

Aug 12, 2024

Nat Resources

LODE

NYSE

Rating

Outperform

Upgraded

Current Price

\$0.15

Target Price

\$2.60

Market Capitalization

25.09M

Shares Outstanding

166.39M

Float

126.38M

Institutional Holdings

6.49%

12-Month Low/High

\$0.13/\$0.63

Average 90-Day Volume

5240000

Fiscal Year End

12/31/2024

Comstock Inc.

Upgrading Our Investment Rating to Outperform from Market Perform

Proposed transaction with SBC Commerce. Comstock executed an indicative term sheet for \$325 million, or \$315 million net of transaction fees, in funding through SBC Commerce LLC (SBCC), a U.S. based private equity group. The transaction is contingent on final due diligence and applicable regulatory approvals and is expected to close in tranches over the next two to three months. At this point, we assume the transaction will close successfully within the contemplated time frame.

Infusion of growth capital to accelerate commercialization. The transaction provides a clear valuation marker for each of the company's fuels, metals, and mining businesses and secures growth capital to accelerate commercialization efforts. SBCC will acquire Comstock's industrial and commercial real estate and water rights in Nevada for \$50 million, or \$47 million net of transaction expenses.

Second quarter 2024 achievements. Comstock achieved significant milestones during the second quarter, including securing a long-term lease and receipt of the county permit for its first industry-scale photovoltaic recycling facility. Comstock Fuels advanced sample production of its proprietary Hydro-deoxygenated Bioleum Oil (HBO) and validated higher yields of 125 gasoline gallon equivalents (GGE) per dry tonne and identified opportunities to potentially increase yields to 150 GGEs. Comstock's mining segment completed an internal preliminary mine and reclamation plan with enhanced resources and economics.

Upgrading our investment rating. We have upgraded our investment rating to Outperform from Market Perform based on a price target of \$2.60 per share. In our view, the proposed SBCC transaction could have a transformational impact on Comstock's ability to commercialize each of its businesses. The sale of its real estate portfolio provides cash to eliminate debt and fund working capital.

Revenues (\$ MIL)

Period	2022A	2023A	2024E
Q1	\$0.0546A	\$0.0308A	\$0.4260A
Q2	\$0.0529A	\$0.0353A	\$0.4348A
Q3	\$0.0399A	\$0.7607A	\$0.6884E
Q4	\$0.0308A	\$0.4476A	\$0.7002E
	\$0.1782A	\$1.2744A	\$2.249E

EPS (\$)

Period	2022A	2023A	2024E
Q1	\$(0.09)A	\$(0.06)A	\$(0.06)A
Q2	\$(0.20)A	\$(0.05)A	\$(0.06)E
Q3	\$(0.07)A	\$0.11A	\$(0.03)E
Q4	\$(0.24)A	\$0.09A	\$(0.03)E
	\$(0.62)A	\$0.09A	\$(0.17)E

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**Refer to the last two pages for
Analyst Certification & Disclosures**

Upgrading Our Investment Rating to Outperform from Market Perform

Comstock innovates and develops technologies to achieve growth on industry-wide scales by creating financial and other incentives for rapid integration into and across entire supply chains. Comstock's commercialization and monetization plans for each technology include selling technology licenses and related engineering services that enable clients to use their capital, infrastructure, and other resources to accelerate the rate and scale of adoption.

Comstock is currently commercializing intellectual properties for refining lignocellulosic (woody) biomass into renewable replacements for fossil crude at high yields, recycling electrification metals from end-of-life photovoltaics and other electronic devices, and advanced physics-based artificial intelligence for precision mining and materials discovery. The company maintains investments in related assets to support its businesses, including existing minority equity positions in strategic technology developers, a renewable fuels demonstration facility in Wisconsin, and a metals recycling demonstration facility in Nevada. The company also has direct investments in northern Nevada real estate, including water rights and twelve square miles of mining claims and surface parcels.

Summary of the SBCC Funding Transaction

Comstock executed an indicative term sheet for \$325 million, or \$315 million net of transaction fees, in funding through SBC Commerce LLC (SBCC), a U.S. based private equity group. The transaction is contingent on final due diligence and applicable regulatory approvals and is expected to close in tranches over the next two to three months.

1. Comstock Inc. will receive a \$3 million direct investment in exchange for 7.5 million restricted shares at \$0.40 per share.
2. Comstock Fuels Corporation (CFC) will receive a direct \$200 million investment in exchange for a 40% interest that will fund the development and deployment of a commercial-scale demonstration facility to produce advanced lignocellulosic fuels. Comstock will retain 60% ownership of CFC.
3. Comstock Metals Corporation (CMC) will receive a \$22 million investment in exchange for a 20% interest to accelerate the deployment of three 100,000 ton per year solar panel recycling facilities in Nevada. Comstock Inc. and Dr. Fortunato Villamagna, President of Comstock Metals, will retain 60% and 20% interests in CMC, respectively. The solar panel recycling demonstration facility is operating two shifts with a third to be added during the third quarter. CMC is working on long-term end-of-life solar panel supply agreements and off-take agreements for recycled materials.
4. Comstock's Mining segment will receive a direct \$50 million investment in exchange for a 40% interest to advance the development of the southern part of the Comstock district, including the expansion of the Dayton resource and the development of a mine plan, including reclamation and post productive land uses.
5. SBCC will acquire 100% of Comstock's directly owned industrial and commercial real estate and water rights in Nevada. Comstock Inc. will receive gross proceeds of \$50 million, or \$47 million net of transaction expenses, which will be used to eliminate debt and other obligations and to fund the development of Comstock's portfolio of advanced technologies for the energy transition and general corporate purposes. Ahead of closing, Comstock will receive a \$5 million deposit associated with the sale of its real estate portfolio.

Of these transactions, we think those associated with Comstock Fuels and Comstock's mining segment could occur in the latter half of the 90-day window, while the other transactions could occur within the first half. Comstock expects to recognize a gain of about \$40 million on the sale of its real estate portfolio but does not expect to pay any cash taxes due, in part, to the company's net operating loss carry-forwards.

Comstock Fuels

Comstock Fuels anticipates generating revenue from licensing technology and related engineering services. Comstock Fuels develops and commercializes technologies that extract and convert lignocellulosic biomass into intermediates for refining into advanced renewable fuels. Comstock intends to use its technologies to connect upstream feedstock producers in the pulp, paper, forestry, and sawmill industries with downstream refineries in the petroleum and renewable fuel industries. These technologies enable production of less carbon intensive renewable fuels, including renewable diesel, sustainable aviation fuel, cellulosic ethanol, gasoline, and other co-products. Comstock's existing and commercially available technologies have proven the potential to produce more than 100 gallons per dry tonne of woody biomass as measured on a gasoline gallon equivalent

(GGE) basis, and carbon intensity (CI) scores of 15 or less for cellulosic ethanol and the company's proprietary Hydro-deoxygenated Bioleum Oil (HBO). HBO is used directly by advanced biofuel refineries to blend with, diversify, and extend conventional hydro-processed fat, oil, and grease (FOG) feedstocks to enhance production of renewable diesel, sustainable aviation fuel, and other products. Comstock Fuels has commenced ongoing sample production of commercially available HBO, expanded research and development projects for even higher yields and lower costs of its biorefining solutions, and completed multiple, scaled techno-economic analysis for deploying customer solutions.

During the second quarter, Comstock Fuels completed preliminary engineering for its demonstration scale lignocellulosic production facility to produce lignocellulosic fuels such as sustainable aviation fuel and renewable diesel and advanced sample production of its proprietary and commercially available Hydro-deoxygenated Bioleum Oil. The company validated higher yields of 125 gasoline gallon equivalents (GGEs) per dry tonne and identified carbon capture and utilization opportunities to potentially increase yields to 150 GGEs. Moreover, Comstock Fuels advanced research and development activities targeting further cost and capital reductions and finalized project plans to achieve petroleum cost parity.

Comstock Fuels is evaluating its first demonstration scale commercial facility and several related joint development solutions and systems based on its technologies. The execution of commercial agreements, including joint development agreements, offtake agreements, feedstock agreements, and licensing agreements supporting its first demonstration scale commercial facility is a key focus this year. Joint development agreements represent up to five phases of development and represent material upfront engineering and professional service fees, ultimately enabling licenses and royalties that could create more than 20 years of recurring revenues from the production of lignocellulosic bio-intermediates and fuels.

Comstock Fuels' objectives for the second half of 2024 include: 1) closing on SBCC's \$200 million investment, 2) execute multiple revenue generating commercial agreements for industry-scale joint developments, 3) advancing and expanding Comstock Fuels' innovation network to achieve higher yields and lower costs, and 4) expand the company's integrated bio-intermediate production system, including cellulosic ethanol and HBO.

Comstock Metals

Comstock Metals recently commissioned its first demonstration-scale photovoltaic recycling facility in Silver Springs, Nevada. Comstock Metals secured revenue generating contracts and began receiving end-of-life solar panels. Comstock Metals serves utilities, operations and maintenance groups, solar engineers, consultants, contractors, and municipalities across the United States, with an emphasis on California, Nevada, Arizona, and Texas. Comstock Metals' facility receives solar panel waste for an up-front tipping fee that is competitive with other disposal methods (i.e., landfill). Comstock Metals eliminates laminates, plastic, and binders and then separates high-value material during its recycling process for sale and reuse.

During the second quarter, Comstock Metals completed critical commissioning stages at its demonstration-scale production facility and demonstrated 100% recovery of all glass, metal, and mineral materials to ensure a zero-landfill solution. Comstock's demonstration facility is operating two shifts and expects to add a third shift during the third quarter. The company is advancing the full design and remaining permitting of its first industry-scale facility. Having fully secured the site lease and permit from Lyon County, Nevada, the company has started to work on pre-engineering and state permitting processes so the remaining permit applications can be submitted. The company remains on or ahead of schedule relative to its 2024 objectives.

Three industry-scale facilities are planned for Nevada and the southwestern United States. The cost to build each 100 thousand ton per year facility is estimated at \$12 million. We expect the facilities to be operational in early 2026, 2027, and 2028. Based on slide presentations and commentary during Comstock's conference calls, revenue tipping fees are estimated to be \$500 per ton producing a cash profit of \$400 per ton or an 80% gross margin. Mineral and metal recoveries could produce an additional \$100 or more per ton based on recoveries, including the type of mineral or metal such as silver. Based on 100,000 tons per year, each facility could generate tipping fee revenue of \$50 million and produce a gross profit of \$40 million. Mineral and metal recoveries could provide an additional \$10 million or more.

Comstock Metals' objectives for the second half of 2024 include: 1) closing on SBCC's \$22 million investment, 2) commissioning the photovoltaic material recycling, 3) commencing three-shift production of the demonstration scale production facility, 4) confirming the ability to fully reprocess and reuse all residual materials, 5) advancing the technology readiness for

broader material recycling, 6) expanding existing revenue generating supply and offtake commitments, and 7) finalizing the site selection for Comstock Metals' first three industry-scale facilities and commence permitting. The plan on funding Comstock Metals is going to be in two tranches. The first \$10 million investment will occur shortly and allow Comstock Metals to initiate remaining activities related to the build-out of its first industry-scale facility. The remaining \$12 million will be received within 90 days to fund the acceleration of site selection, permitting, and construction of the second and third facilities.

Comstock Mining

Comstock Mining manages an extensive portfolio of mining and related assets, including the ownership or control of 12 square miles of patented mining claims, unpatented mining claims, and surface parcels, covering over six and one-half miles of continuous mineralized strike length in the historic Comstock and Silver City mining districts in Nevada. Measured and indicated mineral resources include 605,000 ounces of gold and 5,880,000 ounces of silver and inferred mineral resources containing an additional 297,000 ounces of gold and 2,572,000 ounces of silver.

The Dayton area contains measured and indicated mineral resources containing 293,000 ounces of gold and 2,120,000 ounces of silver. Dayton also contains additional inferred mineral resources containing 90,000 ounces of gold and 480,000 ounces of silver. Property in the Lucerne area contains indicated mineral resources containing 312,000 ounces of gold and 3,760,000 ounces of silver. Lucerne also contains inferred mineral resources containing 207,000 ounces of gold and 2,092,000 ounces of silver. Comstock has identified additional prospective exploration targets throughout the district. In collaboration with GenMat, Comstock intends to further enhance its data set with hyperspectral orbital imaging and physics-based artificial intelligence (AI) solutions to advance prospecting analytics to facilitate more efficient and effective mineral discovery.

Comstock has advanced monetization plans for the northern part of the district in Storey County, Nevada, including the Lucerne resource and the northern targets currently under lease. For the southern part of the district, including the Dayton resource, Comstock has advanced its internal economic feasibility assessment. Comstock has updated its internal Dayton-Spring Valley economic assessment using current pricing assumptions, operationalized a satellite sensor platform through Quantum Generative Materials' Hyperspectral Remote Sensing Imaging System, and advanced Dayton's mineral resource expansion plan together with GenMat's geophysical teams. In 2024, Comstock Mining will apply economic analysis to its existing gold and silver resources progressing toward full economic feasibility for the southern part of the district and the development of mine plans by year-end 2024.

Comstock Mining's objectives for the second half of 2024 include: 1) closing on SBCC's \$50 million investment, 2) receive cash proceeds of more than \$2 million from mineral leases leveraging the northern district claims, 3) commercialize mineral development agreements that enable resource expansion of the central district claims, 4) in collaboration with GenMat, develop artificial intelligence-based exploration tools using Comstock's geologic data along with GenMat-1's hyperspectral imaging solutions to condition, develop, and validate AI predictions, and 5) complete mine plans that enable economic development of the southern district claims.

Strategic Investments

Strategic Investments include minority equity investments in Quantum Generative Materials, Green-Li-ion Pte Limited, Sierra Springs Opportunity Fund, and other equity or equity-linked investments.

In 2021, Comstock acquired 37,162 preferred shares of Green Li-ion Pte, Ltd. In September 2023, Comstock received gross proceeds of \$795,510, net of commission fees of \$15,910 from the sale of 1,500 Green Li-ion preferred shares for \$530.34 per share and recorded a gain of \$597,248 in the third quarter of 2023. In connection with this sale, the company valued the remaining 35,662 Green Li-ion preferred shares it holds using the cash rate of \$530.34 per share. Comstock intends to sell the remaining Green Li-ion preferred shares during late 2024 or early 2025.

The Silver Springs Opportunity Fund (SSOF) is a qualified opportunity zone fund, which owns 100% of SSE, a qualified opportunity zone business. SSE and its subsidiaries own or control approximately 2,500 acres of land, a manufacturing facility, significant senior, junior, and effluent water rights, sewer rights, and owns and operates the Silver Springs Regional Airport LLC. As of June 30, Comstock held 10,875,000 common shares representing 17.5% of the Silver Springs Opportunity Fund's

outstanding shares.

Comstock's strategic investment in Quantum Generative Materials LLC (GenMat) represents an important component of the company's long-term innovation strategy, both in terms of advancing technologies that enable systemic decarbonization and by leveraging artificial intelligence (AGPI) for more efficient and effective mineral discovery. GenMat's physics-based AI software for materials discovery is proven to simulate new material properties with unique structures with 98% accuracy. GenMat is in discussions with several early adopters for commercializing across several industries starting with batteries and semiconductors. GenMat has also developed ready for use generative AI-based software that predicts relevant information pertaining to precious mineral deposits which is also being commercialized

Comstock Common Share Count

As of June 30, shares outstanding were 157,820,072 compared to 122,615,150 on March 31. As of August 6, shares outstanding were 175,283,728. The table below is a reconciliation between outstanding shares as of June 30 and August 6, 2024. For the most part, we think share dilution is beginning to wind down.

Figure 1: Comstock Inc. Outstanding Shares

Explanation	Date of Issuance	Shares
Shares Outstanding, March 31, 2024		157,820,072
¹ Shares Issued to ClearThink Capital Partners	Jul-24	6,704,146
² Shares Issued to Kips Bay	Jul-24	3,753,681
Shares Issued to Leviston Resources	Jul-24	844,468
³ Shares Issued to Leviston Resources	Jul-24	5,974,124
Shares Issued to AMin Fund	Aug-24	187,237
Shares Outstanding, August 6, 2024		175,283,728

Notes:

¹The ClearThink Agreement has no remaining capacity.

²Pursuant to the Kips Bay Note, Comstock issued 2,967,160 shares to Kips Bay at a conversion price of \$400,000 at an average conversion price of \$0.135. Comstock also issued an additional 786,521 shares to Kips Bay in compliance with a most favored nation clause associated with past conversions.

³On July 24, 2024, pursuant to the Leviston Convertible Note, the company issued 5,974,124 registered shares to convert 717,500 of the convertible note plus \$2,382 of accrued interest at a conversion price of \$0.12 leaving the remaining principal balance of the convertible note at \$2,000,000.

Source: Comstock Inc. filings and Noble Capital Markets Inc.

The 2024 ClearThink Capital agreement has no remaining capacity. However, we expect additional share issuances associated with the December 2023 securities purchase agreement for an unsecured convertible promissory note with Kips Bay Select LP with a principal amount of \$5,263,157. Another potential issuance is the July 2024 securities purchase agreement with Leviston Resources associated with the issuance of an 8.0% convertible promissory note that was issued with an original principal amount of \$2,717,500 and an 8% original issue discount whereby Comstock received \$2.5 million. As of July 24, the Leviston convertible note had a remaining balance of \$2,000,000. As of June 30, The Kips Bay convertible note had a remaining balance of \$1,000,000.

We estimate the balance of these notes will be converted by September 30. Including the 7,500,000 shares that will be issued to SBCC at a price of \$0.40 per share, we estimate Comstock could have an outstanding share count of 202,783,728 shares. Importantly, the company will receive net cash proceeds in the amount of \$47,000,000 when it closes the sale of real estate to

SBCC.

Valuation

The proposed transaction which SBCC put a value on each of Comstock's business lines. For example, SBCC will make a \$200 million direct investment in Comstock Fuels in return for a 40% interest which implies a value of \$300 million for Comstock's 60% interest. Figure 2 summarizes our sum-of-the-parts valuation, which we think could be conservative given the company's strategic investments are based on book values which can be referenced in Comstock's most recent Form 10-Q.

Figure 2: Comstock Inc. Valuation

(\$ in millions, except per share values)	
Comstock Business Lines:	
Comstock Fuels (60% interest)	300.0
Comstock Metals (60% interest)	66.0
Comstock Mining (60% interest)	75.0
	441.0
Strategic Investments	
Green Li-ion shares	18.9
Sierra Springs Opportunity Fund, Inc.	19.6
Quantum Generative Materials	10.4
Pelen Limited Liability Company	0.6
Investment in research and development company	1.2
	50.8
Total	491.8
Add: Cash	47.1
Less: Debt	10.5
Total	528.3
Shares Outstanding	202.8
Per Share Value	2.61

Source: Noble Capital Markets Inc. and Comstock Inc. filings

Rounding to the nearest \$0.05, our price target is \$2.60 per share. While our price target may seem high relative to where the equity trades currently, we think the valuation will move closer to our price target as each successive tranche of the company's proposed transaction with SBCC is closed. In the event that one or more tranches does not close, it would have implications for the equity valuation and our price target.

We believe the value for Comstock's interests in Quantum Generative Materials and Green Li-ion may rise as each of those private companies completes subsequent funding rounds and potentially higher if they were to go public or be acquired. Importantly, we think SBCC's acquisition of Comstock's real estate holding puts a spotlight on Comstock's 17.5% interest in the Silver Springs Opportunity Fund which we think could be worth far more than book value.

As the company's business lines mature, we will likely value them based on a discounted cash flow framework. For example, with the benefit of a mine plan for Dayton, a discounted cash flow framework would be appropriate. Similarly, a discounted cash flow framework is applicable to Comstock Metals as it moves closer to commercializing its industry-scale facilities. For now, we think our valuation framework is appropriate.

Summary of Second Quarter 2024 Financial Results

During the second quarter, Comstock reported a net loss of \$8.6 million or \$(0.06) per share, compared to a net loss of \$5.5 million or \$(0.05) per share during the prior year period. We had forecast a loss of \$5.3 million or \$(0.04) per share. Research and development expenses of \$2.5 million were above our \$90.9 thousand estimate. We also had not assumed a loss on the conversion of debt amounting to \$1.3 million which was attributed to the Kips Bay Note debt conversions associated with 12.2 million of the company's common shares used for the conversion of the debt during the quarter.

From a cash flow perspective, the company's cash and cash equivalents declined by \$3.7 million to \$114.3 thousand. Net cash used in operating activities amounted to \$5.8 million, net cash used in investing activities amounted to \$4.7 million, and net cash provided by financing activities amounted to \$6.8 million, including proceeds of \$5.2 million from the issuance of common stock.

Capital Structure and Liquidity

As of June 30, Comstock reported cash and cash equivalents of \$114,304. Debt amounted to \$10,001,698, including \$1,611,698 of which is current. Finance leases amounted to \$540,204. As of June 30, and August 6, the company had 157,820,072 and 175,283,728 shares outstanding, respectively.

On July 19, Comstock entered into a securities purchase agreement with Leviston Resources LLC for an 8.0% convertible promissory note due October 31, 2025. The convertible note was issued with an original aggregate principal amount of \$2,717,500 and was purchased for \$2,500,000, reflecting an 8.0% original issue discount. A portion of the proceeds will be used to redeem \$500,000 of existing convertible debt. The issuance of the convertible promissory note enables Comstock to extend maturities, retire certain other debt obligations, and provides a bridge to expected near-term asset sales.

Further, Comstock will receive net proceeds of \$47 million when it closes the sale of its real estate portfolio to SBCC and will receive a \$3 million direct investment from SBCC in exchange for 7.5 million restricted shares at \$0.40 per share. Related to the sale of its real estate portfolio, Comstock will receive a \$5 million deposit ahead of closing.

Company Profile

Comstock Inc. commercializes technologies that enable systemic decarbonization and the energy transition by efficiently converting under-utilized natural resources into renewable energy products, and by leveraging physics based artificial intelligence for more efficient and effective mineral and materials discovery. Comstock Inc. shares trade on the NYSE American under the ticker symbol "LODE."

Fundamental Analysis - 3.0/5.0 Checks

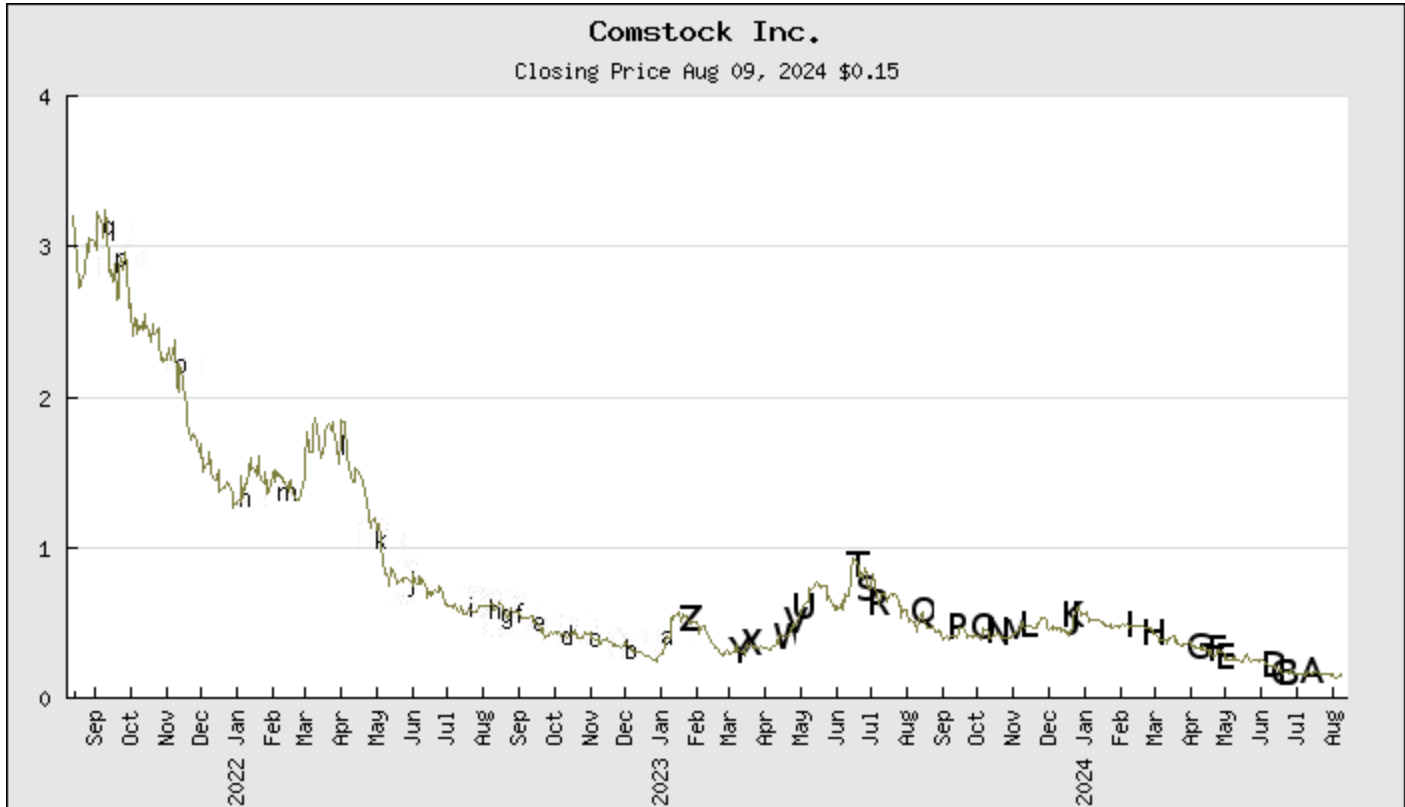
Our fundamental assessment rating, separate from our investment rating and valuation, is based on five attributes. We assign 3.0 checks out of 5.0, which falls within our Average range of 2.5 to 3.0 checks. In our opinion, the company's corporate governance practices are shareholder friendly with the company's seven-member board of directors being comprised of five independent directors and two from management. Our rating reflects the fact that recent corporate development initiatives are centered on building businesses in relatively nascent industries that offer significant growth potential albeit with higher risk profiles. For further explanation of our fundamental analysis, please refer to the disclosures at the end of this report.

Valuation Summary

Our investment rating is Outperform. We have used a sum of the parts framework for our valuation. It is based on business segment values implied by the proposed SBC Commerce transaction and the book value of strategic investments. Rounding to the nearest \$0.05, our price target is \$2.60 per share. While our price target may seem high relative to where the equity trades currently, we think the valuation will move closer to our price target as each successive tranche of the company's proposed transaction with SBCC is closed. In the event that one or more tranches does not close, it would have implications for the equity valuation and our price target. As the company's business lines mature, we will likely value them based on a discounted cash flow framework. For example, with the benefit of a mine plan for Dayton, a discounted cash flow framework would be appropriate. Similarly, the same framework is applicable to Comstock Metals as it moves closer to commercializing its industry-scale facilities. For now, we think our valuation is appropriate.

Investment risks, including those relevant to achieving our price target, include but are not limited to: 1) failure to execute planned asset divestitures on expected terms, 2) failure to develop economic mineral resources, 3) global economic and capital market uncertainties, 4) uncertainties associated with the availability and costs of future financing, 5) changes in capital market and macroeconomic environments, 6) changes in supply and demand fundamentals for minerals, including gold and silver, 7) delays in the development of projects, 8) uncertainties associated with operational execution, 9) changes in regulation or actions taken by various regulatory entities including the Bureau of Land Management, the Nevada Department of Environmental Protection and the U.S. Environmental Protection Agency, 10) the potential for operating costs and financing costs to vary from management expectations, 11) unexpected claims or financial obligations associated with environmental and/or reclamation duties, 12) the development of each of the company's business lines may not succeed as planned, and 13) Comstock may or may not close all proposed transactions with SBC Commerce. An investment in Comstock Inc. should be considered speculative with high return potential and high risk.

Comstock Inc. Fiscal Year End - December (US\$)	2021A	2022A	2023A	1Q2024A	2Q2024A	3Q2024E	4Q2024E	2024E	1Q2025A	2Q2025E	3Q2025E	4Q2025E	2025E
Income Statement													
Revenue	862,165	178,150	1,274,449	425,951	434,824	688,397	700,165	2,249,337	770,182	808,691	849,125	891,581	3,319,579
Operating Expenses:													
Selling, general, and administrative expenses	(5,548,787)	(10,243,353)	(12,588,626)	(3,527,524)	(2,792,822)	(2,820,750)	(2,827,802)	(11,988,898)	(2,856,080)	(2,884,641)	(2,913,487)	(2,942,822)	(11,596,831)
Research and development	(414,751)	(7,023,132)	(8,117,305)	(892,013)	(2,548,467)	(2,573,952)	(2,590,691)	(8,614,123)	(2,806,190)	(2,812,705)	(2,819,238)	(2,825,786)	(10,463,920)
Depreciation and amortization	(1,034,486)	(3,328,570)	(2,477,525)	(655,977)	(656,717)	(663,284)	(669,917)	(2,645,865)	(671,592)	(673,271)	(674,954)	(678,641)	(2,696,458)
Gain on sale of property	0	1,055,823	7,304,570	0	0	0	0	0	0	0	0	0	0
Total Operating Expenses	(6,996,004)	(19,539,432)	(13,878,886)	(5,075,514)	(5,998,006)	(6,057,986)	(6,097,410)	(23,228,916)	(6,133,862)	(6,170,618)	(6,207,679)	(6,245,049)	(24,757,208)
Income (loss) from operations	(6,405,921)	(19,361,282)	(12,604,437)	(4,649,563)	(5,563,182)	(5,369,589)	(5,397,245)	(20,979,579)	(5,363,681)	(5,361,927)	(5,358,554)	(5,353,468)	(21,437,630)
Other Income (Expense)													
Gain (loss) on investments	(2,244,951)	7,310	25,034,875	0	0	0	0	0	0	0	0	0	0
Gain on sale of membership interests in Comstock Mining, LLC	0	0	0	0	0	0	0	0	0	0	0	0	0
Change in estimated fair value of contingent forward asset	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest expense	(168,881)	(1,651,435)	(1,646,724)	(818,861)	(782,440)	(784,396)	(745,176)	(3,130,673)	(633,400)	(506,720)	(405,376)	(324,301)	(1,869,796)
Interest income	1,017,947	387,808	251,969	74,491	65,081	61,827	58,736	280,135	57,561	56,410	55,281	54,176	223,428
Change in fair value of derivative instruments	(13,155,948)	(7,727,638)	961,065	(756,118)	(77,496)	0	0	(833,614)	0	0	0	0	0
Gain (loss) on conversion of debt	0	0	129,705	(193,523)	(1,278,544)	0	0	(1,472,067)	0	0	0	0	0
Loss on debt extinguishment	0	0	0	0	(521,822)	0	0	(521,822)	0	0	0	0	0
Impairment of goodwill and intangible assets	(6,394,610)	(13,126,706)	0	0	0	0	0	0	0	0	0	0	0
Impairment of investment, net recovery	0	(2,204,715)	0	0	0	0	0	0	0	0	0	0	0
Other income (expense)	(2,979,363)	(3,061,401)	(1,600,221)	(574,946)	(494,069)	0	0	(1,069,015)	0	0	0	0	0
Total Other Income (Expense), net	(23,925,806)	(27,376,977)	23,130,689	(2,268,757)	(3,089,090)	(722,569)	(686,441)	(6,786,857)	(575,839)	(450,310)	(350,094)	(270,125)	(1,646,368)
Net income (loss)	(30,331,727)	(46,738,259)	10,526,252	(6,918,320)	(6,652,272)	(6,092,158)	(6,083,686)	(27,746,436)	(5,939,520)	(5,812,237)	(5,708,648)	(5,623,593)	(23,083,998)
Deferred income tax benefit	5,748,105	0	0	0	0	0	0	0	0	0	0	0	0
Net income (loss) attributable to noncontrolling interest	0	(789,515)	(1,364,431)	(16,908)	(18,720)	(30,461)	(30,418)	(96,507)	(29,698)	(29,061)	(28,543)	(28,118)	(115,420)
Net income (loss)	(24,583,622)	(45,948,744)	9,161,821	(6,901,412)	(6,633,552)	(6,061,697)	(6,053,268)	(27,849,929)	(5,909,822)	(5,783,176)	(5,680,105)	(5,595,475)	(22,968,578)
Earnings (loss) per share	(0.49)	(0.62)	0.09	(0.06)	(0.06)	(0.03)	(0.03)	(0.17)	(0.03)	(0.03)	(0.03)	(0.03)	(0.11)
Weighted average common shares outstanding, diluted	50,417,979	74,458,028	105,169,364	117,135,048	143,196,709	180,301,900	202,783,728	160,854,346	202,783,728	202,783,728	202,783,728	202,783,728	202,783,728



A - 07/16/2024 Market Perform Current \$0.17	B - 06/25/2024 Market Perform Current \$0.16
C - 06/20/2024 Market Perform Current \$0.16	D - 06/11/2024 Market Perform Current \$0.21
E - 05/02/2024 Market Perform Current \$0.27	F - 04/25/2024 Outperform Target \$4.00 Current \$0.32
G - 04/08/2024 Outperform Target \$4.00 Current \$0.34	H - 02/29/2024 Outperform Target \$4.00 Current \$0.43
I - 02/15/2024 Outperform Target \$3.75 Current \$0.48	J - 12/29/2023 Outperform Target \$3.75 Current \$0.55
K - 12/22/2023 Outperform Target \$3.75 Current \$0.54	L - 11/16/2023 Outperform Target \$4.00 Current \$0.47
M - 10/31/2023 Outperform Target \$4.00 Current \$0.42	N - 10/18/2023 Outperform Target \$3.75 Current \$0.43
O - 10/06/2023 Outperform Target \$3.75 Current \$0.47	P - 09/15/2023 Outperform Target \$3.75 Current \$0.46
Q - 08/14/2023 Outperform Target \$3.75 Current \$0.57	R - 07/07/2023 Outperform Target \$4.25 Current \$0.63
S - 06/29/2023 Outperform Target \$4.25 Current \$0.71	T - 06/20/2023 Outperform Target \$4.25 Current \$0.88
U - 05/04/2023 Outperform Target \$4.25 Current \$0.60	V - 04/28/2023 Outperform Target \$4.25 Current \$0.51
W - 04/17/2023 Outperform Target \$4.25 Current \$0.40	X - 03/20/2023 Outperform Target \$4.25 Current \$0.35
Y - 03/10/2023 Outperform Target \$4.75 Current \$0.30	Z - 01/27/2023 Outperform Target \$4.75 Current \$0.52
a - 01/06/2023 Outperform Target \$4.75 Current \$0.41	b - 12/06/2022 Outperform Target \$4.75 Current \$0.32
c - 11/03/2022 Outperform Target \$5.00 Current \$0.40	d - 10/11/2022 Outperform Target \$5.25 Current \$0.41
e - 09/16/2022 Outperform Target \$5.25 Current \$0.50	f - 09/01/2022 Outperform Target \$5.25 Current \$0.56
g - 08/19/2022 Outperform Target \$5.25 Current \$0.56	h - 08/11/2022 Outperform Target \$5.25 Current \$0.58
i - 07/19/2022 Outperform Target \$5.75 Current \$0.60	j - 05/31/2022 Outperform Target \$5.75 Current \$0.76
k - 05/04/2022 Outperform Target \$5.75 Current \$1.05	l - 03/31/2022 Outperform Target \$6.50 Current \$1.67
m - 02/14/2022 Outperform Target \$6.50 Current \$1.37	n - 01/06/2022 Outperform Target \$6.75 Current \$1.33
o - 11/12/2021 Outperform Target \$7.25 Current \$2.22	p - 09/23/2021 Outperform Target \$9.50 Current \$2.93
q - 09/10/2021 Outperform Target \$9.50 Current \$3.14	

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The fundamental assessment rating system is designed to provide insights on the company's fundamentals both on a macro level, which incorporates a company's market opportunity and competitive position, and on a micro/company specific level. The micro/company specific attributes include operating & financial leverage, and corporate governance/management. The number of check marks that a company receives is designed to provide a quick reference and easy determination of the company's fundamentals based upon the following five attributes of the company (weighting reflects the importance of each attribute in the overall scoring of company's fundamental analysis):

Attribute	Weighting
Corporate Governance/Management	20%
Market Opportunity Analysis	20%
Competitive Position	20%
Operating Leverage	20%
Financial Leverage	20%

For each attribute, the analysts score the company from a low of zero to a high of ten based upon the analysis described below. The final rating and resulting check marks is a result of dividing the overall score (out of 100%) by ten.

Rating	Score	Checks
Superior	9.1 to 10	Five Checks
Superior	8.1 to 9	Four & A Half Checks
Above Average	7.1 to 8	Four Checks
Above Average	6.1 to 7	Three & A Half Checks
Average	5.1 to 6	Three Checks
Average	4 to 5	Two & A Half Checks
Below Average	3 to 3.9	Two Checks
Below Average	2 to 2.9	One & A Half Checks
Low Quality	0 to 1.9	One Check

While these are the attributes currently used for the analyst's fundamental analysis, the attributes and weighting may be reviewed, updated with additional attributes, and/or changed in the future based on discussions with the analysts and recommendations from the Director of Research.

Following is the description of each attribute in the fundamental analysis.

Corporate Governance/Management

We believe that a review of corporate governance and assessment of the senior management are important tools to determine investment merit. Good corporate governance aligns management with the interests of stakeholders. As such, analysts are to rank the company on the basis of good corporate governance principles that may include rules and procedures, board composition and staggered term limits, rights and responsibilities, corporate objectives, monitoring of actions and policies, and accountability. In addition, analysts will assess issues with controlling shareholders and whether decisions have been made in the past that were in the interests of all shareholders. In addition, management will be assessed based on industry experience, expertise, and/or track record.

High ranking example: Board and management that is aligned with the interests of shareholders with incentives based on stock price appreciation and with an experienced management team known for exceptional shareholder returns.

Low ranking example: Concentrated ownership without independent directors that do not necessarily align with all shareholders' interests.

The Market Opportunity Analysis

In this review, the analyst assesses the company's macro environment as a measure of understanding the industry. Factors considered include the size and growth potential of the industry under various economic conditions, the emerging demands in the market, technological benefits/disruptions, competition, geographical opportunities, and customer demands/needs, and an assessment of supply and distribution channels. In addition, the analyst will review legal and regulatory trends, as well as potential shifts in consumer or social behavior and natural environment changes.

High rank example: A company in an industry that is growing revenues well above GDP rates (which are on average 2% plus) and/or may have unmet or underserved needs in a rapidly growing market opportunity.

Low rank example: A mature industry that is in secular decline and likely to grow below GDP rates.

Competitive Position

The evaluation of the company's competitive position is another macro environment attribute designed to measure the relevance, market share, position and value proposition, and sustainable differentiations of the company and its products/services within its industry. Ease of entry into the industry and the ability of other well-funded players to potentially enter the market would be determined. As such, the assessment would consider the company's strengths and advantages of its products/services against weaknesses and limitations. This may include the company's current brand awareness, pricing and cost structure, current market strategies and geographic penetration that may affect demand for its products/services. In addition, the company's competitors would be evaluated.

High rank example: An analyst would consider the company's product to be superior to its competitors and that should allow the company to gain market share.

Low rank example: A company with a "me-too" product that does not have any significant technology advantages in an industry that has low barriers to entry.

Operating Leverage

Simplistically, operating leverage is determined by the operating income relative to changes in revenue. The analyst will calculate the impact on sensitivity on gross margins and variable costs to determine operating leverage. The analyst will take into account the ability of the company to cut fixed and variable costs in a challenged revenue environment and technological changes that may impact operating expenses. In addition, the analyst is to assess corporate strategies that include capital investment, which may be required for sustainable revenue growth, marketing expenses, and the company's ability to attract and retain talent and/or employees. The analyst should focus on the revenue opportunity and determine the price elasticity of demand for the company's products or services. In other words, the analyst is to rank the company based on improved operating margins going forward on an absolute and relative basis.

High rank example: A company that has improving margins for the foreseeable future, with significant price elasticity.

Low rank example: A company that is in a challenged revenue environment with a fixed cost structure and limited ability to cut costs, indicating an outlook for declining margins.

Financial Leverage

A strict definition of financial leverage is total debt divided by total shareholder's equity. Financial leverage analysis is to determine the company's ability to improve shareholder value by means of utilizing its balance sheet to grow organically or to acquire assets. Analysts may look at the company's debt to cash flow leverage ratio, interest coverage ratios, or debt to equity ratios. In addition, the interest rate environment and the outlook for interest rates are a factor in determining the company's ability to manage financial leverage. Finally, the analyst is expected to determine the ability to service the debt given the industry and/or company profile, such as cyclical, barriers to entry, history of bankruptcy, consistency in revenue and profit growth, or predictability in sales and profits and large cash reserves. The analyst is expected to take into account capital intensity of the company and the anticipated of capital allocation decisions.

High rank example: A company with predictable and growing revenue and cash flow with modest debt levels. This may indicate that the company could improve shareholder value through growth investments, including acquisitions, using debt financing.

Low rank example: A company in a cyclical industry in a late stage economic cycle that has above average debt leverage and is in an industry that has a history of financial challenges, including bankruptcies.

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Named WSJ 'Best on the Street' Analyst and Forbes/StarMine's "Best Brokerage Analyst."

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Market Perform: potential return is -15% to 15% of the current price	11%	4%
Underperform: potential return is >15% below the current price	0%	0%

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