

Comstock Mining Inc.
Form 10-K
April 15, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2010

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from to

Commission File No. 000-32429

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction
of
incorporation or
organization)

1081
(Primary Standard
Industrial
Classification Code
Number)

65-0955118
(I.R.S. Employer
Identification
No.)

P.O. Box 1118
Virginia City, NV 89440
(775) 847-5272

(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)

Securities Registered pursuant to Section 12(b) of the Act: None

Securities Registered pursuant to Section 12(g) of the Act: Common Stock, par value \$.000666 per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

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Yes ☐ No ☒

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period of time that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐

Accelerated filer

Non-accelerated filer ☐

Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☒

The aggregate market value of the 17,862,090 shares of voting stock held by non-affiliates of the registrant based on the closing price on the Over the Counter Bulletin Board on June 30, 2010 was \$24,114,000.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

| Title of Class | Shares Outstanding |
|----------------|------------------------------|
| Common Stock | April 14, 2011 21,727,066 |

DOCUMENTS INCORPORATED BY REFERENCE

None

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Statement Regarding Forward-Looking Statements

The statements contained in this report on Form 10-K may constitute forward-looking statements within the meaning of applicable securities laws. All statements, other than statements of historical facts, are forward-looking statements. Forward-looking statements include statements about matters such as: future prices and sales of, and demand for, our products; future industry market conditions; future changes in our exploration activities, production capacity and operations; future exploration, production, operating and overhead costs; operational and management restructuring activities (including implementation of methodologies and changes in the board of directors); future employment and contributions of personnel; tax and interest rates; capital expenditures and their impact on us; nature and timing of restructuring charges and the impact thereof; productivity, business process, rationalization, investment, acquisition, consulting, operational, tax, financial and capital projects and initiatives; contingencies; environmental compliance and changes in the regulatory environment; and future working capital, costs, revenues, business opportunities, debt levels, cash flows, margins, earnings and growth.

The words “believe,” “expect,” “anticipate,” “estimate,” “project,” “plan,” “should,” “intend,” “may,” “will,” “would,” “potent” expressions identify forward-looking statements, but are not the exclusive means of doing so. These statements are based on assumptions and assessments made by our management in light of their experience and their perception of historical and current trends, current conditions, possible future developments and other factors they believe to be appropriate. Forward-looking statements are not guarantees, representations or warranties and are subject to risks and uncertainties that could cause actual results, developments and business decisions to differ materially from those contemplated by such forward-looking statements. Some of those risks and uncertainties include the risk factors discussed in Item 1A, “Risk Factors” and the following: current global economic and capital market uncertainties; the speculative nature of gold or mineral exploration, including risks of diminishing quantities or grades of qualified resources and reserves; operational or technical difficulties in connection with exploration or mining activities; contests over our title to properties; potential dilution to our stockholders from our recapitalization and balance sheet restructuring activities; potential inability to continue to comply with government regulations; adoption of or changes in legislation or regulations adversely affecting our businesses; business opportunities that may be presented to, or pursued by, us; changes in the United States or other monetary or fiscal policies or regulations; interruptions in our production capabilities due to unexpected equipment failures; fluctuation of prices for gold or certain other commodities (such as silver, copper, diesel fuel, and electricity); changes in generally accepted accounting principles; geopolitical events; potential inability to implement our business strategies; potential inability to grow revenues organically; potential inability to attract and retain key personnel; interruptions in delivery of critical supplies and equipment raw materials due to credit or other limitations imposed by vendors; assertion of claims, lawsuits and proceedings against us; potential inability to maintain an effective system of internal controls over financial reporting; potential inability or failure to timely file periodic reports with the SEC; potential inability to list our securities on any securities exchange or market; and work stoppages or other labor difficulties. Occurrence of such events or circumstances could have a material adverse effect on our business, financial condition, results of operations or cash flows or the market price of our securities. All subsequent written and oral forward-looking statements by or attributable to us or persons acting on our behalf are expressly qualified in their entirety by these factors. We undertake no obligation to publicly update or revise any forward-looking statement.

PART I

Item 1. Business

OUR COMPANY

Unless the context otherwise indicates, the terms “Comstock,” “we,” “us,” “our,” “our Company” or “the Company” mean Comstock Mining Inc. and its consolidated subsidiaries.

The Company is a Nevada-based, gold and silver mining company with extensive, contiguous property in the historic Comstock and the Silver City mining districts (collectively, the “Comstock District”). The Company was incorporated in Florida in 1999 and reincorporated in Nevada in 2008. The Company began acquiring properties and developing projects in the Comstock District in 2003. Since then, the Company has consolidated a substantial portion of the Comstock District, secured permits, built an infrastructure and brought the exploration project into test mining production. The Company produced over 12,000 ounces of gold and over 53,000 ounces of silver from 2004-2006, at our existing heap leach processing facilities. Our test mining activities were concluded in January 2007, when based on our longer-term production plans, we prioritized land consolidation and mine planning.

The goal of our strategic plan is to deliver stockholder value by validating qualified resources (measured and indicated) and reserves (probable and proven) of 3,250,000 gold equivalent ounces by 2013, and commence commercial mining and processing operations with the Lucerne Project during 2011, with annual production rates of at least 20,000 gold equivalent ounces.

The Lucerne Project is located in Storey County, Nevada, approximately three miles south of Virginia City, Nevada and 30 miles southeast of Reno, Nevada. The Dayton Project, the proposed site for our second commercial mining activities, is located in Lyon County Nevada, approximately six miles south of Virginia City. Access to the properties is by State Route 342, a paved highway. The Comstock District is located within the western portion of the Basin and Range Province of Nevada, between Reno and Carson City.

Because of the Comstock District’s historical significance, the geology is well known and extensively studied by the Company, our advisors and many independent researchers. We believe that we have amassed the largest known library of historical and current data and detailed surface mapping of our Comstock properties. We use such data in conjunction with current drilling programs to expand our understanding of the Comstock District’s structural geology as well as its broader geological footprint.

In excess of 800 reverse circulation (RC) and core holes, have been drilled by the Company and our predecessors. The data provided has furthered our knowledge of the region's mineralization, and provided the information used to develop a starter mine plan in the Lucerne Resource Area. For our exploration and development campaigns, all drilling, surface and down-hole surveying, hole abandonment, geologic logging, sampling, and assays were performed to industry-recognized standards. We also have drill results from an additional 254 holes at the Dayton-Alhambra-Kossuth claims in the Dayton Resource Area.

We continue acquiring additional properties in the Comstock District, expanding our footprint and creating opportunities for exploration and mining. The Company now owns or controls approximately 6,099 acres of lode mining claims in the Comstock District. The acreage is comprised of 999 acres of patented claims (private lands) and 5,100 acres of unpatented claims, the Bureau of Land Management ("BLM") administers. The Company also owns a heap leach processing facility that will be redesigned and modified to accommodate our new production plans.

On July 21, 2010, we changed our name from "GoldSpring, Inc." to "Comstock Mining Inc.," by way of a merger with a wholly owned subsidiary (Comstock Mining Inc.) that was formed solely for the purpose of changing our name.

Strategic Plan

In April 2010, the Board approved a strategic plan designed to restructure and recapitalize the Company, accelerate mine development and production and continue exploration. The principal features of the plan included an operational and management restructuring, a reverse stock split, land acquisitions, a balance sheet restructuring, and an equity raise to fund gold and silver mine operations, exploration and development. The Board also agreed to pursue listing of the Company's common stock on a nationally recognized securities exchange in the United States and Canada. The goal of the strategic plan is to deliver stockholder value by validating qualified resources (at least measured and indicated) and reserves (probable and proven) of 3,250,000 gold equivalent ounces by 2013, and commence commercial mining and processing operations during 2011, with annual production rates of at least 20,000 gold equivalent ounces.

As part of the strategic plan, the Company has scheduled the exploration and development drilling intended to validate mine design and identify qualified resources and reserves with two intermediate objectives of validating measured and indicated resources containing 1,000,000 gold equivalent ounces and 2,000,000 gold equivalent ounces, respectively, and the long term planned objective of 3,250,000 gold equivalent ounces to be achieved in 2013, with an annual run rate of at least 20,000 gold equivalent ounces. The Company has already met the first exploration objective. The Company has also scheduled the start of production operations in 2011, initially using existing heap leach operating assets.

Current Projects

The Company's headquarters, mine operations and heap leach processing facility are in Storey County, Nevada, at 1200 American Flat Road, approximately three miles south of Virginia City, Nevada and 30 miles southeast of Reno, Nevada. The Company's holdings includes approximately 6,099 acres of active mining claims in the Comstock District, including 999 acres of patented claims (private lands), and 5,100 acres of unpatented claims, administered by the BLM. The Company has focused to date on the Lucerne Resource Area (including the East-side target within this Area), the Dayton Resource Area, the Spring Valley exploration target and the Northern Extension exploration target. The Company's existing heap leach processing facility for gold and silver will be redesigned and expanded to accommodate new production plans.

The Lucerne Resource Area lies south of Virginia City and Gold Hill, along State Route 342. It includes the previously mined Billie the Kid, Hartford and Lucerne pits, and extends northeasterly to the area of the historic

Woodville bonanza, and north to the historic Justice and Keystone mines, plus the extension of these areas down-dip to the east. The Lucerne Resource Area has been the focus of the Company's exploration efforts since 2007. The Company has substantially all of the key mining permits required to resume mining in that area. The Lucerne Resource Area is approximately 5,000 feet long, with an average width of 600 feet, representing less than three percent of the land holdings controlled by the Company. The East-side target within this Area ranks as one of the Company's top exploration and potential starter mine production targets.

The Dayton Resource Area lies southwest of Silver City, generally from the Dayton, Kossuth and Alhambra claims, including the old Dayton mine workings, south to where the Kossuth claim crosses State Route 341. The historic Dayton mine was the last major underground mining operation in the Comstock District, before being closed by the War Act in 1942. The Dayton Resource Area also ranks as one of the Company's top exploration and potential mine production targets.

The Spring Valley exploration target lies at the southern end of the Comstock District, where the mineralized structures lie mostly concealed beneath a veneer of sediment gravels. The area includes the Kossuth claim south of State Route 341, the Dondero property, the recently acquired New Daney lode mining claims, and the Company's placer mining claims in Spring Valley and Gold Canyon.

The Northern Extension, Northern Targets and Occidental Areas represent exploration target areas that contain many historic mining operations, including the Overman, Con Imperial, Caledonia, and Yellow Jacket mines, among others. Previous operators have explored the various mines in this area, some of which have led to mineralized material inventories. We believe that our consolidation of the Comstock District has provided us with opportunities to utilize the historical information available to identify drilling targets with significant potential.

Figure-1 Comstock Mining's Claims in Storey and Lyon Counties, Nevada

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Our Comstock exploration activities include open pit gold and silver test mining. As defined by the Securities Exchange Commission (“SEC”) Industry Guide 7, we have not yet established any proven or probable reserves at our Comstock Lode Project. Therefore, all of our activities are considered test mining and exploratory in nature.

Employees

We have 19 employees, including our executives, managers, administrative staff, engineers, geologists, lab technicians, and process operators. We use consultants with specific skills to assist with various aspects of our operation, including planning, scheduling, project evaluation, due diligence and acquisition initiatives.

Principal Markets

We plan to sell our production on world markets at prices established by commodity markets. These prices are not within our control.

Government Regulation

Mining operations and exploration activities are subject to various national, state, and local laws and regulations in the United States, which govern prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste disposal, protection of the environment, mine safety, hazardous substances, and other matters. We have obtained or have pending applications for substantially all of those licenses, permits, and other authorizations currently required for our exploration and other programs. We believe that we are in compliance in all material respects with applicable mining, health, safety, and environmental statutes and regulations.

Reclamation

We are generally required to mitigate long-term environmental impacts by stabilizing, contouring, sloping, and revegetating various portions of a site after mining and mineral processing operations are completed. These reclamation efforts are conducted in accordance with detailed plans, which must be reviewed and approved by the appropriate regulatory agencies.

The Nevada Revised Statutes and regulations promulgated thereunder by the Nevada State Environmental Commission and the Nevada Division of Environmental Protection, Bureau of Mining and Reclamation require a surety bond to be posted for mining projects to assure we will leave the site safe, stable and capable of providing for a productive post-mining land use. The Nevada Division of Mineral approved the reclamation plan for approximately \$1,171,000 during the year ended December 31, 2008. As required by the bond pool program, we have a cash deposit of approximately \$722,000 held by the Nevada Division of Minerals at December 31, 2010.

Competition

We compete with other mineral exploration and mining companies in connection with the acquisition of gold and other mineral properties. There may be competition for gold acquisition opportunities, some of which may involve other companies having substantially greater financial resources than we do.

Financing Events

During the latter part of 2009 and throughout 2010, we completed five financing transactions resulting in over \$71.5 million in gross financing to fund operations, acquire mineral property, fund exploration drilling and mine development, exchange or repay debt and for other general corporate matters. The following is a summary of these financing transactions.

On December 10, 2009, we secured a commitment for \$4,500,000 of convertible debt financing. During 2010 and 2009, gross funding of \$3,750,000 and \$750,000, respectively, was funded from this commitment.

On January, 13, 2010, Precious Royalties increased their total net smelter royalty on our Obester Property to 0.9%. Precious Royalties paid \$810,000 for the net smelter royalty (including \$550,000 paid on January 13, 2010 and \$260,000 funded in 2009).

On June 15, 2010, we completed a financing transaction through the issuance of convertible notes, funding \$1,100,000.

On October 20, 2010, we exchanged \$29.4 million of our senior secured convertible debentures and promissory notes for shares of our newly created Series A Convertible Preferred Stock (the "Series A Preferred Stock").

On October 20, 2010, we raised approximately \$35.75 million in gross proceeds (approximately \$33.2 million, net of issuance costs, by issuing shares of our newly created Series B Convertible Preferred Stock (the "Series B Preferred Stock").

Item 1A. Risk Factors

An investment in our common stock involves risk. You should carefully consider the following risk factors, in addition to those discussed elsewhere in this report, in evaluating our Company, its business, and prospects. The following risks could cause our business, financial condition, and operating results to be materially and adversely affected.

Because we may never earn revenues from our operations, our business may fail and then investors may lose all of their investment in our Company.

We have no recent history of revenues from operations. We have never had significant operations and have no significant assets. We have yet to generate positive earnings and there can be no assurance that we will ever operate profitably. We have a limited operating history and are in the exploration stage. The success of our Company is significantly dependent on the uncertain events of the discovery and exploitation of mineral reserves on our properties or selling the rights to exploit those mineral reserves. If our business plan is not successful and we are not able to operate profitably, then our stock may become worthless and investors may lose all of their investment in our Company.

Prior to completion of the exploration stage, we anticipate that we will incur increased operating expenses without realizing any revenues. We therefore expect to incur significant losses into the foreseeable future. We recognize that if we are unable to generate significant revenues from the exploration of our mineral claims in the future, we will not be able to earn profits or continue operations. There is no history upon which to base any assumption as to the likelihood that we will prove successful, and we can provide no assurance that we will generate any revenues or ever achieve profitability. If we are unsuccessful in addressing these risks, our business will fail and investors may lose all of their investment in our Company.

Transportation difficulties and weather interruptions may affect and delay proposed mining operations and impact our proposed business.

Our mining properties are accessible by road. The climate in the area is hot and dry in the summer but cold and subject to snow in the winter, which could at times hamper accessibility depending on the winter season precipitation levels. As a result, our exploration and mining plans could be delayed for several months each year. Such delays could affect our anticipated business operations and increase our expenses.

Supplies and equipment needed for exploration may not always be available. If we are unable to secure exploration supplies we may have to delay our anticipated business operations.

Competition and unforeseen limited sources of supplies needed for our proposed exploration work could result in occasional shortages of supplies of certain products, equipment or materials. There is no guarantee we will be able to obtain certain products, equipment and/or materials as and when needed, without interruption, or on favorable terms. Such delays could affect our anticipated business operations and increase our expenses.

We have invested capital in high-risk mineral projects where we have not conducted sufficient exploration and engineering studies.

We have invested capital and have otherwise been involved in various mineral properties and projects in the Comstock District where we may not have conducted sufficient exploration and engineering studies to minimize the risk of project failure to the extent that is typical in the mining industry or prudent considering our size. Our mineral projects involve high risks because we have not invested sufficient sums in the characterization of mineralized material, geologic analysis, metallurgical testing, mine planning and economic analysis to the same extent that other mining companies might deem reasonable due to limited resources. Standard industry practice calls for a mining company to prepare a formal mine plan and mining schedule and have these documents reviewed by a third party specialist. We do not have a formal mine plan that has been reviewed by a third party specialist. Because we have not established proven or probable reserves, there can be no assurance that we will be able to produce sufficient quantities of gold or other mineralized material to recover our investment and operating costs.

We will not be successful unless we recover precious metals and sell them for a profit.

Our success depends on our ability to recover precious metals, process them, and successfully sell them for more than the cost of production. The success of this process depends on the market prices of metals in relation to our costs of production. We may not always be able to generate a profit on the sale of gold or other minerals because we can only maintain a level of control over our costs and have no ability to control the market prices. The total cash costs of production at any location are frequently subject to great variation from year to year as a result of a number of factors, such as the changing composition of ore grade or mineralized material production, and metallurgy and exploration activities in response to the physical shape and location of the ore body or deposit. In addition costs are affected by the price of commodities, such as fuel and electricity. Such commodities are at times subject to volatile price movements, including increases that could make production at certain operations less profitable. A material increase in production costs or a decrease in the price of gold or other minerals could adversely affect our ability to earn a profit on the sale of gold or other minerals.

We do not have proven or probable reserves, and there is no assurance that the quantities of precious metals we produce will be sufficient to recover our investment and operating costs.

Our success depends on our ability to produce sufficient quantities of precious metals to recover our investment and operating costs. We do not have proven or probable reserves. There can be no assurance that our exploration activities will result in the discovery of sufficient quantities of mineralized material to lead to a commercially successful operation.

The cost of our exploration and acquisition activities is substantial, and there is no assurance that the quantities of minerals we discover or acquire will justify commercial operations or replace reserves established in the future.

Mineral exploration, particularly for gold and other precious metals, is highly speculative in nature, involves many risks, and frequently is nonproductive. There can be no assurance that our exploration and acquisition activities will be commercially successful. If gold mineralization is discovered, it may take a number of years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to acquire existing gold properties, to establish ore reserves through drilling and analysis, to develop metallurgical processes to extract metal from the ore, and in the case of new properties, to develop the processing facilities and infrastructure at any site chosen for mineral exploration. There can be no assurance that any gold reserves or mineralized material that may be discovered or acquired in the future, if any, will be in sufficient quantities or of adequate grade to justify commercial operations or that the funds required for mineral production operation can be obtained on a timely or reasonable basis. Mineral exploration companies must continually replace mineralized material or reserves depleted by production. There can be no assurance that we will be successful in replacing any reserves or mineralized material acquired or established in the future.

The price of gold and silver fluctuate on a regular basis and a downturn in price could negatively impact our operations and cash flow.

Our operations are significantly affected by changes in the market price of gold and silver. Gold and silver prices can fluctuate widely and may be affected by numerous factors, such as expectations for inflation, levels of interest rates, currency exchange rates, central bank sales, forward selling or other hedging activities, demand for precious metals, global or regional political and economic crises and production costs in major gold-producing regions, such as but not limited to South Africa and the former Soviet Union. The aggregate effect of these factors, all of which are beyond our control, is impossible for us to predict. The demand for, and supply of, gold and silver affect prices, but not necessarily in the same manner as supply and demand affect the prices of other commodities. The supply of gold and silver consists of a combination of new mineral production and existing stocks of bullion and fabricated gold held by governments, public and private financial institutions, industrial organizations, and private individuals. As the amount produced in any single year constitutes a small portion of the total potential supply of gold and silver, normal variations in current production do not have a significant impact on the supply of gold or on its price. If gold or silver prices decline substantially, it could adversely affect the realizable value of our assets and potential future results of operations and cash flow.

The use of hedging instruments may not prevent losses being realized on subsequent price decreases or may prevent gains being realized from subsequent price increases.

We may from time to time sell some future production of gold pursuant to hedge positions. If the gold price rises above the price at which future production has been committed under these hedge instruments, we will have an opportunity loss. However, if the gold price falls below that committed price, our revenues will be protected to the extent of such committed production. In addition, we may experience losses if a hedge counterparty defaults under a contract when the contract price exceeds the gold price. As of December 31, 2010, we have no open hedge positions.

Since our business consists of exploring for or acquiring gold and silver prospects, the drop in the price of gold or silver will negatively affect our asset values, cash flows, potential revenues and profits.

We plan to pursue opportunities to acquire properties with gold or silver mineralized material or reserves with exploration potential. The price that we pay to acquire these properties will be influenced, in large part, by the price of gold and silver at the time of the acquisition. Our potential future revenues are expected to be derived from the production and sale of gold and silver from these properties or from the sale of some of these properties. The value of

any gold reserves and other mineralized material, and the value of any potential mineral production therefrom, will vary in direct proportion to variations in those mineral prices. The price of gold and silver has fluctuated widely as a result of numerous factors beyond our control. The effect of these factors on the price of gold and silver, and therefore the economic viability of any of our projects, cannot accurately be predicted. Any drop in the price of gold or silver would negatively affect our asset values, cash flows, potential revenues, and profits.

We compete with other mineral exploration and mining companies which could lead to the loss of opportunities for our business.

We compete with other mineral exploration and mining companies or individuals, including large, established mining companies with substantial capabilities and financial resources, to acquire rights to mineral properties containing gold and other minerals. There is a limited supply of desirable mineral lands available for claim staking, lease or other acquisition. There can be no assurance that we will be able to acquire mineral properties against competitors with substantially greater financial resources than we have.

Our activities are inherently hazardous and any exposure may exceed our insurance limits or may not be insurable.

Mineral exploration and operating activities are inherently hazardous. Operations in which we have direct or indirect interests will be subject to all the hazards and risks normally incidental to exploration and production of gold and other metals, any of which could result in work stoppages, damage to property, and possible environmental damage. The nature of these risks is such that liabilities might exceed any liability insurance policy limits. It is also possible that the liabilities and hazards might not be insurable, or we could elect not to insure ourselves against such liabilities because of the high premium costs, in which event, we could incur significant costs that could have a material adverse effect on our financial condition.

We do not have proven or probable reserves, and our mineral calculations are only estimates; any material change may negatively affect the economic viability of our properties.

Substantial expenditures are required to acquire existing gold properties with established reserves or to establish proven or probable reserves through drilling and analysis. We do anticipate expending sums for additional drilling and analysis which may or may not establish proven or probable reserves on our properties. We drill in connection with our mineral exploration activities and not with the purpose of establishing proven and probable reserves. Therefore, our activity must be called exploration or test mining. While we estimate the amount of mineralized material we believe exists on our properties, our calculations are estimates only, subject to uncertainty due to factors, including the quantity and grade of ore, metal prices, and recoverability of minerals in the mineral recovery process. There is a great degree of uncertainty attributable to the calculation of any mineralized material, particularly where there has not been significant drilling, mining, and processing. Until the mineralized material located on our properties is actually mined and processed, the quantity and quality of the mineralized material must be considered as an estimate only. In addition, the quantity of mineralized material may vary depending on metal prices. Any material change in the quantity of mineralized material may negatively affect the economic viability of our properties. In addition, there can be no assurance that we will achieve the same recoveries of metals contained in the mineralized material as in small-scale laboratory tests or that we will be able to duplicate such results in larger scale tests under on-site conditions or during production.

Our operations are subject to strict environmental regulations, which result in added costs of operations and operational delays.

Our operations are subject to environmental regulations, which could result in additional costs and operational delays. All phases of our operations are subject to environmental regulation. Environmental legislation is evolving in the United States generally, and Nevada specifically, in a manner that may require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that any future changes in environmental regulation will not negatively affect our projects.

We have no insurance for environmental problems.

Insurance against environmental risks, including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production, has not been available generally in the mining industry. We have no insurance coverage for most environmental risks. In the event of a problem, the payment of environmental liabilities and costs would reduce the funds available to us for future operations. If we are unable to fund fully the cost of remedying an environmental problem, we might be required to enter into an interim compliance measure pending completion of the required remedy.

We are subject to federal laws that require environmental assessments and the posting of bonds, which add significant costs to our operations and delays in our projects.

The BLM requires that mining operations on lands subject to its regulation obtain an approved plan of operations subject to environmental impact evaluation under the National Environmental Policy Act. Any significant modifications to the plan of operations may require the completion of an environmental assessment or Environmental Impact Statement prior to approval. Mining companies must post a bond or other surety to guarantee the cost of post-mining reclamation. These requirements could add significant additional cost and delays to any mining project undertaken by us. Our mineral exploration operations are required to be covered by reclamation bonds deemed adequate by regulators to cover these risks. We believe we currently maintain adequate reclamation bonds for our operations.

Changes in Nevada laws, which are already strict and costly, can negatively affect our operations by becoming stricter and more costly.

At the state level, mining operations in Nevada are regulated by the Nevada Division of Environmental Protection, or NDEP. Nevada state law requires our Nevada projects to hold Nevada Water Pollution Control Permits, which dictate operating controls and closure and post-closure requirements directed at protecting surface and ground water. In addition, we are required to hold Nevada Reclamation Permits required under Nevada law. These permits mandate concurrent and post-mining reclamation of mines and require the posting of reclamation bonds sufficient to guarantee the cost of mine reclamation. Other Nevada regulations govern operating and design standards for the construction and operation of any source of air contamination and landfill operations. Any changes to these laws and regulations could have a negative impact on our financial performance and results of operations by, for example, requiring changes to operating constraints, technical criteria, fees or surety requirements.

Title claims against our properties could require us to compensate parties, if successful, and divert management's time from operations.

There may be challenges to our title in the properties in which we hold material interests. If there are title defects with respect to any of our properties, we might be required to compensate other persons or perhaps reduce our interest in the affected property. The validity of unpatented mineral claims, which constitute most of our holdings in the United States, is often uncertain and may be contested by the federal government and other parties. The validity of an unpatented mineral claim, in terms of both its location and its maintenance, depends on strict compliance with a complex body of federal and state statutory and decisional law. Although we have attempted to acquire satisfactory title to our properties, we have not obtained title opinions or title insurance with respect to the acquisition of the unpatented mineral claims. While we have no pending claims or litigation pending contesting title to any of our properties, there is nothing to prevent parties from challenging our title to any of our properties. While we believe we have satisfactory title to our properties, some risk exists that some titles may be defective or subject to challenge. Also, in any such case, the investigation and resolution of title issues would divert management's time from ongoing exploration programs.

Our business depends on a limited number of key personnel, the loss of whom could negatively affect us.

Each of our officers and employees is important to our success. If any of them becomes unable or unwilling to continue in their respective positions and we are unable to find suitable replacements, our business and financial results could be materially negatively affected.

If we fail to adequately manage our growth, we may not be successful in growing our business and becoming profitable.

We plan to expand our business and the number of employees over the next 12 months. In particular, we intend to hire additional operational personnel. Our inability to hire and retain additional qualified employees could have a negative impact on our chances of success.

The issuance of securities by us may not have complied with or violated federal and state securities laws and, as a result, the holders of these shares and warrants may have rescission rights.

Securities issued by us may not have complied with applicable federal and state securities laws, the result of which is that the holders of these securities may have rescission rights that could require us to reacquire the securities.

Our stock is a penny stock and trading of our stock may be restricted by the SEC's penny stock regulations, which may limit a stockholder's ability to buy and sell our stock.

Our stock is a penny stock. The SEC has adopted Rule 15c-9, which generally defines "penny stock" to be any equity security that has a market price (as defined) less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers that sell to persons other than established customers and "accredited investors." The term "accredited investor" refers generally to institutions with assets in excess of \$5,000,000 or individuals with a net worth in excess of \$1,000,000 or annual income exceeding \$200,000 individually or \$300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC, which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction, and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that, prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of our common stock. The Financial Industry Regulatory Authority (FINRA) sales practice requirements may also limit a stockbroker's ability to buy or sell our stock.

In addition to the "penny stock" rules promulgated by the SEC, the FINRA has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives, and other information. Under interpretation of these rules, the NASD believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. The FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy or sell our stock and have an adverse effect on the market for our shares.

Our security holders may face significant restrictions on the resale of our securities due to state “blue sky” laws.

Each state has its own securities laws, often called “blue sky” laws, which (i) limit sales of securities to a state’s residents unless the securities are registered in that state or qualify for an exemption from registration, and (ii) govern the reporting requirements for broker-dealers doing business directly or indirectly in the state. Before a security is sold in a state, there must be a registration in place to cover the transaction, or the transaction must be exempt from registration. The applicable broker must be registered in that state.

We do not know whether our securities will be registered or exempt from registration under the laws of any state. A determination regarding registration will be made by those broker-dealers, if any, who agree to serve as the market-makers for our common stock. There may be significant state blue sky law restrictions on the ability of investors to sell, and on purchasers to buy, our securities. You should therefore consider the resale market for our common stock to be limited, as you may be unable to resell your shares without the significant expense of state registration or qualification.

Restrictions imposed by the terms of the Series A Preferred Stock and the Series B Preferred Stock (collectively, the “Preferred Shares”) may inhibit growth.

The Certificates of Designations of the Preferred Shares substantially limit the ability of the Company to incur debt or redeem capital stock, among other things. Such restrictions could significantly impact the Company’s ability to raise capital, fund production, or generate cash flows.

Holders of common stock will be minority stockholders of the Company.

Through its ownership of Preferred Shares, the Winfield Group owns approximately 38.0% of the economic interests of the Company’s capital stock and approximately 75.8% of the voting security interests, in each case on an as converted basis. As a result, the ability of holders of common stock to determine the management and policies of the Company will be significantly limited.

Outstanding convertible securities and warrants may result in substantial dilution.

At December 31, 2010, we had outstanding 21,154,663 shares of common stock. In addition, we had outstanding Preferred Shares plus various common stock purchase warrants. At December 31, 2010, Preferred Shares and warrants were convertible into, or exercisable for, a total of approximately 71.2 million additional shares of our common stock, subject to further anti-dilution provisions.

The terms of the Operating Agreement of Northern Comstock may significantly dilute the ownership interests of the common stock.

The Operating Agreement of Northern Comstock provides for capital contributions by the Company of shares of Series A-1 Convertible Preferred Stock (the “Series A-1 Preferred Stock”) unless Northern Comstock requests payment in cash. The Operating Agreement provides for additional capital contributions of 862.5 shares of Series A-1 Preferred Stock (approximately 1.3 million shares of common stock as converted) on each anniversary of the Operating Agreement through and including the 39th anniversary, if no requests for contributions in cash were made. If an event of default occurs under the Operating Agreement, the additional capital contributions could be accelerated and the entire unpaid amount of the Company’s capital contribution, up to the aggregate 34,500 shares of Series A-1 Preferred Stock (approximately 53 million shares of common stock as converted) issuable under the Operating Agreement, could become issuable immediately at the option of Northern Comstock.

The Company may issue additional common stock or other equity securities in the future that could dilute the ownership interest of existing stockholders.

The Company is currently authorized to issue 3,950,000,000 shares of common stock, of which 21,154,663 shares were issued and outstanding as of December 31, 2010, and 50,000,000 shares of preferred stock, of which 65,906.1 Preferred Shares are issued and outstanding as of December 31, 2010. To maintain its capital at desired levels or to fund future growth, the Board may decide from time to time to issue additional shares of common stock, or securities convertible into, exchangeable for or representing rights to acquire shares of common stock. The sale of these securities may significantly dilute stockholders' ownership interest and depress the market price of the common stock. New investors in other equity securities issued by the Company in the future may also have rights, preferences and privileges senior to the Company's current stockholders that may adversely impact its current stockholders.

Item 2. Properties

Comstock Lode Project

Current Project

Location, Access, and Title to the Property

Comstock owns or leases the following mineral exploration projects: The Comstock Mine Project that consists of 5 major resource areas for gold and silver exploration and/or production entitled the Lucerne, Dayton, Spring Valley, Northern and Occidental Resource Areas. The Company also owns or leases the Spring Valley and Gold Canyon Placers Project and the Como Project.

The Comstock Mine Project is located in Storey and Lyon Counties, Nevada. The property is physically situated just south of Virginia City, Nevada. Paved state routes from Reno, Carson City, and Virginia City provide access to the property. The Comstock Mine Project has been the focus of our exploration efforts since 2007, and has been the subject of two National Instruments 43-101 technical reports published in May and August, 2010.

The Spring Valley and Gold Canyon Placers Project (South Comstock) is located in Lyon County, Nevada, approximately 1.5 miles south of Silver City, Nevada. The placer project is adjacent to our Comstock Mine Project. We have performed geological reconnaissance and limited sampling on this property.

The Como Project is located in Lyon County, Nevada, approximately 15 miles east of Carson City. The Company performed geological reconnaissance on this property, but has not drilled or collected any samples.

Comstock Mine Project

Our property rights to the mineral estate of the Comstock Mine Project consist of several mineral leases, with numerous unpatented and patented mineral claims, and fee ownership of real property. The Company's holdings consist of approximately 6,099 acres of active mining claims in the Comstock district. The acreage is comprised of 99 acres of patented claims and parcels (private lands) and 5,100 acres of unpatented claims administered by the BLM.

Facilities Area

The Company's headquarters, mine operations and heap leach processing facility occupy a 40-acre site in Storey County, Nevada, at 1200 American Flat Road, approximately three miles south of Virginia City and 30 miles southeast of Reno, Nevada. The property was included in the acquisition of Plum Mining by the Company in November 2003.

Petrini

On February 17, 2009 we purchased 4.79 acres in the Comstock District for \$130,000. \$40,000 was paid in cash and the balance of \$90,000 was financed through a first deed of trust. The note had interest only payments for two years and accrued interest at 16% per annum. The note was paid in full on January 27, 2011. No royalties are associated with this property.

Obester

On October 15, 2009, we secured long-term control of eleven patented mining claims in Storey and Lyon Counties, Nevada, through a purchase agreement with the Obester Group. This property includes five patented claims in the Lucerne / Billie the Kid area, representing the focus of our recent drilling program. This property also includes six claims in the Occidental area, which provide a target for future exploration. The purchase supersedes a mining lease with Claire Obester, dated January 1, 1997, and a mining lease with Claire Obester, Jim Obester, Alan Obester, and Julian Smith dated May 1, 2008.

The total price to be paid to the Obester Group is \$1,650,000. A down payment of \$250,000 was accepted, with the balance to be paid in quarterly payments of \$250,000 with an interest rate of 6%. These payments were current as of December 31, 2010. The Obester Group will receive a net smelter royalty (NSR) of 1% of all future mineral production from the property. The Occidental area claims also are subject to a 2% NSR to Summa Corp, a previous owner of the property. The property is also subject to a 0.90% NSR to Precious Royalties, LLC. The note was paid off at a 3% discount January 6, 2011.

Donovan

On July 20, 2010, we acquired seven patented mining claims totaling 48 acres, surface rights to two additional patented mining claims totaling 15 acres, 12 unpatented lode claims, and 15 acre-feet of water rights, all located in Storey County, Nevada, from the estate of Michael Donovan. The purchase supersedes a mining lease with Donovan Silver Hills, LLC, dated September 1, 1999. The purchase price was \$1,025,000, with an initial payment of \$300,000. We financed the remaining \$725,000 with an installment note bearing 6% interest, requiring 60 monthly payments of \$6,178 and a final payment of then unpaid principal and interest. The former owners of the parcel will retain a 1.5% NSR on all future mineral production from these claims.

Unpatented Claims

The Comstock Mine Project also includes 212 unpatented Lode mining claims in Storey and Lyon Counties, Nevada, which were staked by the Company or its predecessors. The adjacent Spring Valley and Gold Canyon Placers Project consists of 25 unpatented Placer mining claims in Lyon County, which were staked by the Company or its predecessors. All of the mining claims are located on federal lands administered by the BLM.

Fred Garrett - Lease

On April 1, 2008, we entered into a mineral exploration and mining lease agreement with Fred Garrett et al, covering one patented claim located in Storey, Nevada. The lease remains in effect as long as exploration, development, mining, or processing operations are being conducted on a continuous basis, without a lapse of activity for more than 180 days. We pay a royalty to the lessor of \$250 per month or a 3% NSR, whichever is greater. We are responsible for the payment and filing of annual maintenance fees, if any, and taxes for these claims.

James Obester Lease

On August 1, 2008, we entered into a mineral exploration and mining lease agreement with James Obester, covering ten unpatented claims located in Storey County. The lease remains in effect as long as exploration, development, mining, or processing operations are conducted on a continuous basis, without a lapse of activity of more than 180 days. We pay a royalty to the lessor amounting to \$200 per month for the first two years and later increasing to \$300 per month for the following three years, and then increasing to \$500 per month thereafter. In addition, a NSR royalty percentage is applicable. The royalty percentage is a 2% NSR when gold is \$900 or less per ounce and 3% NSR when gold is greater than \$900 per ounce. We are also responsible for payment and filing of annual maintenance fees, if any, and taxes for these claims.

Michael & Kathryn S. Dondero - Lease/Purchase

On November 1, 2008, we entered into a mineral exploration and mining lease agreement with Michael & Kathryn S. Dondero covering seven patented claims located in Lyon County. The lease remains in effect for as long as exploration, development, mining, or processing operations are conducted on a continuous basis, without a lapse of activity for more than 180 days. We pay a royalty to the lessor amounting to the greater of \$1,000 per month or a 3% NSR. We are also responsible for payment and filing of annual maintenance fees, if any, and taxes for these claims. Furthermore, we also have an option to purchase the land and related patents for \$900,000, which reduces the royalty to 1%. All drill commitments have been completed.

Railroad & Gold - Lease

On October 1, 2009, we entered into a mineral exploration and mining lease agreement with Railroad and Gold, LLC covering nine patented mining claims and sixteen unpatented mining claims in Storey County. The lease also includes rights for nine town lots and a rural parcel in American Flats. The lease is for an initial term of 15 years, but remains in effect for as long as exploration, development, mining, or processing operations are conducted on a continuous basis. We made an initial payment of \$25,000 for the lease. The Company will make annual advance minimum royalty payments, starting with \$30,000 on the first anniversary, and increasing by \$5,000 each year. We pay a royalty to the lessor at the rate of 4% NSR, which will be reduced by the sum of previously paid advance minimum royalties. We are also responsible for payment and filing of annual maintenance fees, if any, and taxes for these claims.

New Daney - Lease

On June 2, 2010, we entered into a Mineral Exploration and Mining Lease agreement with New Daney Company, Inc. covering seven unpatented lode claims. These claims are located in Lyon County and are contiguous with the company's Spring Valley mineral holdings. All production from the property is subject to a royalty of 3% NSR. Once permits have been obtained to put the property into production, lease payments will be treated as advance royalties, which will be credited against the royalty.

Golden Goose – Exploration License with Option to Purchase

On July 1, 2010, the Company acquired an exploration license with the purchase option to acquire 4 patented lode claims totaling 95 acres known as the “Dayton.” These mineral claims are contiguous with our Spring Valley mineral holdings and the property has mineralized material inventories calculated by our predecessors. The purchase price is \$3,000,000 plus a 3% NSR. In addition, the NSR will be reduced by 75% until the Company receives credit through the reduction of NSR for the \$3,000,000 purchase price. The agreement calls for a \$500,000 upfront payment and the seller will finance \$2,500,000 with a 0% interest seller’s note. The note will be payable in 20 equal quarterly installments of \$125,000. Comstock and Golden Goose extended the option period on this contract to September of 2011.

Ida Consolidated – Exploration License with Option to Purchase

On August 1, 2010 the Company acquired an exclusive 180-day exploration license with an option to purchase one patented lode claim known as the Metropolitan and two unpatented lode claims. These claims adjoin the “Dayton” claims where we secured an option to acquire 4 patented lode claims on July 1, 2010. The agreement allows us to purchase these mineral claims for \$100,000 plus a 2% net smelter return at any point during the option period. We completed the purchase in January of 2011.

Renegade Mineral Holdings - Lease

On October 14, 2010, we acquired 26 unpatented lode-mining claims along the southern extension of the Occidental Lode structure in Storey County, Nevada. The historic Occidental Lode, also referred to as the Brunswick Lode, is located 1.5 miles due east of and sub-parallel to the veins of the main Comstock Lode. These claims adjoin and extend the Company’s previous holdings of six patented and six unpatented claims, significantly expanding the Company’s position on the Occidental Lode. The Lease has an initial term of 3 years and, in the event we determine that exploration results warrant further development, then the term can be extended initially for two additional six-year terms and then continuously thereafter as long as the Company is producing on property adjacent to or in the vicinity of these new claims. The agreement includes a 3% Net Smelter Return (NSR) royalty from production with the gold price capped at \$2,000 per ounce. We are also responsible for payment and filing of annual maintenance fees, if any, and taxes for these claims.

Northern Comstock Minerals – Joint Venture

On October 20, 2010, the Company entered into an operating agreement to form Northern Comstock LLC (“Northern Comstock”) with Mr. Winfield, a shareholder of the Company, and an entity controlled by Mr. Winfield, DWC Resources, Inc. (“DWC”). As part of the operating agreement, the Company obtained the exclusive rights of production and exploration on certain property formerly owned by DWC in Storey County, Nevada (the “DWC Property”) and two parcels leased by Mr. John Winfield in Storey County, Nevada from the Sutro Tunnel Company (the “Sutro Property”) and Virginia City Ventures (the “VCV Property”).

Pursuant to the terms of the Operating Agreement for Northern Comstock, DWC contributed the DWC Property to Northern Comstock and John Winfield contributed his rights under the Sutro Property and the VCV Property to Northern Comstock. The Company contributed 862.5 shares of Series A-1 Preferred Stock and will contribute its services in the area of mine exploration, development and production to Northern Comstock. The terms of the Operating Agreement provide that on each anniversary of the Operating Agreement, up to and including the thirty-ninth (39th) anniversary, the Company will make additional capital contributions in the amount of \$862,500, in the form of Series A-1 Preferred Stock or cash (upon request of Northern Comstock, which request for cash can be denied by the Company in certain circumstances). Under certain circumstances, the additional capital contributions

can be accelerated. The Company had previously entered into letters of intent with respect to the DWC Property and Sutro Property on August 13, 2008, the terms of which were expressly superseded by the Operating Agreement.

The Operating Agreement further provides the Company with the exclusive rights of development, production, mining and exploration on the respective properties and requires the Company to make certain expenditures toward that end. Under the terms of the Operating Agreement, all cash flows from the bullion or other minerals recovered from the ore mined out of the ground but untreated and minerals produced from the milling or reduction of ore to a higher grade produced from the DWC Property, Sutro Property or VCV Property, as applicable, or finished products produced from any such property, will be distributed to the Company.

Mineral production from the DWC-contributed property is subject to a royalty on a sliding scale. At gold prices over \$750 per ounce, production of the first 500,000 ounces is subject to a 3% NSR. Production over 500,000 ounces is subject to a 6% NSR. Mineral production from the DWC-contributed property is also subject to a 1% NSR payable to Mr. Art Wilson.

Mineral production on the Sutro property is subject to a royalty on a sliding scale to John Winfield. At gold prices over \$250 per ounce, production of the first 500,000 ounces is subject to a 1% NSR. Production over 500,000 ounces is subject to a 2% NSR. A separate royalty of 5% NSR is also payable to the Sutro Tunnel Company on all production from the property. Mineral production from the VCV property is subject to a 5% NSR.

Silvermex (formerly known as Genco/Rule) – Exploration License with Option to Purchase

On November 1, 2010, the Company acquired an exclusive 180-day exploration license, with an option to purchase, for eight patented lode-mining claims and six unpatented lode-mining claims on the Oest and Comet lodes, west of Silver City, Nevada. The agreement allows Comstock to purchase this property at any time during the option period for a total price of \$275,000, with \$225,000 carried with 0% interest, in ten quarterly payments of \$22,500. The agreement includes a 2.5% NSR royalty from production. The property is also subject to a 10% NSR to a prior owner, which can be bought-out for a one-time fee of \$100,000, which can be deducted from the first \$100,000 of NSR to Silvermex.

Table of all Comstock Mine Project Owned or Controlled Patented Claims and Fee lands

| Claim Number | Claim Name | Owner/Lessor | Land Source | Acres |
|----------------|---|----------------|-------------|-------|
| APN 004-331-15 | CMI Facilities Area American Flat Process Site | CMI | Fee | 40.0 |
| APN 002-112-02 | CMI Property – Petrini Town Lot | CMI | Fee | 4.8 |
| 800-002-071 | CMI Property – Obester Billie the Kid | CMI | Patent | 16.2 |
| 800-001-021 | Dean | CMI | Patent | 10.7 |
| 800-001-025 | East North Occidental | CMI | Patent | 11.6 |
| 800-001-011 | Echo | CMI | Patent | 6.9 |
| 800-001-026 | Edwards | CMI | Patent | 18.5 |
| 800-001-009 | Green | CMI | Patent | 10.7 |
| 800-001-012 | Lucerne | CMI | Patent | 8.3 |
| 800-001-010 | North Occidental | CMI | Patent | 7.2 |
| 800-001-068 | Occidental | CMI | Patent | 7.8 |
| 800-001-024 | South Occidental | CMI | Patent | 20.6 |
| 800-001-008 | St. Louis | CMI | Patent | 7.5 |
| USS 4728 | CMI Property - Donovan Brown Lode | CMI | Patent | 3.0 |
| USS 4728 | Friendship | CMI | Patent | 4.6 |
| USS 4728 | Hardluck | CMI | Patent | 6.2 |
| USS 86 | Hartford | CMI | Patent | 15.1 |
| USS 125 | Niagra | CMI / Northern | Patent | 2.5 |
| USS 3760 | Olympia | CMI | Patent | 5.6 |

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|----------|-------------|----------------|--------|------|
| USS 1066 | S. Comstock | CMI / Northern | Patent | 12.2 |
| USS 1723 | Succor Lode | CMI | Patent | 4.8 |

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| Claim Number | Claim Name | Owner/Lessor | Land Source | Acres |
|---------------|---|-------------------|-------------|-------|
| USS 84 | Tarto Lode | CMI | Patent | 0.9 |
| USS # 63 | CMI Ida Consolidated – Purchase Metropolitan | Ida Consolidated | Patent | 9.7 |
| USS 114 | Fred Garret Lease Pride of Washoe | Garrett | Patent | 25.3 |
| | Dondero Lease / Purchase | | | |
| 16-121-10 | Town Lot | Dondero | Patent | 2.9 |
| 16-121-11 | Town Lot | Dondero | Patent | 1.0 |
| 16-121-12 | Town Lot | Dondero | Patent | 0.1 |
| 16-121-22 | Town Lot | Dondero | Patent | 20.0 |
| 16-121-23 | Town Lot | Dondero | Patent | 20.0 |
| 16-121-24 | Town Lot | Dondero | Patent | 20.0 |
| 16-121-25 | Town Lot | Dondero | Patent | 20.0 |
| | Railroad and Gold LLC - Lease | | | |
| USS 61 | Chollar Potosi (below Sutro Tunnel) | RR & Gold | Patent | 35.2 |
| USS 178 | Culver | RR & Gold | Patent | 13.8 |
| USS 142/179 | Culver Addition | RR & Gold | Patent | 10.6 |
| USS 357 | Frankel | RR & Gold | Patent | 5.5 |
| USS 126/107 | Gibbs | RR & Gold | Patent | 10.4 |
| USS 64 | Gould & Curry (below Sutro Tunnel) | RR & Gold | Patent | 25.3 |
| USS 39 | Knickerbocker (N half) | RR & Gold | Patent | 5.4 |
| USS 215 | Rock Island | RR & Gold | Patent | 20.3 |
| USS 63 | Savage (below Sutro Tunnel) | RR & Gold | Patent | 19.4 |
| | Golden Goose – License / Purchase | | | |
| USS 768 | Alhambra | Golden Goose | Patent | 19.6 |
| USS 786 | Cherokee | Golden Goose | Patent | 3.1 |
| USS 1180 | Kossuth | Golden Goose | Patent | 11.0 |
| USS 652 | Marble (Dayton) | Golden Goose | Patent | 37.2 |
| APN 08-091-01 | Town Lots | Golden Goose | Fee | 18.8 |
| | Northern Comstock Minerals – JV (DWC) | | | |
| 38822 | Bells Hill | Northern Comstock | Patent | 4.0 |
| 33721 | Black Bird | Northern Comstock | Patent | 11.0 |
| 2438 | Chonta Lode | Northern Comstock | Patent | 6.4 |
| 6916 | Cliffhouse | Northern Comstock | Patent | 16.9 |
| 3704 | Corey Jay Boer | Northern Comstock | Patent | 7.4 |
| 33733 | East Alamo Ledge | Northern Comstock | Patent | 11.9 |
| USS 49A/B | Front Lode A/B | Northern Comstock | Patent | 10.4 |
| 38822 | German | Northern Comstock | Patent | 3.6 |
| 16755 | Holman | Northern Comstock | Patent | 8.8 |
| 69 | Justice | Northern Comstock | Patent | 19.2 |
| 785 | Keystone Comstock | Northern Comstock | Patent | 12.1 |

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|-------|-------------|-------------------|--------|------|
| 1436 | Memphis | Northern Comstock | Patent | 14.1 |
| 39507 | Overland | Northern Comstock | Patent | 0.5 |
| 38822 | Sebastopol | Northern Comstock | Patent | 0.8 |
| 33722 | South Alamo | Northern Comstock | Patent | 9.4 |
| 39507 | Wedge | Northern Comstock | Patent | 1.2 |
| 16696 | White Lode | Northern Comstock | Patent | 11.8 |

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| Claim Number | Claim Name | Owner/Lessor | Land Source | Acres |
|---|-------------------------------------|-------------------|-------------|-------|
| 353 | Woodville | Northern Comstock | Patent | 5.2 |
| Northern Comstock Minerals – JV (Sutro) | | | | |
| USS 63 | Alpha | Northern Comstock | Patent | 8.6 |
| USS 65 | Alta (Woodville) | Northern Comstock | Patent | 24.7 |
| USS 58 | Bacon (USS 58) | Northern Comstock | Patent | 1.5 |
| USS 59 | Bacon (USS 59) | Northern Comstock | Patent | 0.6 |
| USS 79 | Bullion | Northern Comstock | Patent | 27.3 |
| USS 54 | Burke & Hamilton | Northern Comstock | Patent | 1.3 |
| USS 101 | Capitol | Northern Comstock | Patent | 9.2 |
| USS 65 | Challenge | Northern Comstock | Patent | 1.5 |
| USS 60 | Confidence | Northern Comstock | Patent | 4.0 |
| USS 194 | Crown Point | Northern Comstock | Patent | 3.3 |
| USS 56 | Empire North | Northern Comstock | Patent | 1.8 |
| USS 57 | Empire South | Northern Comstock | Patent | 0.7 |
| USS 66 | Exchequer | Northern Comstock | Patent | 10.0 |
| USS 62 | Gould & Curry (above Sutro Tunnel) | Northern Comstock | Patent | 25.3 |
| USS 51 | Granville (Lady Washington) | Northern Comstock | Patent | 5.9 |
| USS 145 | Grosh Consolidated Mining | Northern Comstock | Patent | 15.5 |
| USS 146 | Grosh | Northern Comstock | Patent | 7.4 |
| USS 147 | Grosh | Northern Comstock | Patent | 5.3 |
| USS 193 | Imperial | Northern Comstock | Patent | 2.6 |
| USS 53 | Joseph Trench | Northern Comstock | Patent | 0.7 |
| USS 84 | Julia | Northern Comstock | Patent | 9.1 |
| USS 195 | Kentuck | Northern Comstock | Patent | 0.9 |
| USS 69 | Kentuck MG. | Northern Comstock | Patent | 2.7 |
| USS 85 | La Cata | Northern Comstock | Patent | 13.8 |
| USS 86 | Sara Ann | Northern Comstock | Patent | 13.8 |
| USS 90 | Ward | Northern Comstock | Patent | 7.1 |
| USS 64 | Wm Sharon | Northern Comstock | Patent | 0.9 |
| USS 192 | Yellow Jacket | Northern Comstock | Patent | 7.7 |
| Northern Comstock Minerals – JV (VCV) | | | | |
| USS 61 | Chollar Potosi (above Sutro Tunnel) | Northern Comstock | Patent | 35.2 |
| USS 42 | Hale and Norcross | Northern Comstock | Patent | 10.1 |
| USS 51 | Savage (above Sutro Tunnel) | Northern Comstock | Patent | 19.4 |
| Genco/Rule –License / Purchase | | | | |
| 26058 | Brodek Consolidated | Genco/Rule | Patent | 0.4 |
| 17270 | Comet | Genco/Rule | Patent | 13.4 |
| 27865 | Comet N. Ext. | Genco/Rule | Patent | 11.8 |
| USS 149 | Comet S. Ext. | Genco/Rule | Patent | 11.0 |
| 22271 | Golden Eagle | Genco/Rule | Patent | 8.9 |
| 3518 | Lanzac | Genco/Rule | Patent | 14.4 |
| 22272 | Northern Belle | Genco/Rule | Patent | 8.9 |
| 22270 | Northern Belle No. 2 | Genco/Rule | Patent | 6.0 |

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Table of all Comstock Mine Project Owned or Controlled Unpatented Claims:

| Serial # | Claim Name | Location Date | Owner / Lessor | Type | Land Source | Acres |
|------------------------|-------------------|---------------|----------------|------|-------------|-------|
| CMI Lode Mining Claims | | | | | | |
| NMC821729 | Comstock #1 | 10/16/2000 | CMI | Lode | BLM | 20.7 |
| NMC821730 | Comstock #2 | 10/16/2000 | CMI | Lode | BLM | 20.7 |
| NMC821731 | Comstock #3 | 10/16/2000 | CMI | Lode | BLM | 20.7 |
| NMC821735 | Comstock #7 | 10/16/2000 | CMI | Lode | BLM | 20.7 |
| NMC821736 | Comstock #8 | 10/16/2000 | CMI | Lode | BLM | 20.7 |
| NMC821737 | Comstock #9 | 10/16/2000 | CMI | Lode | BLM | 20.7 |
| NMC821739 | Comstock #11 | 10/16/2000 | CMI | Lode | BLM | 20.7 |
| NMC821740 | Comstock #12 | 10/16/2000 | CMI | Lode | BLM | 20.6 |
| NMC821741 | Comstock #13 | 12/01/2000 | CMI | Lode | BLM | 20.6 |
| NMC821742 | Comstock #14 | 10/16/2000 | CMI | Lode | BLM | 20.7 |
| NMC821743 | Comstock #15 | 10/16/2000 | CMI | Lode | BLM | 20.7 |
| NMC821744 | Comstock #16 | 10/16/2000 | CMI | Lode | BLM | 20.7 |
| NMC821745 | Comstock #17 | 12/01/2000 | CMI | Lode | BLM | 20.7 |
| NMC821746 | Comstock #18 | 12/01/2000 | CMI | Lode | BLM | 13.8 |
| NMC821492 | Comstock #115 | 04/08/2004 | CMI | Lode | BLM | 20.7 |
| NMC821493 | Comstock #116 | 04/08/2004 | CMI | Lode | BLM | 20.7 |
| NMC821494 | Comstock #117 | 04/08/2004 | CMI | Lode | BLM | 20.7 |
| NMC821495 | Comstock #118 | 04/08/2004 | CMI | Lode | BLM | 20.7 |
| NMC821496 | Comstock #119 | 04/08/2004 | CMI | Lode | BLM | 20.7 |
| NMC821497 | Comstock #120 | 04/08/2004 | CMI | Lode | BLM | 20.7 |
| NMC821498 | Comstock #121 | 04/08/2004 | CMI | Lode | BLM | 20.7 |
| NMC821499 | Comstock #122 | 04/08/2004 | CMI | Lode | BLM | 20.7 |
| NMC821500 | Comstock #123 | 04/08/2004 | CMI | Lode | BLM | 20.7 |
| NMC821501 | Comstock #124 | 04/08/2004 | CMI | Lode | BLM | 20.7 |
| NMC821502 | Comstock #125 | 04/08/2004 | CMI | Lode | BLM | 20.7 |
| NMC821503 | Comstock #126 | 04/08/2004 | CMI | Lode | BLM | 20.7 |
| NMC821504 | Comstock #127 | 04/08/2004 | CMI | Lode | BLM | 20.7 |
| NMC821505 | Comstock #128 | 04/08/2004 | CMI | Lode | BLM | 13.8 |
| NMC821506 | Comstock #129 | 07/01/2004 | CMI | Lode | BLM | 20.7 |
| NMC821507 | Comstock #130 | 07/01/2004 | CMI | Lode | BLM | 20.7 |
| NMC821508 | Comstock #131 | 07/01/2004 | CMI | Lode | BLM | 20.7 |
| NMC821509 | Comstock #132 | 07/01/2004 | CMI | Lode | BLM | 20.7 |
| NMC821510 | Comstock #133 | 07/01/2004 | CMI | Lode | BLM | 20.7 |
| NMC821511 | Comstock #134 | 07/01/2004 | CMI | Lode | BLM | 20.7 |
| NMC821512 | Comstock #135 | 07/01/2004 | CMI | Lode | BLM | 20.7 |
| NMC821513 | Comstock #136 | 07/01/2004 | CMI | Lode | BLM | 20.7 |
| NMC821514 | Comstock #137 | 07/01/2004 | CMI | Lode | BLM | 20.7 |
| NMC821515 | Comstock #138 | 07/01/2004 | CMI | Lode | BLM | 20.7 |
| NMC821516 | Comstock #139 | 07/01/2004 | CMI | Lode | BLM | 14.4 |
| NMC821517 | Comstock #140 | 07/01/2004 | CMI | Lode | BLM | 18.3 |
| NMC821518 | Comstock #141 | 07/01/2004 | CMI | Lode | BLM | 20.7 |
| NMC821519 | Comstock #142 | 07/01/2004 | CMI | Lode | BLM | 20.7 |
| NMC983353 | Comstock Lode 100 | 12/21/2007 | CMI | Lode | BLM | 16.0 |
| NMC983354 | Comstock Lode 101 | 12/21/2007 | CMI | Lode | BLM | 6.1 |
| NMC983355 | Comstock Lode 102 | 12/21/2007 | CMI | Lode | BLM | 5.4 |

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|-----------|-------------------|------------|-----|------|-----|------|
| NMC983356 | Comstock Lode 103 | 12/21/2007 | CMI | Lode | BLM | 2.0 |
| NMC983357 | Comstock Lode 104 | 12/21/2007 | CMI | Lode | BLM | 2.2 |
| NMC983358 | Comstock Lode 105 | 12/21/2007 | CMI | Lode | BLM | 1.1 |
| NMC983359 | Comstock Lode 106 | 12/21/2007 | CMI | Lode | BLM | 8.6 |
| NMC983360 | Comstock Lode 107 | 12/21/2007 | CMI | Lode | BLM | 12.7 |
| NMC983361 | Comstock Lode 108 | 12/21/2007 | CMI | Lode | BLM | 1.0 |
| NMC983362 | Comstock Lode 109 | 12/21/2007 | CMI | Lode | BLM | 2.3 |

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|-----------|-------------------|------------|-----|------|-----|------|
| NMC983363 | Comstock Lode 110 | 12/21/2007 | CMI | Lode | BLM | 19.2 |
| NMC983364 | Comstock Lode 111 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983365 | Comstock Lode 112 | 12/21/2007 | CMI | Lode | BLM | 16.6 |
| NMC983366 | Comstock Lode 113 | 12/21/2007 | CMI | Lode | BLM | 17.1 |
| NMC983367 | Comstock Lode 114 | 12/21/2007 | CMI | Lode | BLM | 1.7 |
| NMC983368 | Comstock Lode 115 | 12/21/2007 | CMI | Lode | BLM | 12.2 |
| NMC983369 | Comstock Lode 116 | 12/21/2007 | CMI | Lode | BLM | 20.4 |
| NMC983370 | Comstock Lode 117 | 12/21/2007 | CMI | Lode | BLM | 20.4 |
| NMC983371 | Comstock Lode 118 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983372 | Comstock Lode 119 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983373 | Comstock Lode 120 | 12/21/2007 | CMI | Lode | BLM | 1.1 |
| NMC983374 | Comstock Lode 121 | 12/21/2007 | CMI | Lode | BLM | 4.1 |
| NMC983375 | Comstock Lode 122 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983376 | Comstock Lode 123 | 12/21/2007 | CMI | Lode | BLM | 4.6 |
| NMC983377 | Comstock Lode 124 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983378 | Comstock Lode 125 | 12/21/2007 | CMI | Lode | BLM | 13.5 |
| NMC983379 | Comstock Lode 126 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983380 | Comstock Lode 127 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983381 | Comstock Lode 128 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983382 | Comstock Lode 129 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983383 | Comstock Lode 130 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983384 | Comstock Lode 131 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983385 | Comstock Lode 132 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983386 | Comstock Lode 133 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983387 | Comstock Lode 134 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983388 | Comstock Lode 135 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983389 | Comstock Lode 136 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983390 | Comstock Lode 137 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983391 | Comstock Lode 138 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983392 | Comstock Lode 139 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983393 | Comstock Lode 140 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983394 | Comstock Lode 141 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983395 | Comstock Lode 142 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983396 | Comstock Lode 143 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983397 | Comstock Lode 144 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983398 | Comstock Lode 145 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983399 | Comstock Lode 146 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983400 | Comstock Lode 147 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983401 | Comstock Lode 148 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983402 | Comstock Lode 149 | 12/21/2007 | CMI | Lode | BLM | 20.5 |
| NMC983403 | Comstock Lode 150 | 12/21/2007 | CMI | Lode | BLM | 8.4 |
| NMC983404 | Comstock Lode 151 | 12/21/2007 | CMI | Lode | BLM | 14.5 |
| NMC983405 | Comstock Lode 152 | 12/21/2007 | CMI | Lode | BLM | 20.1 |
| NMC983406 | Comstock Lode 153 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983407 | Comstock Lode 154 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983408 | Comstock Lode 155 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983409 | Comstock Lode 156 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983410 | Comstock Lode 157 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983411 | Comstock Lode 158 | 12/21/2007 | CMI | Lode | BLM | 20.7 |

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|-----------|-------------------|------------|-----|------|-----|------|
| NMC983412 | Comstock Lode 159 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983413 | Comstock Lode 160 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983414 | Comstock Lode 161 | 12/21/2007 | CMI | Lode | BLM | 15.6 |
| NMC983415 | Comstock Lode 162 | 12/21/2007 | CMI | Lode | BLM | 19.5 |
| NMC983416 | Comstock Lode 163 | 12/21/2007 | CMI | Lode | BLM | 7.7 |
| NMC983417 | Comstock Lode 164 | 12/21/2007 | CMI | Lode | BLM | 12.8 |
| NMC983418 | Comstock Lode 165 | 12/21/2007 | CMI | Lode | BLM | 20.5 |

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|------------|-------------------|------------|-----|------|-----|------|
| NMC983419 | Comstock Lode 166 | 12/21/2007 | CMI | Lode | BLM | 6.3 |
| NMC983420 | Comstock Lode 167 | 12/21/2007 | CMI | Lode | BLM | 20.7 |
| NMC983421 | Comstock Lode 168 | 12/21/2007 | CMI | Lode | BLM | 16.2 |
| NMC992973 | Comstock Lode 169 | 07/10/2008 | CMI | Lode | BLM | 1.4 |
| NMC992974 | Comstock Lode 172 | 04/25/2008 | CMI | Lode | BLM | 20.7 |
| NMC992975 | Comstock Lode 173 | 04/25/2008 | CMI | Lode | BLM | 20.7 |
| NMC992976 | Comstock Lode 174 | 04/25/2008 | CMI | Lode | BLM | 20.2 |
| NMC992977 | Comstock Lode 175 | 04/25/2008 | CMI | Lode | BLM | 20.7 |
| NMC992978 | Comstock Lode 176 | 04/25/2008 | CMI | Lode | BLM | 15.5 |
| NMC992979 | Comstock Lode 177 | 04/25/2008 | CMI | Lode | BLM | 19.0 |
| NMC992980 | Comstock Lode 179 | 04/25/2008 | CMI | Lode | BLM | 20.7 |
| NMC992981 | Comstock Lode 180 | 04/25/2008 | CMI | Lode | BLM | 20.7 |
| NMC992982 | Comstock Lode 181 | 04/25/2008 | CMI | Lode | BLM | 20.1 |
| NMC992983 | Comstock Lode 182 | 04/25/2008 | CMI | Lode | BLM | 10.3 |
| NMC992984 | Comstock Lode 183 | 04/25/2008 | CMI | Lode | BLM | 19.8 |
| NMC992985 | Comstock Lode 184 | 04/25/2008 | CMI | Lode | BLM | 0.0 |
| NMC965375 | Ghost #1 | 09/30/2007 | CMI | Load | BLM | 20.7 |
| NMC965376 | Ghost #2 | 09/30/2007 | CMI | Lode | BLM | 20.7 |
| NMC965377 | Ghost #3 | 09/30/2007 | CMI | Lode | BLM | 20.7 |
| NMC965378 | Ghost #4 | 09/30/2007 | CMI | Lode | BLM | 20.7 |
| NMC965379 | Ghost #5 | 09/30/2007 | CMI | Lode | BLM | 20.7 |
| NMC965380 | Ghost #6 | 09/30/2007 | CMI | Lode | BLM | 20.7 |
| NMC965381 | Ghost #7 | 09/30/2007 | CMI | Lode | BLM | 20.7 |
| NMC965382 | Ghost #8 | 09/30/2007 | CMI | Lode | BLM | 20.7 |
| NMC965383 | Ghost #9 | 09/30/2007 | CMI | Lode | BLM | 20.7 |
| NMC965384 | Ghost #10 | 09/30/2007 | CMI | Lode | BLM | 20.7 |
| NMC965385 | Ghost #11 | 09/30/2007 | CMI | Lode | BLM | 20.7 |
| NMC810323 | Lee #2 | 11/31/1999 | CMI | Lode | BLM | 19.8 |
| NMC810324 | Lee #3 | 11/31/1999 | CMI | Lode | BLM | 20.7 |
| NMC810321 | Lee #5 | 11/31/1999 | CMI | Lode | BLM | 19.4 |
| NMC814553 | Lee #8 | 01/29/2000 | CMI | Lode | BLM | 19.5 |
| NMC814554 | Lee #9 | 01/29/2000 | CMI | Lode | BLM | 19.2 |
| NMC1003426 | Loring 1 | 11/24/2008 | CMI | Lode | BLM | 11.0 |
| NMC1003427 | Loring 2 | 11/24/2008 | CMI | Lode | BLM | 18.8 |
| NMC1003428 | Loring 3 | 11/24/2008 | CMI | Lode | BLM | 18.7 |
| NMC1003429 | Loring 4 | 11/24/2008 | CMI | Lode | BLM | 18.9 |
| NMC1003430 | Loring 5 | 11/24/2008 | CMI | Lode | BLM | 15.6 |
| NMC1003431 | Loring 6 | 11/24/2008 | CMI | Lode | BLM | 9.1 |
| NMC1003432 | Loring 7 | 11/24/2008 | CMI | Lode | BLM | 1.6 |
| NMC1003433 | Loring 8 | 11/24/2008 | CMI | Lode | BLM | 1.7 |
| NMC1003434 | Loring 9 | 11/24/2008 | CMI | Lode | BLM | 20.7 |
| NMC1003435 | Loring 10 | 11/24/2008 | CMI | Lode | BLM | 20.7 |
| NMC1003436 | Loring 11 | 11/24/2008 | CMI | Lode | BLM | 20.7 |
| NMC1003437 | Loring 12 | 11/24/2008 | CMI | Lode | BLM | 20.7 |
| NMC1003438 | Loring 13 | 11/24/2008 | CMI | Lode | BLM | 20.7 |
| NMC1003439 | Loring 14 | 11/24/2008 | CMI | Lode | BLM | 20.7 |
| NMC1003440 | Loring 15 | 11/24/2008 | CMI | Lode | BLM | 20.7 |
| NMC1003441 | Loring 16 | 11/24/2008 | CMI | Lode | BLM | 20.7 |
| NMC1003442 | Loring 17 | 11/24/2008 | CMI | Lode | BLM | 20.6 |

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|------------|-------------------|------------|-----|------|-----|------|
| NMC1003443 | Loring 18 | 11/24/2008 | CMI | Lode | BLM | 20.7 |
| NMC1003444 | Loring 19 | 11/24/2008 | CMI | Lode | BLM | 20.7 |
| NMC1003445 | Loring 20 | 11/24/2008 | CMI | Lode | BLM | 20.6 |
| NMC1003446 | Loring 21 | 11/24/2008 | CMI | Lode | BLM | 13.9 |
| NMC1003447 | Loring 22 | 11/24/2008 | CMI | Lode | BLM | 6.6 |
| NMC1000122 | Omaha Fraction #1 | 10/30/2008 | CMI | Lode | BLM | 7.2 |
| NMC1000123 | Omaha Fraction #2 | 11/08/2008 | CMI | Lode | BLM | 0.9 |

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|------------|--------------------|------------|-----|------|-----|------|
| NMC1000124 | Omaha Fraction #3 | 10/30/2008 | CMI | Lode | BLM | 1.6 |
| NMC1000125 | Omaha Fraction #4 | 10/30/2008 | CMI | Lode | BLM | 0.2 |
| NMC1000126 | Omaha Fraction #5 | 10/30/2008 | CMI | Lode | BLM | 0.2 |
| NMC1000127 | Omaha Fraction #6 | 10/30/2008 | CMI | Lode | BLM | 1.8 |
| NMC1000128 | Omaha Fraction #7 | 10/30/2008 | CMI | Lode | BLM | 2.3 |
| NMC1000129 | Omaha Fraction #8 | 10/30/2008 | CMI | Lode | BLM | 0.3 |
| NMC1000130 | Omaha Fraction #9 | 10/30/2008 | CMI | Lode | BLM | 6.5 |
| NMC1000131 | Omaha Fraction #10 | 10/30/2008 | CMI | Lode | BLM | 0.8 |
| NMC1000132 | Omaha Fraction #11 | 10/30/2008 | CMI | Lode | BLM | 1.1 |
| NMC1000133 | Omaha Fraction #12 | 10/30/2008 | CMI | Lode | BLM | 0.4 |
| NMC1000134 | Omaha Fraction #13 | 10/30/2008 | CMI | Lode | BLM | 1.1 |
| NMC1000135 | Omaha Fraction #14 | 10/30/2008 | CMI | Lode | BLM | 1.4 |
| NMC1000136 | Omaha Fraction #17 | 10/30/2008 | CMI | Lode | BLM | 1.6 |
| NMC1000137 | Omaha Fraction #18 | 10/30/2008 | CMI | Lode | BLM | 1.3 |
| NMC1000138 | Omaha Fraction #19 | 10/30/2008 | CMI | Lode | BLM | 2.2 |
| NMC1000139 | Omaha Fraction #20 | 10/30/2008 | CMI | Lode | BLM | 1.0 |
| NMC1000140 | Omaha Fraction #21 | 10/30/2008 | CMI | Lode | BLM | 1.1 |
| NMC1000141 | Omaha Fraction #22 | 10/30/2008 | CMI | Lode | BLM | 3.0 |
| NMC1000142 | Omaha Fraction #23 | 10/30/2008 | CMI | Lode | BLM | 2.3 |
| NMC1000143 | Omaha Fraction #24 | 10/30/2008 | CMI | Lode | BLM | 2.3 |
| NMC704516 | Overman #1 | 08/27/1994 | CMI | Lode | BLM | 1.0 |
| NMC884216 | Plum | 11/19/2004 | CMI | Lode | BLM | 20.4 |
| NMC1015691 | West Lode 203 | 09/10/2009 | CMI | Lode | BLM | 16.3 |
| NMC1015692 | West Lode 204 | 09/10/2009 | CMI | Lode | BLM | 10.4 |
| NMC1015693 | West Lode 205 | 09/10/2009 | CMI | Lode | BLM | 4.6 |
| NMC1015696 | West Lode 223 | 09/10/2009 | CMI | Lode | BLM | 20.7 |
| NMC1015697 | West Lode 224 | 09/10/2009 | CMI | Lode | BLM | 20.7 |
| NMC1015698 | West Lode 225 | 09/10/2009 | CMI | Lode | BLM | 20.7 |
| NMC1015699 | West Lode 226 | 09/10/2009 | CMI | Lode | BLM | 19.1 |
| NMC1015700 | West Lode 227 | 09/10/2009 | CMI | Lode | BLM | 13.5 |
| NMC1015701 | West Lode 228 | 09/10/2009 | CMI | Lode | BLM | 7.6 |
| NMC1015702 | West Lode 229 | 09/10/2009 | CMI | Lode | BLM | 1.9 |
| NMC1015703 | West Lode 243 | 09/10/2009 | CMI | Lode | BLM | 15.3 |
| NMC1015704 | West Lode 244 | 09/10/2009 | CMI | Lode | BLM | 13.6 |
| NMC1015705 | West Lode 245 | 09/10/2009 | CMI | Lode | BLM | 18.9 |
| NMC1015706 | West Lode 246 | 09/10/2009 | CMI | Lode | BLM | 20.7 |
| NMC1015707 | West Lode 247 | 09/10/2009 | CMI | Lode | BLM | 20.7 |
| NMC1015708 | West Lode 248 | 09/10/2009 | CMI | Lode | BLM | 20.7 |
| NMC1015709 | West Lode 249 | 09/10/2009 | CMI | Lode | BLM | 20.5 |
| NMC1015710 | West Lode 250 | 09/10/2009 | CMI | Lode | BLM | 16.6 |
| NMC1015711 | West Lode 263 | 09/10/2009 | CMI | Lode | BLM | 12.4 |
| NMC1015712 | West Lode 264 | 09/10/2009 | CMI | Lode | BLM | 7.2 |
| NMC1015713 | West Lode 265 | 09/10/2009 | CMI | Lode | BLM | 15.3 |
| NMC1015714 | West Lode 266 | 09/10/2009 | CMI | Lode | BLM | 20.7 |
| NMC1015715 | West Lode 267 | 09/10/2009 | CMI | Lode | BLM | 20.7 |
| NMC1015716 | West Lode 268 | 09/10/2009 | CMI | Lode | BLM | 20.7 |
| NMC1015717 | West Lode 269 | 09/10/2009 | CMI | Lode | BLM | 20.7 |
| NMC1015718 | West Lode 270 | 09/10/2009 | CMI | Lode | BLM | 20.7 |

CMI Placer Mining Claims

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|-----------|-------------------|------------|-----|--------|-----|-------|
| NMC99068 | Badger Placer | 08/13/1966 | CMI | Placer | BLM | 181.3 |
| NMC99065 | DS Placer | 09/30/1967 | CMI | Placer | BLM | 82.1 |
| NMC99072 | EZ Placer | 02/06/1970 | CMI | Placer | BLM | 57.8 |
| NMC99067 | Gold Star Placers | 07/18/1972 | CMI | Placer | BLM | 78.3 |
| NMC677117 | Harlesk #1 | 03/08/1993 | CMI | Placer | BLM | 4.4 |
| NMC677118 | Harlesk #2 | 03/08/1993 | CMI | Placer | BLM | 19.7 |

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| NMC677119 | Harlesk #3 | 03/08/1993 | CMI | Placer | BLM | 17.8 |
| NMC677120 | Harlesk #4 | 03/08/1993 | CMI | Placer | BLM | 4.5 |
| NMC677121 | Harlesk #5 | 03/08/1993 | CMI | Placer | BLM | 20.1 |
| NMC677122 | Harlesk #6 | 03/08/1993 | CMI | Placer | BLM | 17.7 |
| NMC677123 | Harlesk #7 | 03/08/1993 | CMI | Placer | BLM | 20.3 |
| NMC677124 | Harlesk #8 | 03/08/1993 | CMI | Placer | BLM | 17.4 |
| NMC677125 | Harlesk #9 | 03/08/1993 | CMI | Placer | BLM | 18.9 |
| NMC677126 | Harlesk #10 | 03/08/1993 | CMI | Placer | BLM | 20.1 |
| NMC872176 | Harlesk #100 | 04/19/2004 | CMI | Placer | BLM | 19.9 |
| NMC872177 | Harlesk #101 | 04/19/2004 | CMI | Placer | BLM | 21.6 |
| NMC872178 | Harlesk #102 | 04/19/2004 | CMI | Placer | BLM | 21.3 |
| NMC872179 | Harlesk #103 | 04/19/2004 | CMI | Placer | BLM | 20.2 |
| NMC99074 | Mustang | 09/06/1969 | CMI | Placer | BLM | 44.5 |
| NMC99075 | Nugget Placer | 09/01/1959 | CMI | Placer | BLM | 78.2 |
| NMC99064 | SD Placer | 09/30/1967 | CMI | Placer | BLM | 42.8 |
| NMC99079 | Stangs Placer | 10/15/1969 | CMI | Placer | BLM | 37.9 |
| NMC99078 | Stans Placer | 09/02/1969 | CMI | Placer | BLM | 40.5 |
| NMC99076 | Star Placer | 11/12/1966 | CMI | Placer | BLM | 50.3 |
| NMC99066 | Trio Claims | 09/30/1967 | CMI | Placer | BLM | 58.6 |

CMI Property – Donovan

| | | | | | | |
|-----------|-----------------------------|------------|-----|------|-----|------|
| NMC416049 | Big Mike | 04/07/1987 | CMI | Lode | BLM | 18.0 |
| NMC416048 | Cliff House Fraction | 04/07/1987 | CMI | Lode | BLM | 2.7 |
| NMC416043 | Echo St. Louis Fraction | 04/07/1987 | CMI | Lode | BLM | 0.3 |
| NMC416041 | Green St. Louis Fraction | 03/04/1987 | CMI | Lode | BLM | 3.0 |
| NMC676492 | Hartford Lucerne Fraction | 04/07/1987 | CMI | Lode | BLM | 0.8 |
| NMC416040 | Hartford South Extension | 04/07/1987 | CMI | Lode | BLM | 1.7 |
| NMC416042 | Hartford St. Louis Fraction | 04/07/1987 | CMI | Lode | BLM | 1.9 |
| NMC416044 | Justice Lucerne Fraction | 04/07/1987 | CMI | Lode | BLM | 1.7 |
| NMC416046 | Justice Woodville Fraction | 04/07/1987 | CMI | Lode | BLM | 3.1 |
| NMC416047 | New Deal Fraction | 04/07/1987 | CMI | Lode | BLM | 3.9 |
| NMC416045 | South Comstock St. Louis | 04/07/1987 | CMI | Lode | BLM | 0.6 |
| NMC416033 | Vindicator #8 | 04/06/1987 | CMI | Lode | BLM | 6.2 |

James Obester – Lease

| | | | | | | |
|-----------|--------------|------------|------------|------|-----|------|
| NMC275502 | Alta #5 | 07/22/1983 | J. Obester | Lode | BLM | 20.7 |
| NMC275503 | Alta #6 | 07/22/1983 | J. Obester | Lode | BLM | 20.7 |
| NMC275504 | Alta #7 | 07/22/1983 | J. Obester | Lode | BLM | 20.7 |
| NMC275505 | Alta #8 | 07/22/1983 | J. Obester | Lode | BLM | 12.6 |
| NMC275506 | Alta #9 | 07/22/1983 | J. Obester | Lode | BLM | 20.7 |
| NMC275507 | Alta #10 | 07/22/1983 | J. Obester | Lode | BLM | 20.7 |
| NMC276609 | Alta #12 | 07/22/1983 | J. Obester | Lode | BLM | 12.1 |
| NMC300858 | Brunswick #1 | 12/24/1983 | J. Obester | Lode | BLM | 20.7 |
| NMC300859 | Brunswick #2 | 12/24/1983 | J. Obester | Lode | BLM | 20.7 |
| NMC300860 | Brunswick #4 | 12/24/1983 | J. Obester | Lode | BLM | 20.7 |

Railroad & Gold LLC - Lease

| | | | | | | |
|-----------|-------------------|------------|-----------|------|-----|------|
| NMC705397 | Alto No. 9 | 09/23/1994 | RR & Gold | Lode | BLM | 10.7 |
| NMC705392 | Angels East Annex | 07/22/1994 | RR & Gold | Lode | BLM | 7.4 |

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| | | | | | | |
|-----------|---------------|------------|-----------|------|-----|------|
| NMC705390 | Angels No. 1 | 07/21/1994 | RR & Gold | Lode | BLM | 14.6 |
| NMC705391 | Angels No. 2 | 09/22/1994 | RR & Gold | Lode | BLM | 20.7 |
| NMC705395 | Hawk | 09/26/1994 | RR & Gold | Lode | BLM | 12.9 |
| NMC705396 | Hawk Fraction | 09/26/1994 | RR & Gold | Lode | BLM | 18.8 |
| NMC705400 | Iona | 09/27/1994 | RR & Gold | Lode | BLM | 12.6 |
| NMC705388 | Latigo | 09/27/1994 | RR & Gold | Lode | BLM | 18.7 |
| NMC705389 | Latigo 2 | 09/27/1994 | RR & Gold | Lode | BLM | 22.4 |

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|-----------|-----------------------|------------|-----------|------|-----|------|
| NMC705403 | Maryland Fraction | 09/26/1994 | RR & Gold | Lode | BLM | 20.7 |
| NMC705393 | Merrilite | 09/23/1994 | RR & Gold | Lode | BLM | 15.6 |
| NMC705394 | Merrilite North Annex | 07/22/1994 | RR & Gold | Lode | BLM | 15.7 |
| NMC705401 | Oro Plato | 09/27/1994 | RR & Gold | Lode | BLM | 14.4 |
| NMC705402 | Owl | 09/26/1994 | RR & Gold | Lode | BLM | 5.9 |
| NMC705398 | West Nick | 07/21/1994 | RR & Gold | Lode | BLM | 20.7 |
| NMC705399 | West Nick No. 1 | 09/26/1994 | RR & Gold | Lode | BLM | 20.7 |

Renegade Mineral Holdings

- Lease

| | | | | | | |
|-----------|--------|------------|--------------|------|-----|------|
| NMC890651 | NBO 1 | 11/22/2004 | Renegade LLC | Lode | BLM | 19.2 |
| NMC890652 | NBO 2 | 11/22/2004 | Renegade LLC | Lode | BLM | 1.4 |
| NMC890653 | NBO 3 | 11/22/2004 | Renegade LLC | Lode | BLM | 20.6 |
| NMC890654 | NBO 4 | 11/22/2004 | Renegade LLC | Lode | BLM | 20.6 |
| NMC890655 | NBO 5 | 11/22/2004 | Renegade LLC | Lode | BLM | 20.6 |
| NMC890656 | NBO 6 | 11/22/2004 | Renegade LLC | Lode | BLM | 20.6 |
| NMC890657 | NBO 7 | 11/22/2004 | Renegade LLC | Lode | BLM | 20.6 |
| NMC890658 | NBO 8 | 11/22/2004 | Renegade LLC | Lode | BLM | 20.6 |
| NMC890659 | NBO 9 | 11/22/2004 | Renegade LLC | Lode | BLM | 20.6 |
| NMC890660 | NBO 10 | 11/22/2004 | Renegade LLC | Lode | BLM | 20.6 |
| NMC890661 | NBO 11 | 11/22/2004 | Renegade LLC | Lode | BLM | 20.6 |
| NMC890662 | NBO 12 | 11/22/2004 | Renegade LLC | Lode | BLM | 20.6 |
| NMC890663 | NBO 13 | 02/02/2005 | Renegade LLC | Lode | BLM | 20.6 |
| NMC890664 | NBO 14 | 02/02/2005 | Renegade LLC | Lode | BLM | 20.6 |
| NMC890665 | NBO 15 | 02/02/2005 | Renegade LLC | Lode | BLM | 20.6 |
| NMC890667 | NBO 17 | 02/02/2005 | Renegade LLC | Lode | BLM | 20.6 |
| NMC890668 | NBO 18 | 02/02/2005 | Renegade LLC | Lode | BLM | 20.6 |
| NMC890669 | NBO 19 | 02/02/2005 | Renegade LLC | Lode | BLM | 20.6 |
| NMC890670 | NBO 20 | 02/02/2005 | Renegade LLC | Lode | BLM | 20.6 |
| NMC890671 | NBO 21 | 02/02/2005 | Renegade LLC | Lode | BLM | 20.6 |
| NMC890672 | NBO 22 | 02/02/2005 | Renegade LLC | Lode | BLM | 20.6 |
| NMC890673 | NBO 23 | 02/02/2005 | Renegade LLC | Lode | BLM | 20.6 |
| NMC890674 | NBO 24 | 02/02/2005 | Renegade LLC | Lode | BLM | 20.6 |
| NMC890675 | NBO 25 | 02/02/2005 | Renegade LLC | Lode | BLM | 20.6 |
| NMC997060 | NBO 26 | 06/12/2008 | Renegade LLC | Lode | BLM | 20.6 |
| NMC997061 | NBO 27 | 06/12/2008 | Renegade LLC | Lode | BLM | 20.6 |

Ida Consolidated – Purchase

| | | | | | | |
|-----------|-------|------------|------------------|------|-----|------|
| NMC108753 | Peach | 08/19/1925 | Ida Consolidated | Lode | BLM | 13.6 |
| NMC108755 | Wedge | 08/19/1925 | Ida Consolidated | Lode | BLM | 5.0 |

Northern Comstock – JV (DWC)

| | | | | | | |
|-----------|-----------------|------------|----------------------|------|-----|-----|
| NMC705983 | Cook & Grey | 11/09/1953 | Northern Comstock | Lode | BLM | 1.8 |
| NMC116359 | Cumberland #2 | 08/19/1901 | Northern Comstock | Lode | BLM | 5.4 |
| NMC116360 | Cumberland #3 | 06/21/1902 | Northern Comstock | Lode | BLM | 1.0 |
| NMC116369 | Cumberland Frac | 09/28/1931 | | Lode | BLM | 1.5 |

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|-----------|------------------|------------|--|------|-----|-----|
| NMC116356 | Flora Temple | 09/17/1957 | Northern Comstock Northern Comstock | Lode | BLM | 0.2 |
| NMC705982 | New Flora Temple | 08/09/1994 | Northern Comstock | Lode | BLM | 5.1 |

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|-------------------------------|---------------------|------------|----------------------|------|-----|------|
| NMC116358 | Overland | 04/30/1875 | Northern Comstock | Lode | BLM | 2.7 |
| NMC116362 | Overlap | 10/01/1921 | Northern Comstock | Lode | BLM | 8.5 |
| NMC116363 | Overlap #1 | 10/01/1921 | Northern Comstock | Lode | BLM | 1.3 |
| NMC555211 | Overlap #3 | 04/24/1989 | Northern Comstock | Lode | BLM | 5.9 |
| NMC116351 | Windy Fraction | 11/09/1953 | Northern Comstock | Lode | BLM | 0.3 |
| NMC705983 | Woodville Extension | 08/10/1994 | Northern Comstock | Lode | BLM | 10.3 |
| Genco/Rule -Silvermex Lease / | | | | | | |
| | Purchase | | | | | |
| NMC730150 | Brandy | 01/05/1996 | Genco/Rule | Lode | BLM | 16.5 |
| NMC730148 | Great Republic | 01/05/1996 | Genco/Rule | Lode | BLM | 6.8 |
| NMC730149 | Homer | 01/05/1996 | Genco/Rule | Lode | BLM | 0.1 |
| NMC730151 | Lilly | 01/05/1996 | Genco/Rule | Lode | BLM | 8.3 |
| NMC730146 | OP 6 | 01/05/1996 | Genco/Rule | Lode | BLM | 13.6 |
| NMC730147 | OP 7 | 01/05/1996 | Genco/Rule | Lode | BLM | 1.5 |

Present Condition of Property and Work Performed

We have completed extensive geological mapping, sampling, and drilling on a portion of the Comstock Mine Project property, in order to characterize the mineralized material. We have performed preliminary metallurgical testing, mine planning, and economic analysis, and have produced internal reports of our mineralized material inventory. However, we have not established reserves that meet the requirements of SEC Industry Guide 7. Therefore, any activity we perform on the property is considered exploratory in nature. Part of our exploration included operating a test mine. The purpose of the test mine was to determine our capital and operating costs, metallurgical recoveries, and other mining factors, and determine if we could make a profit over and above our capital and operating costs.

Description of Equipment and other Infrastructure Facilities

We own a mine office building and shop building, a Merrill-Crowe gold precipitation plant, an agglomerator, crusher, screen, water truck, generators, dozers, cement silo with a screw feeder, and conveyors. The Merrill-Crowe gold precipitation plant and the mineral processing equipment are less than five years old.

Geology, Structure and Mineralization

Gold and silver mineralization in the project area is highly dependent on geologic structural ground preparation over millions of years, as it is throughout the Comstock Mining District. The heavily-faulted, volcanic-hosted setting of the Plum Mine area is favorable with respect to the natural conditions under which gold and silver mineralization occurs.

Mineralization in the Hartford Complex area is hosted by the northwest striking Silver City fault zone and is enhanced in volume and grade where intersected by cross-cutting east-west and northeast striking structures. Detailed geologic studies by our geologic staff have identified four sub-parallel northwest striking faults within the Silver City fault zone. The spacing between these faults is about 150 feet, while thicknesses of mineralization along individual faults range from 40 to 120 feet.

Mineralization within the project drill area is more gold enriched with silver to gold ratios of approximately 10:1. This compares to ratios of silver to gold of 100:1 over the historic Comstock bonanzas. Drilling has outlined gold and silver mineralization over a strike distance of nearly one mile, with in-fill drilling on 50 to 70 foot centers over .6 of a mile. Mineralization is open-ended to the north and south along strike and down-dip to the east.

Future Exploration Potential

The Comstock Mining district is a well-known, historic mining district, with over 150 years of production history. We have access to extensive reports and maps on various properties in the district, but to-date, we have only conducted detailed geologic exploration on approximately 2% of our 6,099 acre land position. We are conducting an ongoing exploration program to locate and test surface mineral targets as well as deep underground bonanza targets by using historic compilation, geological mapping, geochemical and geophysical investigations and drilling.

The Como Project

We own a 100% interest in eight unpatented lode-mining claims, covering an area of approximately 168 acres in Lyon County, Nevada, that comprise the Como Project. The Company conducted a geological reconnaissance in this area, but has not conducted any drilling or sampling programs on this property.

Unpatented Como claims:

| Serial # | Claim Name | Location Date | Owner | Type | Land | |
|------------|--------------|---------------|-------|------|--------|-------|
| | | | | | Source | Acres |
| CMI Claims | | | | | | |
| NMC17092 | Como Comet 1 | 8/28/1976 | CMI | Lode | BLM | 21.0 |
| NMC17093 | Como Comet 2 | 8/28/1976 | CMI | Lode | BLM | 21.0 |
| NMC4439 | Como Comet 3 | 4/26/1977 | CMI | Lode | BLM | 21.0 |
| NMC4440 | Como Comet 4 | 4/26/1977 | CMI | Lode | BLM | 21.0 |
| NMC6121 | Como Comet 6 | 4/30/1977 | CMI | Lode | BLM | 21.0 |
| NMC6122 | Como Comet 7 | 5/15/1977 | CMI | Lode | BLM | 21.0 |
| NMC6123 | Como Comet 8 | 5/15/1977 | CMI | Lode | BLM | 21.0 |
| NMC6124 | Como Comet 9 | 5/15/1977 | CMI | Lode | BLM | 21.0 |

Item 3. Legal Proceedings

From time to time, we are involved in lawsuits, claims, investigations and proceedings that arise in the ordinary course of business. There are no matters pending that we expect to have a material adverse impact on our business, results of operations, financial condition or cash flows.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Price Range of Common Stock

Our common stock is traded on the OTC Bulletin Board under the symbol "LODE." The Company implemented a reverse stock split (200:1) in the second quarter 2010. Market prices reported for periods preceding the reverse stock split have been adjusted to give retroactive effect to the reverse stock split.

The following table sets forth the quarterly high and low sales prices of our common stock for the periods set forth below:

| Quarterly Period | High | Low |
|------------------|---------|---------|
| 2010 | | |
| Fourth Quarter | \$ 4.30 | \$ 1.93 |
| Third Quarter | \$ 2.21 | \$ 1.20 |
| Second Quarter | \$ 3.00 | \$ 1.20 |
| First Quarter | \$ 2.20 | \$ 1.24 |
| 2009 | | |
| Fourth Quarter | \$ 2.40 | \$ 1.40 |
| Third Quarter | \$ 3.00 | \$ 1.12 |
| Second Quarter | \$ 4.00 | \$ 2.00 |
| First Quarter | \$ 3.58 | \$ 2.02 |

On December 31, 2010, the closing sale price reported on the OTC Bulletin Board for our common stock was \$3.50 per share. As of December 31, 2010, there were approximately 11,000 common stockholders of record.

Equity Compensation Plan Information

The following table sets forth information with respect to our common stock that may be issued upon the exercise of stock options under our incentive stock option plans as of December 31, 2010.

| Plan Category | (a) Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants, and Rights | (b) Weighted- Average Exercise Price of Outstanding Options, Warrants, and Rights | (c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) |
|---|--|--|---|
| Equity Compensation Plans Approved by Stockholders | 50,000 | \$ 4.00 | 3,470,000 |
| Equity Compensation Plans Not Approved by Stockholders | — | — | — |
| Equity Compensation Non Plan Based Not Approved by Stockholders | 400,000 | \$ 2.238 | — |
| Total | 450,000 | \$ 2.434 | 3,470,000 |

Dividend Policy

We have never declared or paid any dividends on our common stock. We do not anticipate paying any cash dividends on our common stock in the foreseeable future. We currently intend to retain future earnings, if any, to finance operations and the expansion of our business. Any future determination to pay cash dividends will be at the discretion of the board of directors and will depend upon our financial condition, operating results, capital requirements and other factors the board of directors deems relevant. We are restricted from declaring or paying common stock dividends in cash under the terms of our Preferred Shares.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion provides information that we believe is relevant to an assessment and understanding of the consolidated results of operations and financial condition of our company. It should be read in conjunction with the Consolidated Financial Statements and accompanying Notes also included in this 10-K.

The following discussion addresses matters we consider important for an understanding of our financial condition and results of operations as of and for the year ended December 31, 2010, as well as our future results.

Overview

The Company is a Nevada-based, gold and silver mining company with extensive, contiguous property in the historic Comstock District and the Silver City mining district (collectively, the “Comstock District”). The Company began acquiring properties and developing projects in the Comstock District in 2003. Since then, the Company has consolidated a substantial portion of the Comstock District, secured permits, built an infrastructure and brought the exploration project into test mining production. The Company produced over 12,000 ounces of gold and over 53,000 ounces of silver from 2004-2006, at our existing heap leach processing facilities. Our test mining activities were concluded in January 2007, when based on our longer-term production plans, we prioritized land consolidation and mine planning.

The goal of our strategic plan is to deliver stockholder value by validating qualified resources (measured and indicated) and reserves (probable and proven) of 3,250,000 gold equivalent ounces by 2013, and commence commercial mining and processing operations during 2011, with annual production rates of at least 20,000 gold equivalent ounces.

We continue acquiring additional properties in the Comstock District, expanding our footprint and creating opportunities for exploration and mining. The Company now owns or controls approximately 6,099 acres of lode mining claims in the Comstock District. The acreage is comprised of 999 acres of patented claims (private lands) and 5,100 acres of unpatented claims, the Bureau of Land Management (“BLM”) administers. The Company also owns a heap leach processing facility that will be redesigned and modified to accommodate our new production plans.

Strategic Plan and Management Reorganization

In April 2010, the Board approved a strategic plan designed to restructure and recapitalize the Company, accelerate mine development and production and continue exploration. The principal features of the plan included an operational and management restructuring, a reverse stock split, land acquisitions, a balance sheet restructuring and an equity raise to fund gold mine operations, exploration and development. The goal of the plan is to deliver stockholder value by validating qualified resources (at least measured and indicated) and reserves (probable and proven) of 3,250,000 gold equivalent ounces by 2013, with annual production rates of 20,000 gold equivalent ounces and commencing commercial mining and processing operations during 2011.

On June 4, 2010, the Board of Directors approved, after obtaining regulatory approval, the one-for-two hundred reverse stock split of our common stock previously approved by our stockholders. The reverse stock split took effect on Monday, June 7, 2010.

On October 20, 2010, the Company completed the three principal features of its previously announced restructuring and recapitalization plan. The completed features of the plan include (i) exchanging all of the Company’s previously defaulted senior secured convertible debentures, promissory notes, and related obligations for permanent equity, (ii) raising approximately \$35.75 million of new equity, and (iii) securing integral land mineral rights.

Debt for Equity Exchange

The Company exchanged all of its senior secured convertible debentures and promissory notes for shares of its Series A Preferred Stock pursuant to the Series A Purchase Agreement. Each share of the Series A Preferred Stock is convertible at the holder’s election into 1,536 shares of common stock, therefore converting into common stock at a conversion price per share of \$0.6510. The common stock underlying the Series A Preferred Stock is issuable at a fixed conversion rate (subject to anti-dilution adjustments) currently equal to approximately 45.1 million shares of common stock.

The notes and related interest exchanged for equity are as follows:

Debt Exchanged for Series A Preferred Convertible Stock

| Note Descriptions | Principal | At August 31, 2010 | |
|--|-------------|--------------------|-------------|
| | | Unpaid Interest | Total |
| 15% Convertible Notes Payable - Investors | \$1,078,157 | \$264,131 | \$1,342,288 |
| 18% Convertible Debentures Payable - Mandatory Redemption Payment | 4,412,058 | 1,505,343 | 5,917,401 |
| 18% Convertible Notes Payable - 2006 – 2007 | | | |