan government in the current period.

Net cash used in investing activities for the nine months ended June 30, 2016 was \$53,892 compared to \$26,869 in the comparative period. The Company has increased spending on its exploration and evaluation assets in light of current market conditions.

Net cash provided by financing activities was \$1,690,899 compared to \$Nil in the comparative period. The Company raised \$1,790,712 (2015 - \$Nil) by private placement and spent \$99,813 (2015 - \$Nil) on associated share issue costs.

The Company's cash increased (decreased) by \$1,542,144 during the nine months ended June 30, 2016 compared to \$(87,226) in the comparative period. The Company's cash balance as of June 30, 2016 was \$1,568,428 compared to \$77,309 at June 30, 2015.

Third Quarter

The Company's focus during the third quarter was raising financing for the recommencement of its exploration activities on its existing properties as well as the negotiation of the acquisition agreement for Select Sands' gold assets.

Summary of Quarterly Results

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

Three Months Ended	Jun. 30 2016 \$	Mar. 31 2016 \$	Dec. 31 2015 \$	Sept. 30 2015 \$	Jun. 31 2015 \$	Mar. 31 2015 \$	Dec. 31 2014 \$	Sept. 30 2014 \$
Total revenues	-	-	-	-	-	-	-	-
Net and comprehensive (loss) profit	(164,675)	(195,704)	(11,610)	381,722	(16,517)	(45,647)	(11,171)	(1,883,968)
Net loss per share – Basic and diluted	\$(0.01)	\$(0.01)	\$(0.00)	\$0.02	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.11)

The above quarterly results were prepared in accordance with International Financial Reporting Standards ("IFRS") and are restated for the 5 to 1 share consolidation completed on May 16, 2016. See also Subsequent Events.

Liquidity

As of June 30, 2016 the Company had a working capital (deficiency) of \$1,429,979 (September 30, 2015 - \$(21,274)) and cash on hand of \$1,568,428 (September 30, 2015 - \$26,284). This working capital (deficiency) consisted primarily of cash less accounts payable and accrued liabilities. As of the date of this report, the Company has approximately \$2.3 million cash on hand.

Capital Resources

The Company has financed its operations primarily by the issuance of share capital. The continued operations of the Company are largely dependent on the sale of equity securities to raise capital. Details of the Company's financing activities can be found in Note 6 of the Company's condensed consolidated interim financial statements for the nine months ended June 30, 2016.

Off-Balance Sheet Arrangements

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

Board of Directors and Officers

David A. Terry, President & CEO / Director

Dr. Terry is a professional economic geologist, senior executive and corporate director with more than 25 years' of international experience in the mineral resources sector. In the course of his career Dr. Terry has held executive positions and directorships with a number of publicly-listed and private mineral resource companies. He has also worked with a number of senior mining companies including Boliden Limited, Westmin Resources Limited, Hemlo Gold Mines Inc., Cominco Limited and Gold Fields Mining Corporation. Dr. Terry holds a B.Sc. and Ph.D. in geology from Western University in Ontario and is a member of the Association of Professional Engineers and Geoscientists of British Columbia.

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 CEO / Director of Select Sands Corp (trading on TSX.V as symbol SNS).

Douglas Turnbull, Director

Mr. Turnbull is a consulting geologist with over 20 years experience in diamond, precious and base metal exploration. He holds an Honours Bachelor of Science degree in Geology and is a Qualified Professional Geoscientist recognized by the Association of Professional Engineers and Geoscientists of British Columbia. Doug is the President of Lakehead Geological Services Inc., a geological consulting company based in Vancouver, Canada, and provides a variety of exploration services to exploration and mining companies. Doug has been fortunate to have been part of mining teams responsible for the exploration and development of the Eskay Creek Gold Deposit in British Columbia, Canada, the Petaquilla Cu-Au Porphyry Deposit in Panama, the Mt. Kare Gold Deposit in Papua New Guinea and the OJVG Sabodala Gold Deposits in Senegal. Currently Doug serves as a director on the boards of Grizzly Discoveries Inc. (trading on TSX.V as symbol GZD) and Select Sands Corp.

Steven H. Goldman, 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. Mr. Goldman is currently a Director of Select Sands Corp. and Tribute Pharmaceuticals Inc. (trading on the TSX.V as symbol TRX), as well as being a member of its audit and compensation committees. He is also a former Director of Alegro Health Corp.

Darren Urquhart, CFO

Mr. Urquhart is a Chartered Professional Accountant with more than 15 years of experience working in both public practice and industry. Mr. Urquhart is presently engaged in public practice accounting offering CFO and accounting services to TSX Venture Exchange listed exploration companies in the Vancouver area. 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 and more recently served as a consultant to an international private equity company. Mr. Urquhart obtained his Chartered Accountant designation in 2001 and is a member of the Institute of Chartered Accountants of British Columbia. In 1995, Mr. Urquhart obtained his B.A.Sc. (Electrical Engineering) from the University of British Columbia.

Transactions with Related Parties

The Company incurred the following transactions with directors and officers of the Company or corporations controlled by them for the nine months ended June 30, 2016 and 2015.

	June 30, 2016	June 30, 2015
Rent	\$ -	\$ 13,800

Key management personnel and directors' compensation

	June 30, 2016	June 30, 2015
Administration and consulting fees	\$ 22,000	\$ 28,000
Management fees	45,546	-
Share-based compensation	143,021	-
	\$ 210,567	\$ 28,000

Related party balances (included in Accounts payable and accrued liabilities)

	June 30, 2016	June 30, 2015
Due to officers and directors	\$ 19,175	\$ 8,000
Due to former CEO	15,226	-
	\$ 34,401	\$ 8,000

The Company shares office space with Select Sands Corp. and the two companies have some common officers and directors. During the nine-months ended June 30, 2016, the Company was charged \$6,785 (2015 - \$Nil) for rent and office costs by Select Sands Corp.

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.

Subsequent Events

Subsequent to June 30, 2016:

On August 11, 2016, the Company and Select Sands Corp. (TSX-V:SNS) ("Select Sands") entered into a definitive agreement (the "Agreement") setting forth the terms under which the Company will purchase Select Sands' Preview SW gold project located in the La Ronge district of Saskatchewan and early-stage Old Cabin property in Ontario (together the "Assets"). Under the terms of the Agreement the Company will acquire the Assets in exchange for 20 million common shares in the capital of the Company and the assumption of certain liabilities associated with the Assets.

On July 26, 2016, the Company completed a unit offering issuing a total of 4,240,000 units at a price of \$0.25 per unit ("Unit"), raising gross proceeds of \$1,060,000. Each Unit consists of one common share and one-half of one non-transferable common share purchase warrant (a "Warrant"). Each whole Warrant is exercisable into a common share of Comstock (a "Warrant Share") for a period of 24 months at an exercise price of \$0.35 per Warrant Share. The Warrants include an acceleration clause, whereby, if the weighted average trading 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 \$0.70 for a period of 20 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 the 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, the Company issued an aggregate of 3,500 unit broker warrants (the "Unit Broker Warrants") and paid an aggregate of \$2,625 in cash to certain finders. Each Unit Broker Warrant entitles the holder thereof to purchase one unit of the Company until July 26, 2018 at an exercise price of \$0.25 per unit. Each unit consists of one common share of the Company and one-half of one common share purchase warrant of the Company with the same terms as the Warrant.

The securities issued in connection with the offering and the common shares issuable on exercise of the Warrants and the Unit Broker Warrants were issued pursuant to applicable exemptions from the prospectus requirements under applicable securities laws. Such securities are subject to a four month hold period which will expire November 27, 2016.

On July 12, 2016, the Company completed two shares for debt arrangements, pursuant to which it issued an aggregate of 363,064 common shares in satisfaction of \$57,613 of indebtedness. Of this indebtedness \$50,000 was owing to the optionor of the Company's QV Property for the 2015 and 2016 advance royalty payments. The deemed issue price of the common shares for \$25,000 of this indebtedness was \$0.125 per share, based on a prior agreement between the parties, and \$0.20 per share for the second \$25,000. The remaining \$7,613 was for past wages payable to the former chief executive officer of the Company settled at \$0.20 per share. The common shares issued in satisfaction of the indebtedness are subject to a four month hold period from the date of issuance.

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 36,501,755 common shares issued, 18,812,892 warrants outstanding at a weighted average exercise price of \$0.66 and 3,321,000 stock options outstanding at a weighted average exercise price of \$0.34.

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

Expiry date	Quantity	Exercise price	Notes
July 5, 2017	296,500	\$2.50	
July 31, 2017	1,681,800	\$2.50	
August 20, 2017	1,774,766	\$2.50	
June 10, 2018	10,458,397	\$0.18	
June 10, 2018	337,050	\$0.12	1
June 10, 2018	30,333	\$0.18	2
June 28, 2018	2,048,274	\$0.18	
June 28, 2018	52,962	\$0.12	1
June 28, 2018	9,310	\$0.18	2
July 27, 2018	2,120,000	\$0.35	
July 27, 2018	3,500	\$0.35	3
	18,812,892		

1: Broker units exercisable for a share and a warrant in the Company.

2: Broker warrants.

3: Broker units exercisable for a share and a half warrant in the Company.

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

Expiry date	Quantity	Exercise price
March 27, 2017	60,000	\$1.50
September 4, 2017	41,000	\$1.60
February 5, 2018	100,000	\$1.05
March 17, 2021	850,000	\$0.25
April 7, 2021	120,000	\$0.25
May 20, 2021	520,000	\$0.15
August 15, 2021	1,630,000	\$0.355
	3,321,000	

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.

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.