

Comstock Mining Inc.
Form 8-K
February 14, 2014

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

FORM 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 11, 2014

COMSTOCK MINING INC.
(Exact Name of Registrant as Specified in its Charter)

Nevada (State or Other Jurisdiction of Incorporation)	001-35200 (Commission File Number)	65-0955118 (I.R.S. Employer Identification Number)
1200 American Flat Road, Virginia City, Nevada 89440 (Address of Principal Executive Offices, including Zip Code)		

Registrant's Telephone Number, including Area Code: (775) 847-5272

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

505 Park Avenue, 21st Floor, New York, New York
(Address of principal executive offices)

10022
(Zip Code)

Registrant's telephone number, including area code: **(212) 527-3800**

Not applicable

(Former name or former address, if changed since last report)

Item 5. Other Events and Regulation FD Disclosure

On August 4, 2003, the Company announced that it had sold all of its interests in the Latvian cable television company Baltcom TV to the Latvian company SIA Alina for total consideration of \$14.5 million. The Company held a 50% equity interest in Baltcom TV through its subsidiaries and had extended a loan to Baltcom with current outstanding balance of \$13.2 million. In the transaction, the Company assigned the Baltcom loan to Alina for a cash payment of the loan's full face value of \$13.2 million and conveyed its equity interest in Baltcom to Alina for \$1.3 million in cash, half of which was received at closing and the other half will be released from escrow when Alina completes the registration under Latvian law of the Baltcom ownership interest it acquired. Alina already owned 45% of Baltcom prior to the transaction.

The press release announcing this matter is attached as Exhibit 99.1 and is incorporated herein by reference.

Item 7. Financial Statements and Exhibits

(c) Exhibits.

99.1

Press Release of Metromedia International Group, Inc.,
dated August 4, 2003

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

METROMEDIA INTERNATIONAL GROUP, INC.

By: /S/ HAROLD F. PYLE, III
Name: Harold F. Pyle, III
Title: Senior Vice President Finance, Chief Financial Officer,
Treasurer and Secretary

Date: August 6, 2003
New York, New York

EXHIBIT INDEX

Exhibit	Description
99.1	Press Release of Metromedia International Group, Inc. dated August 4, 2003

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RISK FACTORS

Investing in the senior notes involves risk. These risks are described under "Risk Factors" in Item 1A of our annual report on Form 10-K for the fiscal year ended December 31, 2010 and our quarterly reports on Form 10-Q for the quarters ended March 31, 2011, June 30, 2011 and September 30, 2011, each of which is incorporated by reference in this prospectus supplement and the accompanying prospectus. See "Where You Can Find More Information" in the accompanying prospectus. Before making a decision to invest in the senior notes, you should carefully consider these risks as well as other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus.

FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompany prospectus and any documents incorporated by reference into this prospectus supplement and the accompanying prospectus contain forward-looking statements that are necessarily subject to various risks and uncertainties. These statements are based on current estimates, expectations, and projections about future events and assumptions regarding these events and management's knowledge of facts as of the date of this report. These forward-looking statements relate to, among other matters, estimated capital expenditures; estimated environmental remediation, tax, and other liabilities; estimates and assumptions used in Corp's and our critical accounting policies; the anticipated outcome of various regulatory, governmental, and legal proceedings; estimated losses and insurance recoveries associated with the natural gas transmission pipeline rupture and fire that occurred on September 9, 2010 in San Bruno, California (the "San Bruno accident"); the estimated range of additional costs we will incur related to our natural gas transmission business; estimated future cash flows; and the level of future equity or debt issuances. These statements are also identified by words such as assume, expect, intend, plan, project, believe, estimate, target, predict, anticipate, aim, may, might, should, would, could, goal, potential, and similar expressions. We are not able to identify all factors that may affect future results. Some of the factors that could cause future results to differ materially from those expressed or implied by the forward-looking statements, or from historical results, include, but are not limited to:

the outcome of pending and future investigations and regulatory proceedings related to the San Bruno accident, the CPUC's investigation of a natural gas explosion that occurred on December 24, 2008 in Rancho Cordova, California, and the safety of our natural gas transmission pipelines in our northern and central California service territory; the ultimate amount of costs we incur for natural gas pipeline matters that are not recoverable through rates; the ultimate amount of third-party claims associated with the San Bruno accident that will not be recovered through insurance; and the amount of any civil or criminal fines, penalties, or punitive damages we may incur related to these matters;

the outcome of future investigations or proceedings that may be commenced by the CPUC or other regulatory authorities relating to our compliance with law, rules, regulations, or orders applicable to the operation, inspection, and maintenance of our electric and gas facilities (in addition to investigations or proceedings related to the San Bruno accident and natural gas pipeline matters);

reputational harm that Corp and we may suffer depending on whether we are able to adequately and timely respond to the findings and recommendations made by the NTSB and CPUC's independent review panel; the outcome of the various regulatory proceedings and investigations of the San Bruno accident and natural gas pipeline matters; service disruptions caused by pressure reductions in our natural gas pipeline system, the outcome of civil litigation; and the extent to which additional regulatory, civil, or criminal proceedings may be pursued by regulatory or governmental agencies;

the adequacy and price of electricity and natural gas supplies, the extent to which we can manage and respond to the volatility of electricity and natural gas prices, and our ability and the ability of our counterparties to post or return collateral;

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explosions, fires, accidents, mechanical breakdowns, the disruption of information technology and systems (including the newly installed advanced electric and gas metering system), human errors, and similar events that may occur while operating and maintaining an electric and natural gas system in a large service territory with varying geographic conditions that can cause unplanned outages, reduce generating output, damage our assets or operations, which could subject us to third-party claims for property damage or personal injury, or result in the imposition of civil, criminal, or regulatory fines or penalties on us;

the impact of storms, earthquakes, floods, drought, wildfires, disease, and similar natural disasters, or acts of terrorism or vandalism, that affect customer demand or that damage or disrupt the facilities, operations, or information technology and systems owned by us, our customers, or third parties on which we rely;

the potential impacts of climate change on our electricity and natural gas businesses, the impact of environmental laws and regulations aimed at the reduction of carbon dioxide and other greenhouse gases on our electricity and natural gas businesses, and whether we are able to recover associated compliance costs including the cost of emission allowances and offsets that we may incur under cap and trade regulations;

changes in customer demand for electricity (load) and natural gas resulting from unanticipated population growth or decline, general economic and financial market conditions, the development of alternative energy technologies including self-generation and distributed generation technologies, or other reasons;

the occurrence of unplanned outages at our two nuclear generating units at Diablo Canyon power plant (Diablo Canyon), the availability of nuclear fuel, and our ability to procure replacement electricity if nuclear generation from Diablo Canyon were unavailable;

the outcome of seismic studies we are conducting that could affect our ability to continue operating Diablo Canyon or renew the operating licenses for Diablo Canyon, the issuance of NRC orders or the adoption of new legislation or regulations to address seismic and other risks at nuclear facilities to avoid the type of damage sustained by nuclear facilities in Japan following the March 2011 earthquake, or to address the operations, decommissioning, storage of spent nuclear fuel, security, safety, cooling water intake, or other operational or licensing matters associated with Diablo Canyon and whether we are able to comply with such new orders, legislation, or regulations and recover the increased costs of compliance through rates;

the impact of federal or state laws or regulations, or their interpretation, on energy policy and the regulation of utilities and their holding companies, including how the CPUC interprets and enforces the financial and other conditions imposed on Corp when it became our holding company;

whether our newly installed electric and gas SmartMeter™ devices and related software systems and wireless communications equipment continue to accurately and timely measure customer energy usage and generate billing information, whether we can successfully implement the system design changes necessary to accommodate changing retail electric rates, and whether we can continue to rely on third-party vendors and contractors to support the advanced metering system;

the extent to which Corp or we incur costs in connection with third-party claims or litigation, that are not recoverable through insurance, rates, or from other third parties;

our ability and the ability of Corp and counterparties to access capital markets and other sources of credit in a timely manner on acceptable terms;

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the impact of environmental remediation laws and regulations, particularly those affecting the remediation of our former manufactured gas plants and natural gas compressor sites, the extent to which we are able to recover compliance and remediation costs from third parties or through rates or insurance, and the ultimate amount of environmental remediation costs we incur related to the Hinkley compressor station;

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the loss of customers due to various forms of bypass and competition, including municipalization of our electric distribution facilities, increasing levels of direct access by which consumers procure electricity from alternative energy providers, and implementation of community choice aggregation, which permits cities and counties to purchase and sell electricity for their local residents and businesses; and

the outcome of federal or state tax audits and the impact of changes in federal or state tax laws, policies, or regulations, such as The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010.

For more information about the significant risks that could affect the outcome of these forward-looking statements and our future financial condition and results of operations, you should read the sections titled Risk Factors in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus.

You should read this prospectus supplement, the accompanying prospectus and the documents that we incorporate by reference into this prospectus supplement and the accompanying prospectus, the documents that we have included as exhibits to the registration statement of which this prospectus supplement and the accompanying prospectus are a part and the documents that we refer to under the section of the accompanying prospectus titled Where You Can Find More Information completely and with the understanding that our actual future results could be materially different from what we expect when making the forward-looking statements. We qualify all our forward-looking statements by these cautionary statements. These forward-looking statements speak only as of the date of this prospectus supplement or the date of the document incorporated by reference. Except as required by applicable laws or regulations, we do not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

OUR COMPANY

We are a leading vertically integrated electricity and natural gas utility. We were incorporated in California in 1905 and are a subsidiary of PG&E Corporation. We operate in northern and central California and are engaged in the businesses of electricity and natural gas distribution, electricity generation, procurement and transmission, and natural gas procurement, transportation and storage. At September 30, 2011, we served approximately 5 million electricity distribution customers and approximately 4 million natural gas distribution customers. Our principal executive office is located at 77 Beale Street, P.O. Box 770000, San Francisco, California 94177, and our telephone number is (415) 973-7000. The principal executive office of PG&E Corporation is located at One Market, Spear Tower, Suite 2400, San Francisco, California 94105.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our historical ratio of earnings to fixed charges for each of the fiscal years indicated and for the nine months ended September 30, 2011.

Nine Months Ended September 30, 2011	2010	2009	2008	2007	2006
2.72x	3.12x	3.12x	2.96x	2.79x	2.98x

For the purpose of computing our ratios of earnings to fixed charges, earnings represent net income adjusted for the income or loss from equity investees of less than 100% owned affiliates, equity in undistributed income or losses of less than 50% owned affiliates, income taxes and fixed charges (excluding capitalized interest). Fixed charges include interest on long-term debt and short-term borrowings (including a representative portion of rental expense), amortization of bond premium, discount and expense, interest on capital leases, allowance for funds used during construction debt, and earnings required to cover the preferred stock dividend requirements and preferred security distribution requirements of majority-owned trust. Fixed charges exclude interest on tax liabilities.

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USE OF PROCEEDS

We estimate that the net proceeds from this offering will be approximately \$246.5 million, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds from the sale of the senior notes for general corporate purposes, including to repay a portion of our outstanding commercial paper. At November 23, 2011, the outstanding amount of our commercial paper was approximately \$997 million, the weighted average yield on our outstanding commercial paper was approximately 0.42% per annum and the average maturity on our outstanding commercial paper was 24.08 days.

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The following table sets forth our consolidated capitalization as of September 30, 2011, and as adjusted to give effect to (i) the issuance and sale of the senior notes, and (ii) the use of net proceeds from this offering as set forth under "Use of Proceeds" in this prospectus supplement. This table should be read in conjunction with our consolidated condensed financial statements and related notes as of and for the nine months ended September 30, 2011, incorporated by reference in this prospectus supplement and the accompanying prospectus. See "Where You Can Find More Information" in the accompanying prospectus.

	As of September 30, 2011	
	Actual	As Adjusted
	(in millions)	
Current Liabilities:		
Short-term borrowings(1)	\$ 1,062	\$ 816
Long-term debt, classified as current:		
Current portion of long-term debt	50	50
Current portion of energy recovery bonds(2)	418	418
 Total long-term debt, classified as current	 \$ 468	 \$ 468
Capitalization:		
Long-term debt(3)	\$ 11,167	\$ 11,416
Energy recovery bonds(2)	110	110
Shareholders' equity(4)	12,307	12,307
 Total capitalization	 \$ 23,584	 \$ 23,833

- (1) Actual short-term borrowings consisted of commercial paper and floating rate senior notes and as adjusted short-term borrowing gives effect to (i) the repayment of the \$250 million aggregate principal amount of our floating rate senior notes due October 11, 2011 on their maturity date, (ii) the issuance of \$250 million aggregate principal amount of our floating rate senior notes due November 20, 2012 on November 22, 2011 and (iii) the use of proceeds of this offering to repay a portion of our outstanding commercial paper.
- (2) PG&E Energy Recovery Funding LLC, or PERF, a legally separate but wholly-owned, consolidated subsidiary of ours, issued energy recovery bonds, or ERBs, supported by a dedicated rate component, or DRC, the proceeds of which were used to purchase from us the right, known as "recovery property," to be paid a specified amount from a DRC. DRC charges are collected by us and remitted to PERF for payment of the ERBs' principal, interest and miscellaneous associated expenses. The ERBs are secured solely by the recovery property. Our creditors have no recourse to the assets of PERF and its creditors have no recourse to our assets.
- (3) Actual long-term debt consisted of \$1,267 million of pollution control bonds and \$9,900 million of senior notes and as adjusted long-term debt includes the senior notes offered hereby, in each case, net of any discounts and premiums.
- (4) Includes \$258 million of preferred stock without mandatory redemption provisions.

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DESCRIPTION OF THE SENIOR NOTES

General

You should read the following information in conjunction with the statements under Description of the Senior Notes in the accompanying prospectus.

As used in this section, the terms we, us and our refer to Pacific Gas and Electric Company, and not to any of our subsidiaries.

The senior notes are being offered in the aggregate principal amount of \$250,000,000 and will mature on December 15, 2041.

We will issue the senior notes under an existing indenture, which was originally entered into on March 11, 2004 and amended and restated on April 22, 2005, between us and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.), as trustee, as supplemented by supplemental indentures between us and the trustee. Please read the indenture because it, and not this description, defines your rights as holders of the senior notes. We have filed with the Securities and Exchange Commission a copy of the indenture as an exhibit to the registration statement of which this prospectus supplement and the accompanying prospectus are a part.

Pursuant to the Trust Indenture Act of 1939, as amended, or the 1939 Act, if a default occurs on the senior notes, The Bank of New York Mellon Trust Company, N.A. may be required to resign as trustee under the indenture if it has a conflicting interest (as defined in the 1939 Act), unless the default is cured, duly waived or otherwise eliminated within 90 days.

We may without consent of the holders of the senior notes issue additional senior notes of that series under the indenture, having the same terms in all respects to the senior notes of that series (except for the public offering price and the issue date and, in some cases, the first interest payment date) so that those additional notes will be consolidated and form a single series with the other outstanding senior notes of that series.

The senior notes will bear interest from December 1, 2011 at 4.50% per annum, payable semiannually on each June 15 and December 15, commencing on June 15, 2012, to holders of record on the 15th day prior to the interest payment date.

We will issue the senior notes in denominations of \$1,000 and integral multiples of \$1,000 in excess thereof.

The senior notes will be redeemable at our option, in whole or in part, at any time as described under Optional Redemption for Senior Notes below.

Interest on the senior notes will be computed on the basis of a 360-day year consisting of twelve 30-day months. If any payment date falls on a day that is not a business day, the payment will be made on the next business day, but we will consider that payment as being made on the date that the payment was due to you. In that event, no interest will accrue on the amount payable for the period from and after the payment date.

We will issue the senior notes in the form of one or more global securities, which will be deposited with, or on behalf of, The Depository Trust Company, or DTC, and registered in the name of DTC's nominee. Information regarding DTC's book-entry system is set forth below under Book-Entry System; Global Notes.

Ranking

The senior notes will be our direct, unsecured and unsubordinated obligations and will rank equally with all our other existing and future unsecured and unsubordinated obligations. The senior notes will be effectively subordinated to all our secured debt. As of September 30, 2011 and after giving effect to the repayment of the

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\$250 million aggregate principal amount of our floating rate senior notes due October 11, 2011 on their maturity date and the issuance of \$250 million aggregate principal amount of our floating rate senior notes due November 20, 2012 on November 22, 2011, we had approximately \$10.2 billion of notes outstanding under the indenture for the senior notes. The indenture contains no restrictions on the amount of additional indebtedness that may be incurred by us.

As of September 30, 2011, we did not have any outstanding secured debt for borrowed money.

Optional Redemption for Senior Notes

At any time prior to June 15, 2041, we may, at our option, redeem the senior notes in whole or in part at a redemption price equal to the greater of:

100% of the principal amount of the senior notes to be redeemed; or

as determined by the Quotation Agent, the sum of the present values of the remaining scheduled payments of principal and interest on the senior notes to be redeemed (not including any portion of payments of interest accrued as of the redemption date) discounted to the redemption date on a semiannual basis at the Adjusted Treasury Rate plus 25 basis points, plus, in either case, accrued and unpaid interest to the redemption date.

At any time on or after June 15, 2041, we may redeem the senior notes, in whole or in part, at 100% of the principal amount of the senior notes being redeemed plus accrued and unpaid interest to the redemption date.

The redemption price will be calculated assuming a 360-day year consisting of twelve 30-day months.

We will mail notice of any redemption at least 30 days but not more than 60 days before the redemption date to each registered holder of the senior notes to be redeemed.

Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the senior notes or portions of the senior notes called for redemption.

As used in this section Optional Redemption for Senior Notes, the following terms shall have the following meanings:

Adjusted Treasury Rate means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the redemption date.

Business Day means any day that is not a day on which banking institutions in New York City are authorized or required by law or regulation to close.

Comparable Treasury Issue means the United States Treasury security selected by the applicable Quotation Agent as having a maturity comparable to the remaining term of the senior notes to be redeemed that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the senior notes to be redeemed.

Comparable Treasury Price means, with respect to any redemption date:

the average of the Reference Treasury Dealer Quotations for that redemption date, after excluding the highest and lowest of the Reference Treasury Dealer Quotations; or

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if we obtain fewer than four Reference Treasury Dealer Quotations, the average of all Reference Treasury Dealer Quotations so received.

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Quotation Agent means the Reference Treasury Dealer appointed by us for the senior notes.

Reference Treasury Dealer means (1) each of BNP Paribas Securities Corp., Merrill Lynch, Pierce, Fenner & Smith Incorporated and UBS Securities LLC and their respective successors, unless any of them ceases to be a primary dealer in certain U.S. government securities (Primary Treasury Dealer), in which case we shall substitute another Primary Treasury Dealer; and (2) any other Primary Treasury Dealer selected by us.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by us, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to us by that Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding that redemption date.

If we redeem only some of the senior notes, DTC's practice is to choose by lot the amount to be redeemed from the senior notes held by each of its participating institutions. DTC will give notice to these participants, and these participants will give notice to any street name holders of any indirect interests in the senior notes to be redeemed according to arrangements among them. These notices may be subject to statutory or regulatory requirements. We will not be responsible for giving notice of a redemption of the senior notes to be redeemed to anyone other than the registered holders of the senior notes to be redeemed, which is currently DTC. If senior notes to be redeemed are no longer held through DTC and fewer than all the senior notes are to be redeemed, selection of senior notes for redemption will be made by the trustee in any manner the trustee deems fair and appropriate.

Subject to the foregoing and to applicable law (including, without limitation, United States federal securities laws), we or our affiliates may, at any time and from time to time, purchase outstanding senior notes by tender, in the open market or by private agreement.

No Sinking Fund

There is no provision for a sinking fund for the senior notes.

Covenants

The indenture restricts us and any of our subsidiaries which are significant subsidiaries from incurring or assuming secured debt or entering into sale and leaseback transactions, except in certain circumstances. The accompanying prospectus describes this covenant (see Description of the Senior Notes Restrictions on Liens and Sale and Leaseback Transactions in the accompanying prospectus) and other covenants contained in the indenture in greater detail and should be read prior to investing.

Book-Entry System; Global Notes

Except as set forth below, the senior notes will initially be issued in the form of one or more global notes. The senior notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate will be issued for the senior notes in the aggregate principal amount of such series, and will be deposited with DTC or the trustee on behalf of DTC. If, however, the aggregate principal amount of the senior notes exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of senior notes. Investors may hold their beneficial interests in a global note directly through DTC or indirectly through organizations which are participants in the DTC system.

Unless and until they are exchanged in whole or in part for certificated notes, the global notes may not be transferred except as a whole by DTC or its nominee.

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DTC has advised us as follows:

DTC is a limited purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered under the provisions of Section 17A of the Securities Exchange Act of 1934.

DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's direct participants deposit with DTC. DTC also facilitates the post-trade settlement among direct participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between direct participants' accounts. This eliminates the need for physical movement of securities certificates. Direct participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation, or DTCC. DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others, such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. DTC has a Standard & Poor's rating of AA+. The DTC rules applicable to its direct and indirect participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of the senior notes under the DTC system must be made by or through direct participants, which will receive a credit for the senior notes on DTC's records. The ownership interest of each actual purchaser of each senior note, or the beneficial owner, is, in turn, to be recorded on the direct and indirect participants' records. Beneficial owners will not receive written confirmation from DTC of their purchase. Beneficial owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct or indirect participant through which the beneficial owner entered into the transaction. Transfers of ownership interests in the senior notes are to be accomplished by entries made on the books of direct and indirect participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in senior notes, except in the event that use of the book-entry system for the senior notes is discontinued.

To facilitate subsequent transfers, all senior notes deposited by direct participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of senior notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the senior notes; DTC's records reflect only the identity of the direct participants to whose accounts the senior notes are credited, which may or may not be the beneficial owners. The direct and indirect participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial owners of the senior notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the senior notes, such as redemptions, tenders, defaults and proposed amendments to the senior note documents. For example, beneficial owners of senior notes may wish to ascertain whether the nominee holding the senior notes for their benefit has agreed to obtain and transmit notices to beneficial owners. In the alternative, beneficial owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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Redemption notices shall be sent to DTC. If less than all of the senior notes are being redeemed, DTC's practice is to determine by lot the amount of the interest of each direct participant in the senior notes to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to senior notes unless authorized by a direct participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an omnibus proxy to the issuer as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts senior notes are credited on the record date (identified in a listing attached to the omnibus proxy).

Redemption proceeds, distributions and dividend payments on the senior notes will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit direct participants' accounts upon DTC's receipt of funds and corresponding detail information from the issuer or the agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of the participant and not of DTC nor its nominee, agent or the issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the issuer or agent, disbursement of the payments to direct participants will be the responsibility of DTC, and disbursement of such payments to the beneficial owners will be the responsibility of direct and indirect participants.

DTC may discontinue providing its services as depository with respect to the senior notes at any time by giving reasonable notice to the issuer or the agent. Under such circumstances, in the event that a successor depository is not obtained, senior note certificates are required to be printed and delivered.

We may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, senior note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable but we take no responsibility for the accuracy thereof.

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Subject to the terms and conditions set forth in an underwriting agreement between us and the underwriters named below, for whom BNP Paribas Securities Corp., Merrill Lynch, Pierce, Fenner & Smith Incorporated and UBS Securities LLC are acting as representatives, we have agreed to sell to each of the underwriters, and each of the underwriters has severally and not jointly agreed to purchase from us, the principal amount of senior notes set forth opposite its name below.

Underwriter	Principal Amount
BNP Paribas Securities Corp.	\$ 65,000,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	65,000,000
UBS Securities LLC	65,000,000
Mitsubishi UFJ Securities (USA), Inc.	18,334,000
Mizuho Securities USA Inc.	18,333,000
Samuel A. Ramirez & Company, Inc.	18,333,000
Total	\$ 250,000,000

The underwriters have agreed, subject to the terms and conditions set forth in the underwriting agreement, to purchase all of the senior notes if any of the senior notes are purchased.

The underwriters propose to offer each series of the senior notes directly to the public at the respective public offering prices specified on the cover page to this prospectus supplement and may also offer the senior notes to certain dealers at the respective public offering prices less a concession not to exceed 0.50% of the principal amount of the senior notes. The underwriters may allow, and these dealers may reallow, concession to certain brokers and dealers not to exceed 0.25% of the principal amount of the senior notes. After the initial offering of the senior notes, the underwriters may change the offering prices and concessions.

The senior notes have no established trading market. We currently have no intention to list the senior notes on any securities exchange or automated dealer quotation system. The underwriters may make a market in the senior notes after completion of the offering, but will not be obligated to make a market in the senior notes and may discontinue such market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the senior notes or that an active public market for the senior notes will develop. If an active public trading market for the senior notes does not develop, the market price and liquidity of the senior notes may be adversely affected.

We will agree to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments which the underwriters may be required to make in respect thereof.

We estimate the expenses for this offering, other than the underwriting discount, to be approximately \$475,000.

We will agree with the underwriters not to, during the period three business days from the date of the underwriting agreement, sell, offer to sell, grant any option for the sale of, or otherwise dispose of any debt securities other than the senior notes, without the prior written consent of each of BNP Paribas Securities Corp., Merrill Lynch, Pierce, Fenner & Smith Incorporated and UBS Securities LLC. This agreement will not apply to issuances of commercial paper or other debt securities with scheduled maturities of less than one year.

In order to facilitate the offering, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the senior notes. Specifically, the underwriters may over-allot in connection with the offering, creating short positions in the senior notes for their own accounts. In addition, to cover over-allotments

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or to stabilize the price of the senior notes, the underwriters may bid for, and purchase, senior notes in the open market. The underwriters may reclaim selling concessions allowed to an underwriter or dealer for distributing senior notes in the offering if the underwriters repurchase previously distributed senior notes in transactions to cover short positions, in stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of the senior notes above independent market levels. The underwriters are not required to engage in these activities, and may end any of these activities at any time without notice.

In general, purchases of a security for the purpose of stabilization or to reduce a short position could cause the price of the security to be higher than it might be in the absence of such purchases. The imposition of a penalty bid might also have an effect on the price of a security to the extent that it were to discourage resales of the security.

Neither we nor any underwriter makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the senior notes. In addition, neither we nor any underwriter makes any representation that the underwriters will engage in such transactions or that such transactions once commenced will not be discontinued without notice.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their affiliates have engaged and may in the future engage in transactions with, and, from time to time, have performed and may perform investment banking and/or commercial banking services for, us and certain of our affiliates in the ordinary course of business, for which they have received and will receive customary compensation. In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the issuer. Certain of the underwriters or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such short positions could adversely affect future trading prices of the notes offered hereby. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. Merrill Lynch, Pierce, Fenner & Smith Incorporated or its affiliates is a dealer under our commercial paper program and may receive proceeds from this offering.

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GENERAL INFORMATION

The notes have been accepted for clearance through DTC and have been assigned the following identification number:

Senior notes	CUSIP Number 694308 GY7
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LEGAL MATTERS

The validity of the senior notes will be passed upon for us by Orrick, Herrington & Sutcliffe LLP, San Francisco, California. Skadden, Arps, Slate, Meagher & Flom LLP, New York, New York represents the underwriters. Skadden, Arps, Slate, Meagher & Flom LLP has in the past performed, and continues to perform, legal services in connection with federal regulatory and transactional matters for us and our affiliates.

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PROSPECTUS

Pacific Gas and Electric Company

Senior Notes

We may offer and sell from time to time an indeterminate principal amount of senior notes in one or more offerings. This prospectus provides you with a general description of the senior notes that may be offered.

Each time we sell senior notes, we will provide a prospectus supplement that contains specific information about the offering and the terms of the offered senior notes. The prospectus supplement also may add, delete, update or change information contained in this prospectus. You should carefully read this prospectus and any applicable prospectus supplement for the specific offering before you invest in any of the senior notes. This prospectus may not be used to sell senior notes unless accompanied by a prospectus supplement.

The senior notes may be sold to or through underwriters, dealers or agents or directly to other purchasers. A prospectus supplement will set forth the names of any underwriters, dealers or agents involved in the sale of the senior notes, the aggregate principal amount of senior notes to be purchased by them and the compensation they will receive.

See Risk Factors on page 1 for information on certain risks related to the purchase of our securities.

None of the Securities and Exchange Commission, any state securities commission or any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

February 23, 2011

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or the SEC, using a shelf registration process. Under this shelf registration process, we may from time to time sell an indeterminate principal amount of senior notes in one or more offerings.

This prospectus provides you with only a general description of the senior notes that we may offer. This prospectus does not contain all of the information set forth in the registration statement of which this prospectus is a part, as permitted by the rules and regulations of the SEC. For additional information regarding us and the offered senior notes, please refer to the registration statement of which this prospectus is a part. Each time we sell senior notes, we will provide a prospectus supplement that contains specific information about the offering and the terms of the offered senior notes. The prospectus supplement also may add, delete, update or change information contained in this prospectus. You should rely only on the information in the applicable prospectus supplement if this prospectus and the applicable prospectus supplement are inconsistent. Before purchasing any senior notes, you should carefully read both this prospectus and the applicable prospectus supplement, together with the additional information described under the section of this prospectus titled "Where You Can Find More Information." In particular, you should carefully consider the risks and uncertainties described under the section titled "Risk Factors" or otherwise included in any applicable prospectus supplement or incorporated by reference in this prospectus before you decide whether to purchase the senior notes. These risks and uncertainties, together with those not known to us or those that we may deem immaterial, could impair our business and ultimately affect our ability to make payments on the senior notes.

You should rely only on the information contained or incorporated by reference in this prospectus and in any applicable prospectus supplement. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither we nor any underwriter, dealer or agent will make an offer to sell the senior notes in any jurisdiction where the offer or sale is not permitted. You should assume that the information in this prospectus and any applicable prospectus supplement is accurate only as of the dates on their covers. Our business, financial condition, results of operations and prospects may have changed since those dates.

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PACIFIC GAS AND ELECTRIC COMPANY

We are a public utility operating in northern and central California. We engage in the businesses of electricity and natural gas distribution, electricity generation, procurement and transmission, and natural gas procurement, transportation and storage.

We were incorporated in California in 1905. Our principal executive offices are located at 77 Beale Street, P.O. Box 770000, San Francisco, California 94177, and our telephone number at that location is (415) 973-7000.

Unless otherwise indicated, when used in this prospectus, the terms we, our, ours and us refer to Pacific Gas and Electric Company and its subsidiaries, and the term Corp refers to our parent, PG&E Corporation.

RISK FACTORS

Investing in our securities involves risk. Please see risk factors described in our Annual Report on Form 10-K and other reports filed with the SEC, which are all incorporated by reference in this prospectus. Before making an investment decision, you should carefully consider these risks as well as other information contained or incorporated by reference in this prospectus or the applicable supplement to this prospectus. The risks and uncertainties described are not the only ones facing us. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations, financial results and the value of our securities.

FORWARD-LOOKING STATEMENTS

This prospectus, the documents incorporated by reference in this prospectus and any applicable prospectus supplement contain forward-looking statements that are necessarily subject to various risks and uncertainties. These statements are based on current estimates, expectations and projections about future events, and assumptions regarding these events and management's knowledge of facts as of the date of this report. These forward-looking statements relate to, among other matters, estimated capital expenditures, estimated Utility rate base, estimated environmental remediation liabilities, estimated tax liabilities, the anticipated outcome of various regulatory and legal proceedings, future cash flows, and the level of future equity or debt issuances, and are also identified by words such as assume, expect, intend, plan, project, believe, estimate, anticipate, aim, may, might, should, would, could, goal, potential and similar expressions. We are not able to predict all the factors that could affect future results. Some of the factors that could cause future results to differ materially from those expressed or implied by the forward-looking statements, or from historical results, include, but are not limited to:

our ability to efficiently manage capital expenditures and operating and maintenance expenses within authorized levels and timely recover its costs through rates;

the outcome of pending and future regulatory, legislative or other proceedings or investigations, including the investigations by the National Transportation Safety Board, or NTSB, and the California Public Utilities Commission, or CPUC, into the cause of the San Bruno accident and the safety of our natural gas transmission pipelines in our northern and central California service territory, the CPUC investigation of the Rancho Cordova accident, whether we incur civil or criminal penalties as a result of these proceedings, whether we are required to incur additional costs for third-party liability claims or to comply with regulatory or legislative mandates that we are unable to recover through rates or insurance and whether we incur third-party liabilities or other costs in connection with service disruptions that may occur as we comply with regulatory orders to decrease pressure on our natural gas transmission system;

reputational harm that Corp and we may suffer depending on the outcome of the various investigations, including those by the NTSB and the CPUC, the outcome of civil litigation, and the extent to which civil or criminal proceedings may be pursued by regulatory or governmental agencies;

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the adequacy and price of electricity and natural gas supplies, the extent to which we can manage and respond to the volatility of electricity and natural gas prices, and the ability of us and our counterparties to post or return collateral;

explosions, fires, accidents, mechanical breakdowns, the disruption of information technology and systems, human errors, and similar events that may occur while operating and maintaining an electric and natural gas system in a large service territory with varying geographic conditions that can cause unplanned outages, reduce generating output, damage our assets or operations, subject us to third-party claims for property damage or personal injury, or result in the imposition of civil, criminal, or regulatory fines or penalties on us;

the impact of storms, earthquakes, floods, drought, wildfires, disease, and similar natural disasters, or acts of terrorism or vandalism, that affect customer demand or that damage or disrupt the facilities, operations, or information technology and systems owned by us, our customers, or third parties on which we rely;

the potential impacts of climate change on our electricity and natural gas businesses;

changes in customer demand for electricity and natural gas resulting from unanticipated population growth or decline, general economic and financial market conditions, changes in technology that include the development of alternative technologies that enable customers to increase their reliance on self-generation, or other reasons;

the occurrence of unplanned outages at our two nuclear generating units at Diablo Canyon Power Plant (Diablo Canyon), the availability of nuclear fuel, the outcome of our application to renew the operating licenses for Diablo Canyon, and potential changes in laws or regulations promulgated by the Nuclear Regulatory Commission, or environmental agencies with respect to the storage of spent nuclear fuel, security, safety, cooling water intake, or other matters associated with the operations at Diablo Canyon;

whether we earn incentive revenues or incur obligations under incentive ratemaking mechanisms, such as the CPUC's incentive ratemaking mechanism relating to energy savings achieved through implementation of the utilities' customer energy efficiency programs;

the impact of federal or state laws or regulations, or their interpretation, on energy policy and the regulation of utilities and their holding companies;

whether we can successfully complete our program to install advanced meters for our electric and natural gas customers, allay customer concerns about the new metering technology, and integrate the new meters with our customer billing and other systems while also implementing the system design changes necessary to accommodate retail electric rates based on dynamic pricing (i.e., electric rates that can vary with the customer's time of use and are more closely aligned with wholesale electricity prices) by the CPUC's due dates;

how the CPUC interprets and enforces the financial and other conditions imposed on Corp when Corp became our holding company and the extent to which the interpretation or enforcement of these conditions has a material impact on Corp;

the extent to which we or Corp incurs costs in connection with third-party claims or litigation, including those arising from the San Bruno accident, that are not recoverable through insurance, rates, or from other third parties;

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the ability of us, Corp, and counterparties to access capital markets and other sources of credit in a timely manner on acceptable terms;

the impact of environmental laws and regulations addressing the reduction of carbon dioxide and other greenhouse gases, water, the remediation of hazardous waste, and other matters, and whether we are able to recover the costs of compliance with such laws, including the cost of emission allowances and offsets that we may incur under federal or state cap and trade regulations;

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the loss of customers due to various forms of bypass and competition, including municipalization of our electric distribution facilities, increasing levels of direct access by which consumers procure electricity from alternative energy providers, and implementation of community choice aggregation, which permits cities and counties to purchase and sell electricity for their local residents and businesses; and

the outcome of federal or state tax audits and the impact of changes in federal or state tax laws, policies, or regulations, such as The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010.

For more information about the more significant risks that could affect the outcome of these forward-looking statements and our and Corp's future financial condition and results of operations, you should read the sections of the documents incorporated herein by reference titled Risk Factors as well as the important factors set forth under the heading Risk Factors in the applicable supplement to this prospectus.

You should read this prospectus, any applicable prospectus supplements, the documents that we incorporate by reference into this prospectus, the documents that we have included as exhibits to the registration statement of which this prospectus is a part and the documents that we refer to under the section of this prospectus titled Where You Can Find More Information completely and with the understanding that our actual future results could be materially different from what we expect when making the forward-looking statement. We qualify all our forward-looking statements by these cautionary statements. These forward-looking statements speak only as of the date of this prospectus, the date of the document incorporated by reference or the date of any applicable prospectus supplement. Except as required by applicable laws or regulations, we do not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

	Year Ended December 31,				
	2010	2009	2008	2007	2006
Ratio of earnings to fixed charges	3.12x	3.12x	2.96x	2.79x	2.98x

For the purpose of computing the ratios of earnings to fixed charges, earnings represent income from continuing operations adjusted for income taxes and fixed charges (excluding capitalized interest). Fixed charges include interest on long-term debt and short-term borrowings (including a representative portion of rental expense), amortization of bond premium, discount and expense, interest on capital leases and allowance for funds used during construction related to the cost of debt. Fixed charges exclude interest on tax liabilities.

USE OF PROCEEDS

Each prospectus supplement will describe the uses of the proceeds from the issuance of the senior notes offered by that prospectus supplement.

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DESCRIPTION OF THE SENIOR NOTES

This prospectus describes certain general terms of the senior notes that we may sell from time to time under this prospectus. We will describe the specific terms of each series of senior notes we offer in a prospectus supplement. The senior notes will be issued under an indenture dated as of April 22, 2005 (which supplemented, amended and restated the original indenture dated as of March 11, 2004 as thereafter supplemented) and one or more supplemental indentures that we will enter into with The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A. and successor to BNY Western Trust Company), as trustee. We have summarized selected provisions of the indenture and the senior notes below. The information we are providing you in this prospectus concerning the senior notes and the indenture is only a summary of the information provided in those documents, and the summary is qualified in its entirety by reference to the provisions of the indenture, including the forms of senior notes attached thereto. You should consult the senior notes themselves and the indenture for more complete information on the senior notes as they, and not this prospectus or any prospectus supplement, govern your rights as a holder. The indenture is included as an exhibit to the registration statement of which this prospectus is a part. The indenture has been qualified under the Trust Indenture Act of 1939, as amended, or the Trust Indenture Act, and the terms of the senior notes will include those made part of the indenture by the Trust Indenture Act.

In this section, references to we, our, ours and us refer only to Pacific Gas and Electric Company and not to any of its direct or indirect subsidiaries or affiliates except as expressly provided.

General

The senior notes are our unsecured general obligations and will rank equally in right of payment to all our other senior and unsubordinated debt. The senior notes will be entitled to the benefit of the indenture equally and ratably with all other senior notes issued under the indenture.

The indenture does not limit the amount of debt we or our subsidiaries may issue under it or otherwise. We may issue senior notes from time to time under the indenture in one or more series by entering into supplemental indentures or by resolution of our board of directors.

Provisions of a Particular Series

The prospectus supplement applicable to each series of senior notes will specify, among other things:

the title of the senior notes;

any limit on the aggregate principal amount of the senior notes;

the date or dates on which the principal of the senior notes is payable, including the maturity date, or the method or means by which those dates will be determined, and our right, if any, to extend those dates and the duration of any extension;

the interest rate or rates of the senior notes, if any, which may be fixed or variable, or the method or means by which the interest rate or rates will be determined, and our ability to extend any interest payment periods and the duration of any extension;

the date or dates from which any interest will accrue, the dates on which we will pay interest on the senior notes and the regular record date, if any, for determining who is entitled to the interest payable on any interest payment date;

any periods or periods within which, or date or dates on which, the price or prices at which and the terms and conditions on which the senior notes may be redeemed, in whole or in part, at our option;

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any obligation of ours to redeem, purchase or repay the senior notes pursuant to any sinking fund or other mandatory redemption provisions or at the option of the holder and the terms and conditions upon which the senior notes will be so redeemed, purchased or repaid;

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the denominations in which we will authorize the senior notes to be issued, if other than \$1,000 or integral multiples of \$1,000;

whether we will offer the senior notes in the form of global securities and, if so, the name of the depository for any global securities;

if the amount payable in respect of principal of or any premium or interest on any senior notes may be determined with reference to an index or other fact or event ascertainable outside the indenture, the manner in which such amount will be determined;

covenants for the benefit of the holders of that series;

the currency or currencies in which the principal, premium, if any, and interest on the senior notes will be payable if other than U.S. dollars and the method for determining the equivalent amount in U.S. dollars;

if the principal of the senior notes is payable from time to time without presentation or surrender, any method or manner of calculating the principal amount that is outstanding at any time for purposes of the indenture; and

any other terms of the senior notes.

We may sell senior notes at par or at a discount below their stated principal amount. We will describe in a prospectus supplement material U.S. federal income tax considerations, if any, and any other special considerations for any senior notes we sell that are denominated in a currency other than U.S. dollars.

Payment

Except as may be provided with respect to a series, interest, if any, on the senior notes payable on each interest payment date will be paid to the person in whose name that senior note is registered as of the close of business on the regular record date for the interest payment date. However, interest payable at maturity will be paid to the person to whom the principal is paid. If there has been a default in the payment of interest on any senior notes, the defaulted interest may be paid to the holders of the senior notes as of a date between 10 and 30 days before the date we propose for payment of defaulted interest or in any other manner not inconsistent with the requirements of any securities exchange on which those senior notes may be listed, if the trustee finds it practicable.

Redemption

Any terms for the optional or mandatory redemption of a series of senior notes will be set forth in a prospectus supplement for the offered series. Unless otherwise indicated in a prospectus supplement, senior notes will be redeemable by us only upon notice by mail not less than 30 nor more than 60 days before the date fixed for redemption and, if less than all the senior notes of a series are to be redeemed, the particular senior notes to be redeemed will be selected by the method provided for that particular series, or in the absence of any such provision, by such method of random selection as the registrar deems fair and appropriate.

We have reserved the right to provide conditional redemption notices for redemptions at our option or for redemptions that are contingent upon the occurrence or nonoccurrence of an event or condition that cannot be ascertained prior to the time we are required to notify holders of the redemption. A conditional notice may state that if we have not deposited redemption funds with the trustee or a paying agent on or before the redemption date or we have directed the trustee or paying agent not to apply money deposited with it for redemption of senior notes, we will not be required to redeem the senior notes on the redemption date.

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Restrictions on Liens and Sale and Leaseback Transactions

The indenture does not permit us or any of our significant subsidiaries (as defined below) to, (i) issue, incur, assume or permit to exist any debt (as defined below) secured by a lien (as defined below) on any of our principal property (as defined below) or any of our significant subsidiaries principal property, whether that principal property was owned when the original indenture was executed (March 11, 2004) or thereafter acquired, unless we provide that the senior notes will be equally and ratably secured with the secured debt or (ii) incur or permit to exist any attributable debt (as defined below) in respect of principal property; provided, however, that the foregoing restriction will not apply to the following:

to the extent we or a significant subsidiary consolidates with, or merges with or into, another entity, liens on the property of the entity securing debt in existence on the date of the consolidation or merger, provided that the debt and liens were not created or incurred in anticipation of the consolidation or merger and that the liens do not extend to or cover any of our or a significant subsidiary's principal property;

liens on property acquired after March 11, 2004 and existing at the time of acquisition, as long as the lien was not created or incurred in anticipation thereof and does not extend to or cover any other principal property;

liens of any kind, including purchase money liens, conditional sales agreements or title retention agreements and similar agreements, upon any property acquired, constructed, developed or improved by us or a significant subsidiary (whether alone or in association with others) which do not exceed the cost or value of the property acquired, constructed, developed or improved and which are created prior to, at the time of, or within 12 months after the acquisition (or in the case of property constructed, developed or improved, within 12 months after the completion of the construction, development or improvement and commencement of full commercial operation of the property, whichever is later) to secure or provide for the payment of any part of the purchase price or cost thereof; provided that the liens do not extend to any principal property other than the property so acquired, constructed, developed or improved;

liens in favor of the United States, any state or any foreign country or any department, agency or instrumentality or any political subdivision of the foregoing to secure payments pursuant to any contract or statute or to secure any indebtedness incurred for the purpose of financing all or any part of the purchase price or cost of constructing or improving the property subject to the lien, including liens related to governmental obligations the interest on which is tax-exempt under Section 103 of the Internal Revenue Code of 1986, as amended, or the Code, or any successor section of the Code;

liens in favor of us, one or more of our significant subsidiaries, one or more of our wholly owned subsidiaries or any of the foregoing combination; and

replacements, extensions or renewals (or successive replacements, extensions or renewals), in whole or in part, of any lien or of any agreement referred to in the bullet points above or replacements, extensions or renewals of the debt secured thereby (to the extent that the amount of the debt secured by the lien is not increased from the amount originally so secured, plus any premium, interest, fee or expenses payable in connection with any replacements, refundings, refinancings, remarketings, extensions or renewals); provided that replacement, extension or renewal is limited to all or a part of the same property (plus improvements thereon or additions or accessions thereto) that secured the lien replaced, extended or renewed.

Notwithstanding the restriction described above, we or any significant subsidiary may, (i) issue, incur or assume debt secured by a lien not described in the immediately preceding six bullet points on any principal property owned at March 11, 2004 or thereafter acquired without providing that the outstanding senior notes be equally and ratably secured with that debt and (ii) issue or permit to exist attributable debt in respect of principal property, in either case, so long as the aggregate amount of that secured debt and attributable debt, together with

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the aggregate amount of all other debt secured by liens on principal property not described in the immediately preceding six bullet points then outstanding and all other attributable debt in respect of principal property, does not exceed 10% of our net tangible assets, as determined by us as of a month end not more than 90 days prior to the closing or consummation of the proposed transaction.

For these purposes:

attributable debt in respect of a sale and leaseback transaction means, at the time of determination, the present value of the obligation of the lessee for net rental payments during the remaining term of the lease included in the sale and leaseback transaction, including any period for which the lease has been extended or may, at the option of the lessor, be extended. The present value shall be calculated using a discount rate equal to the rate of interest implicit in the transaction, determined in accordance with generally accepted accounting principals, or GAAP.

capital lease obligation means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet in accordance with GAAP.

debt means any debt of ours for money borrowed and guarantees by us of debt for money borrowed but in each case excluding liabilities in respect of capital lease obligations or swap agreements.

debt of a significant subsidiary means any debt of such significant subsidiary for money borrowed and guarantees by the significant subsidiary of debt for money borrowed but in each case excluding liabilities in respect of capital lease obligations or swap agreements.

excepted property means any right, title or interest of us or any of our significant subsidiaries in, to or under any of the following property, whether owned at March 11, 2004 or thereafter acquired:

all money, investment property and deposit accounts (as those terms are defined in the California Commercial Code as in effect on March 11, 2004), and all cash on hand or on deposit in banks or other financial institutions, shares of stock, interests in general or limited partnerships or limited liability companies, bonds, notes, other evidences of indebtedness and other securities, of whatever kind and nature;

all accounts, chattel paper, commercial tort claims, documents, general intangibles, instruments, letter-of-credit rights and letters of credit (as those terms are defined in the California Commercial Code as in effect on March 11, 2004), with certain exclusions such as licenses and permits to use the real property of others, and all contracts, leases (other than the lease of certain real property at our Diablo Canyon power plant), operating agreements and other agreements of whatever kind and nature; and all contract rights, bills and notes;

all revenues, income and earnings, all accounts receivable, rights to payment and unbilled revenues, and all rents, tolls, issues, product and profits, claims, credits, demands and judgments, including any rights in or to rates, revenue components, charges, tariffs, or amounts arising therefrom, or in any amounts that are accrued and recorded in a regulatory account for collection by us or any significant subsidiary;

all governmental and other licenses, permits, franchises, consents and allowances including all emission allowances (or similar rights) created under any similar existing or future law relating to abatement or control of pollution of the atmosphere, water or soil, other than all licenses and permits to use the real property of others, franchises to use public roads, streets and

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other public properties, rights of way and other rights, or interests relating to the occupancy or use of real property;

all patents, patent licenses and other patent rights, patent applications, trade names, trademarks, copyrights and other intellectual property, including computer software and software licenses;

all claims, credits, choses in action, and other intangible property;

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all automobiles, buses, trucks, truck cranes, tractors, trailers, motor vehicles and similar vehicles and movable equipment; all rolling stock, rail cars and other railroad equipment; all vessels, boats, barges and other marine equipment; all airplanes, helicopters, aircraft engines and other flight equipment; and all parts, accessories and supplies used in connection with any of the foregoing;

all goods, stock in trade, wares, merchandise and inventory held for the purpose of sale or lease in the ordinary course of business; all materials, supplies, inventory and other items of personal property that are consumable (otherwise than by ordinary wear and tear) in their use in the operation of the principal property; all fuel, whether or not that fuel is in a form consumable in the operation of the principal property, including separate components of any fuel in the forms in which those components exist at any time before, during or after the period of the use thereof as fuel; all hand and other portable tools and equipment; and all furniture and furnishings;

all personal property the perfection of a security interest in which is not governed by the California Commercial Code;

all oil, gas and other minerals (as those terms are defined in the California Commercial Code as in effect on March 11, 2004) and all coal, ore, gas, oil and other minerals and all timber, and all rights and interests in any of the foregoing, whether or not the minerals or timber have been mined or extracted or otherwise separated from the land; and all electric energy and capacity, gas (natural or artificial), steam, water and other products generated, produced, manufactured, purchased or otherwise acquired by us or any significant subsidiary;

all property which is the subject of a lease agreement other than a lease agreement that results from a sale and leaseback transaction designating us or any significant subsidiary as lessee and all our, or a significant subsidiary's right, title and interest in and to that property and in, to and under that lease agreement, whether or not that lease agreement is intended as security (other than certain real property leased at our Diablo Canyon power plant and the related lease agreement);

real, personal and mixed properties of an acquiring or acquired entity unless otherwise made a part of principal property; and

all proceeds (as that term is defined in the California Commercial Code as in effect on March 11, 2004) of the property listed in the preceding bullet points;

lien means any mortgage, deed of trust, pledge, security interest, encumbrance, easement, lease, reservation, restriction, servitude, charge or similar right and any other lien of any kind, including, without limitation, any conditional sale or other title retention agreement, any lease of a similar nature, and any defect, irregularity, exception or limitation in record title or, when the context so requires, any lien, claim or interest arising from anything described in this bullet point.

net tangible assets means the total amount of our assets determined on a consolidated basis in accordance with GAAP, less (i) the sum of our consolidated current liabilities determined in accordance with GAAP and (ii) the amount of our consolidated assets classified as intangible assets determined in accordance with GAAP, including, but not limited to, such items as goodwill, trademarks, trade names, patents, and unamortized debt discount and expense and regulatory assets carried as an asset on our consolidated balance sheet.

principal property means any property of ours or any of our significant subsidiaries, as applicable, other than excepted property.

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significant subsidiary has the meaning specified in Rule 1-02(w) of Regulation S-X under the Securities Act of 1933, as amended, or the Securities Act; provided that, significant subsidiary shall not include any corporation or other entity substantially all the assets of which are excepted property.

swap agreement means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates,

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currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions.

Consolidation, Merger, Conveyance or Other Transfer

We may not consolidate with or merge with or into any other person (as defined below) or convey, otherwise transfer or lease all or substantially all of our principal property to any person unless:

the person formed by that consolidation or into which we are merged or the person which acquires by conveyance or other transfer, or which leases, all or substantially all of the principal property is a corporation, partnership, limited liability company, association, company, joint stock company or business trust, organized and existing under the laws of the United States, or any state thereof or the District of Columbia;

the person executes and delivers to the trustee a supplemental indenture that in the case of a consolidation, merger, conveyance or other transfer, or in the case of a lease if the term thereof extends beyond the last stated maturity of the senior notes then outstanding, contains an assumption by the successor person of the due and punctual payment of the principal of and premium, if any, and interest, if any, on all senior notes then outstanding and the performance and observance of every covenant and condition under the indenture to be performed or observed by us;

in the case of a lease, the lease is made expressly subject to termination by us or by the trustee at any time during the continuance of an event of default under the indenture;

immediately after giving effect to the transaction and treating any indebtedness that becomes our obligation as a result of the transaction as having been incurred by us at the time of the transaction, no default or event of default under the indenture shall have occurred and be continuing; and

we have delivered to the trustee an officer's certificate and an opinion of counsel, each stating that the merger, consolidation, conveyance, lease or transfer, as the case may be, fully complies with all provisions of the indenture; provided, however, that the delivery of the officer's certificate and opinion of counsel shall not be required with respect to any merger, consolidation, conveyance, lease or transfer between us and any of our wholly owned subsidiaries.

Notwithstanding the foregoing, we may merge or consolidate with or transfer all or substantially all of our assets to an affiliate that has no significant assets or liabilities and was formed solely for the purpose of changing our jurisdiction of organization or our form of organization or for the purpose of forming a holding company; provided that the amount of our indebtedness is not increased; and provided, further that the successor assumes all of our obligations under the indenture.

In the case of the conveyance or other transfer of all or substantially all of our principal property to any person as contemplated under the indenture, upon the satisfaction of all the conditions described above, we (as we would exist without giving effect to the transaction) would be released and discharged from all obligations and covenants under the indenture and under the senior notes then outstanding unless we elect to waive the release and discharge.

The meaning of the term "substantially all" has not been definitely established and is likely to be interpreted by reference to applicable state law if and at the time the issue arises and will depend on the facts and circumstances existing at the time.

For these purposes, "person" means any individual, corporation, partnership, limited liability company, association, company, joint stock company, limited liability partnership, joint venture, trust or unincorporated organization, or any other entity whether or not a legal entity, or any governmental authority.

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Additional Covenants

We have agreed in the indenture, among other things:

to maintain a place of payment;

to maintain our corporate existence (subject to the provisions above relating to mergers and consolidations); and

to deliver to the trustee an annual officer's certificate with respect to our compliance with our obligations under the indenture.

Modification of the Indenture; Waiver

We and the trustee may, with the consent of the holders of not less than a majority in aggregate principal amount of the senior notes of each affected series then outstanding under the indenture, considered as one class, modify or amend the indenture, including the provisions relating to the rights of the holders of senior notes of the affected series. However, no modification or amendment may, without the consent of each holder of affected senior notes:

change the stated maturity (except as provided by the terms of a series of senior notes) of the principal of, or interest on, the senior note or reduce the principal amount or any premium payable on the senior note or reduce the interest rate of the senior note, or change the method of calculating the interest rate with respect to the senior note;

reduce the amount of principal of any discount senior note that would be payable upon acceleration of the maturity of the senior note;

change the coin, currency or other property in which the senior note or interest or premium on the senior note is payable;

impair the right to institute suit for the enforcement of any payment on the senior note;

reduce the percentage in principal amount of outstanding senior notes the consent of whose holders is required for modification or amendment of the indenture or for waiver of compliance with certain provisions of the indenture or for waiver of defaults;

reduce the quorum or voting requirements applicable to holders of the senior notes; or

modify the provisions of the indenture with respect to modification and waiver, except as provided in the indenture.

We and the trustee may, without the consent of any holder of senior notes, modify and amend the indenture for certain purposes, including to:

add covenants or other provisions applicable to us and for the benefit of the holders of senior notes or one or more specified series thereof or to surrender any right or power conferred on us;

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cure any ambiguity or to correct or supplement any provision of the indenture which may be defective or inconsistent with other provisions;

make any other additions to, deletions from or changes to the provisions under the indenture so long as the additions, deletions or changes do not materially adversely affect the holders of any series of senior notes in any material respect;

change or eliminate any provision of the indenture or add any new provision so long as the change, elimination or addition does not adversely affect the interests of holders of senior notes of any series in any material respect; and

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change any place or places for payment or surrender of senior notes and where notices and demands to us may be served. The holders of not less than a majority in aggregate principal amount of the senior notes of each affected series then outstanding under the indenture, voting as a single class, may waive compliance by us with our covenant in respect of our corporate existence and the covenants described under Restrictions on Liens and Sale and Leaseback Transactions and Consolidation, Merger, Conveyance or Transfer and with certain covenants and restrictions that may apply to a series of senior notes as provided in the indenture. The holders of not less than a majority in aggregate principal amount of the senior notes outstanding may, on behalf of the holders of all of the senior notes, waive any past default under the indenture and its consequences, except a default in the payment of the principal of or any premium or interest on any senior note and defaults in respect of a covenant or provision in the indenture which cannot be modified, amended or waived without the consent of each holder of affected senior notes.

In order to determine whether the holders of the requisite principal amount of the outstanding senior notes have taken an action under the indenture as of a specified date:

the principal amount of a discount senior note that will be deemed to be outstanding will be the amount of the principal that would be due and payable as of that date upon acceleration of the maturity to that date; and

senior notes owned by us or any other obligor upon the senior notes or any of our or their affiliates will be disregarded and deemed not to be outstanding.

Events of Default

An event of default means any of the following events which shall occur and be continuing:

failure to pay interest on a senior note within 30 days after the interest becomes due and payable;

failure to pay the principal of, or sinking fund payment or premium, if any, on, a senior note when due and payable;

failure to perform or breach of any other covenant or warranty applicable to us in the indenture continuing for 90 days after the trustee gives us, or the holders of at least 33% in aggregate principal amount of the senior notes then outstanding give us and the trustee, written notice specifying the default or breach and requiring us to remedy the default or breach, unless the trustee or the trustee and holders of a principal amount of senior notes not less than the principal amount of senior notes the holders of which gave that notice agree in writing to an extension of the period prior to its expiration;

certain events of bankruptcy, insolvency or reorganization; and

the occurrence of any event of default as defined in any mortgage, indenture or instrument under which there may be issued, or by which there may be secured or evidenced, any of our debt, whether the debt existed on March 23, 2004 (the date senior notes were first issued under the original indenture), or is thereafter created, if the event of default: (i) is caused by a failure to pay principal after final maturity of the debt after the expiration of the grace period provided in the debt (which we refer to as a payment default) or (ii) results in the acceleration of the debt prior to its express maturity, and, in each case, the principal amount of the debt, together with the principal amount of any other debt under which there has been a payment default or the maturity of which has been so accelerated, aggregates \$100 million or more.

The \$100 million amount specified in the bullet point above shall be increased in any calendar year subsequent to 2004 by the same percentage increase in the urban CPI for the period commencing January 1, 2004 and ending on January 1 of the applicable calendar year. Debt for the purpose of the bullet point above means any debt of ours for money borrowed but, in each case, excluding liabilities in respect of capital lease obligations or swap agreements.

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If the trustee deems it to be in the interest of the holders of the senior notes, it may withhold notice of default, except defaults in the payment of principal of or interest or premium on or with respect to, any senior note.

If an event of default occurs and is continuing, the trustee or the holders of not less than 33% in aggregate principal amount of the senior notes outstanding, considered as one class, may declare all principal due and payable immediately by notice in writing to us (and to the trustee if given by holders); provided, however, that if an event of default occurs with respect to the specified events of bankruptcy, insolvency or reorganization, then the senior notes outstanding shall be due and payable immediately without further action by the trustee or holders. If, after such a declaration of acceleration, we pay or deposit with the trustee all overdue interest and principal and premium on senior notes that would have been due otherwise, plus any

interest and other conditions specified in the indenture have been satisfied before a judgment or decree for payment has been obtained by the trustee as provided in the indenture, the event or events of default giving rise to the acceleration will be deemed to have been waived and the declaration of acceleration and its consequences will be deemed to have been rescinded and annulled.

No holder of senior notes will have any right to enforce any remedy under the indenture unless the holder has given the trustee written notice of a continuing event of default, the holders of at least 33% in aggregate principal amount of the senior notes outstanding have requested the trustee in writing to institute proceedings in respect of the event of default in its own name as trustee under the indenture and the holder or holders have offered the trustee reasonable indemnity against costs, expenses and liabilities with respect to the request, the trustee has failed to institute any proceeding within 60 days after receiving the notice from holders, and no direction inconsistent with the written request has been given to the trustee during the 60-day period by holders of at least a majority in aggregate principal amount of senior notes then outstanding.

The trustee is not required to risk its funds or to incur financial liability if there is a reasonable ground for believing that repayment to it or adequate indemnity against risk or liability is not reasonably assured.

If an event of default has occurred and is continuing, holders of not less than a majority in principal amount of the senior notes then outstanding generally may direct the time, method and place of conducting any proceedings for any remedy available to the trustee, or exercising any trust or power conferred upon the trustee; provided the direction could not involve the trustee in personal liability where indemnity would not, in the trustee's sole discretion, be adequate.

Satisfaction and Discharge

Any senior note, or any portion of the principal amount thereof, will be deemed to have been paid for purposes of the indenture, and our entire indebtedness in respect of the senior notes will be deemed to have been satisfied and discharged, if certain conditions are satisfied, including an irrevocable deposit with the trustee or any paying agent (other than us) in trust of:

money in an amount which will be sufficient; or

in the case of a deposit made prior to the maturity of the senior notes or portions thereof, eligible obligations (as described below) which do not contain provisions permitting the redemption or other prepayment thereof at the option of the issuer thereof, the principal of and the interest on which when due, without any regard to reinvestment thereof, will provide monies which, together with the money, if any, deposited with or held by the trustee or the paying agent, will be sufficient; or

a combination of either of the two items described in the two preceding bullet points which will be sufficient;

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to pay when due the principal of and premium, if any, and interest, if any, due and to become due on the senior notes or portions thereof.

This discharge of the senior notes through the deposit with the trustee of cash or eligible obligations generally will be treated as a taxable disposition for U.S. federal income tax purposes by the holders of those senior notes. Prospective investors in the senior notes should consult their own tax advisors as to the particular U.S. federal income tax consequences applicable to them in the event of such discharge.

For this purpose, eligible obligations for U.S. dollar-denominated senior notes, means securities that are direct obligations of, or obligations unconditionally guaranteed by, the United States, entitled to the benefit of the full faith and credit thereof, or depositary receipts issued by a bank as custodian with respect to these obligations or any specific interest or principal payments due in respect thereof held by the custodian for the account of the holder of a depositary receipt.

Transfer and Exchange

Senior notes of any series may be exchanged for other senior notes of the same series of authorized denominations and of like aggregate principal amount and tenor. Subject to the terms of the indenture and the limitations applicable to global securities, senior notes may be presented for exchange or registration of transfer at the office of the registrar without service charge (unless otherwise indicated in a prospectus supplement), upon payment of any taxes and other governmental charges imposed on registration of transfer or exchange. Such transfer or exchange will be effected upon the trustee, us or the registrar, as the case may be, being satisfied with the instruments of transfer.

If we provide for any redemption of a series of senior notes, we will not be required to execute, register the transfer of or exchange any senior note of that series for 15 days before a notice of redemption is mailed or register the transfer of or exchange any senior note selected for redemption.

Global Securities

Senior notes may be represented, in whole or in part, by one or more global securities, with an aggregate principal amount equal to that of the senior notes they represent. We will register each global security in the name of a depositary or its nominee and deposit the global security with the depositary. Each global security will bear a legend regarding the restrictions on transfer.

No global security may be exchanged for senior notes registered, and no transfer of a global security may be registered, in the name of any person other than a depositary for the global security or any nominee of the depositary, unless:

the depositary has notified us that it is unwilling or unable to continue as depositary for the global security or is no longer eligible to act as depositary and we have not appointed a successor in 90 days;

an event of default has occurred and is continuing with respect to the senior notes represented by the global security;

we determine a series will no longer be represented by a global security.

If specified in a prospectus supplement, we will register all senior notes issued in exchange for a global security or any portion of a global security in the names specified by the depositary.

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As long as the depositary or its nominee is the registered holder of a global security, the depositary or nominee will be considered the sole owner and holder of the global security and the senior notes that it represents. Except in the limited circumstances referred to above, owners of beneficial interests in a global security will not:

be entitled to have the global security or senior notes registered in their names;

receive or be entitled to receive physical delivery of certificated senior notes in exchange for a global security; and

be considered to be the owners or holders of the global security or any senior notes for any purpose under the indenture. We will make all payments of principal, premium, and interest on a global security to the depositary or its nominee. The laws of some jurisdictions require that purchasers of securities take physical delivery of securities in definitive form. These laws make it difficult to transfer beneficial interests in a global security.

Ownership of beneficial interests in a global security will be limited to institutions that have accounts with the depositary or its nominee, referred to as participants, and to persons that may hold beneficial interests through participants. In connection with the issuance of any global security, the depositary will credit on its book-entry registration and transfer system the respective principal amounts of senior notes represented by the global security to the accounts of its participants. Ownership of beneficial interests in a global security will only be shown on records maintained by the depositary or the participant. Similarly, the transfer of ownership interests will be effected only through the same records. Payments, transfers, exchanges, and other matters relating to beneficial interests in a global security may be subject to various policies and procedures adopted by the depositary from time to time. Neither we, the trustee nor any of our agents will have responsibility or liability for any aspect of the depositary's or any participant's records relating to, or for payments made on account of, beneficial interests in a global security, or for maintaining, supervising or reviewing any records relating to the beneficial interests.

Resignation or Removal of Trustee

The trustee may resign at any time upon written notice to us and the trustee may be removed at any time by written notice delivered to the trustee and us and signed by the holders of at least a majority in principal amount of the outstanding senior notes. No resignation or removal of a trustee will take effect until a successor trustee accepts appointment. In addition, under certain circumstances, we may remove the trustee, or any holder who has been a bona fide holder of a senior note for at least six months may seek a court order for the removal of the trustee and the appointment of a successor trustee. We must give notice of resignation and removal of the trustee or the appointment of a successor trustee to all holders of senior notes as provided in the indenture.

Trustees, Paying Agents and Registrars for the Senior Notes

The Bank of New York Mellon Trust Company, N.A. acts as the trustee, paying agent and registrar under the indenture. We may change either the paying agent or registrar without prior notice to the holders of the senior notes, and we may act as paying agent. We and our affiliates maintain ordinary banking and trust relationships with a number of banks and trust companies, including The Bank of New York Mellon Trust Company, N.A.

Governing Law

The indenture and the senior notes are governed by California law.

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PLAN OF DISTRIBUTION

We may sell any series of senior notes being offered by this prospectus in one or more of the following ways from time to time:

to underwriters or dealers for resale to the public or to institutional investors;

directly to institutional investors; or

through agents to the public or to institutional investors.

A prospectus supplement applicable to each series of senior notes will state the terms of the offering of the senior notes, including:

the name or names of any underwriters or agents;

the purchase price of the senior notes and the proceeds to be received by us from the sale;

any underwriting discounts or agency fees and other items constituting underwriters or agents compensation;

any initial public offering price;

any discounts or concessions allowed or reallocated or paid to dealers; and

any securities exchange or automated quotation system on which the senior notes may be listed.

If we use underwriters in the sale, the senior notes will be acquired by the underwriters for their own accounts and may be resold from time to time in one or more transactions, including:

negotiated transactions;

at a fixed public offering price or prices, which may be changed;

at market prices prevailing at the time of sale;

at prices based on prevailing market prices; or

at negotiated prices.

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Senior notes may be offered to the public either through underwriting syndicates represented by one or more managing underwriters or directly by one or more of those firms. The specific managing underwriter or underwriters, if any, will be named in the prospectus supplement relating to the particular senior notes together with the members of the underwriting syndicate, if any. Unless otherwise set forth in a prospectus supplement, the obligations of the underwriters to purchase the particular senior notes will be subject to certain conditions precedent and the underwriters will be obligated to purchase all of the senior notes being offered if any are purchased.

We may sell senior notes directly or through agents we designate from time to time. The prospectus supplement will set forth the name of any agent involved in the offer or sale of senior notes in respect of which such prospectus supplement is delivered and any commissions payable by us to such agent. Unless otherwise indicated in a prospectus supplement, any agent will be acting on a best efforts basis for the period of its appointment.

Any underwriters, dealers or agents participating in the distribution of senior notes may be deemed to be underwriters as defined in the Securities Act, and any discounts or commissions received by them on the sale or resale of senior notes may be deemed to be underwriting discounts and commissions under the Securities Act. We may agree with the underwriters, dealers and agents to indemnify them against certain civil liabilities,

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including liabilities under the Securities Act or to contribute with respect to payments which the underwriters, dealers or agents may be required to make in respect of these liabilities.

Unless otherwise specified in a prospectus supplement, senior notes will not be listed on a securities exchange. Any underwriters to whom senior notes are sold by us for public offering and sale may make a market in the senior notes, but such underwriters will not be obligated to do so and may discontinue any market making at any time without notice.

To facilitate a senior notes offering, any underwriter may engage in over-allotment, short covering transactions and penalty bids or stabilizing transactions in accordance with Regulation M under the Securities Exchange Act of 1934.

Over-allotment involves sales in excess of the offering size, which creates a short position.

Stabilizing transactions permit bids to purchase the underlying senior notes so long as the stabilizing bids do not exceed a specified maximum.

Short covering positions involve purchases of senior notes in the open market after the distribution is completed to cover short positions.

Penalty bids permit the underwriters to reclaim a selling concession from a dealer when senior notes originally sold by the dealer are purchased in a covering transaction to cover short positions.

These activities may cause the price of the senior notes to be higher than it otherwise would be. If commenced, these activities may be discontinued by the underwriters at any time.

EXPERTS

The consolidated financial statements, the related financial statement schedules, incorporated in this prospectus by reference from the Company's Annual Report on Form 10-K for the year ended December 31, 2010, and the effectiveness of Pacific Gas and Electric Company's internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such financial statements and financial statement schedules have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

LEGAL MATTERS

The validity of the senior notes has been passed upon for us by Orrick, Herrington & Sutcliffe LLP. The validity of the senior notes will be passed upon for any agents, dealers or underwriters by their counsel named in the applicable prospectus supplement.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, information statements and other information with the SEC under File No. 001-2348. These SEC filings are available to the public over the Internet at the SEC's website at <http://www.sec.gov>. You may also read and copy any of these SEC filings at the SEC's public reference room at 100 F Street, N.E., Room 1580, Washington D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on its public reference room.

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CERTAIN DOCUMENTS INCORPORATED BY REFERENCE

We have incorporated by reference into this prospectus certain information that we file with the SEC. This means that we can disclose important business, financial and other information in this prospectus by referring you to the documents containing this information.

We incorporate by reference the documents listed below and any future filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (other than information deemed to be furnished and not filed) before the termination of the offering of the senior notes offered hereby:

our Annual Report on Form 10-K for the year ended December 31, 2010; and

our Current Report on Form 8-K filed with the SEC on January 20, 2011.

The incorporation by reference of the filings listed above does not extend to any such filings made by Corp and not us or to any information in any filings jointly made by Corp and us regarding Corp or its other subsidiaries, but not regarding us.

All information incorporated by reference is deemed to be part of this prospectus except to the extent that the information is updated or superseded by information filed with the SEC after the date the incorporated information was filed (including later-dated reports listed above) or by the information contained in this prospectus or the applicable prospectus supplement. Any information that we subsequently file with the SEC that is incorporated by reference, as described above, will automatically update and supersede as of the date of such filing any previous information that had been part of this prospectus or the applicable prospectus supplement, or that had been incorporated herein by reference.

You may request a copy of these filings at no cost by writing or contacting us at the following address:

The Office of the Corporate Secretary

PG&E Corporation

One Market, Spear Tower

Suite 2400

San Francisco, CA 94105-1126

Telephone: (415) 267-7070

Facsimile: (415) 267-7268

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\$250,000,000
4.50% Senior Notes due December 15, 2041

PROSPECTUS SUPPLEMENT

November 28, 2011

Joint Book-Running Managers

BNP PARIBAS

BofA Merrill Lynch

UBS Investment Bank

Co-Managers

Mitsubishi UFJ Securities

Mizuho Securities

Ramirez & Co., Inc.

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Nevada
POSTAL CODE

89440

[Signature Page Follows]

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IN WITNESS WHEREOF each of the parties hereto has executed this agreement on the 11th day of February, 2014.

AURAMET INTERNATIONAL, LLC

By: ___/s/ Justin Sullivan_____
Name: Justin M. Sullivan

COMSTOCK MINING LLC

By: ___/s/ Corrado De Gasperis___
Name: Corrado De Gasperis

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EXHIBIT 10.4

GENERAL SECURITY AGREEMENT

1. SECURITY INTEREST

(a) For value received, Comstock Mining LLC (the “Debtor”), hereby grants to Auramet International, LLC (“Secured Party”) a security interest (the “Security Interest”) in the undertaking of Debtor and in all of Debtor’s present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities and all other Investment Property now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefor (hereinafter collectively called “Collateral”) and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:

- (i) all Inventory of whatever kind and wherever situated;
- (ii) all equipment (other than Inventory) of whatever kind and wherever situated, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
all Accounts and book debts and generally all debts, dues, claims, causes in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor (“Debts”);
- (iii) all lists, records and files relating to Debtor’s customers;
all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts,
- (iv) Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (v) all contractual rights and insurance claims; and
all patents, industrial designs, trade marks, trade secrets and know-how, including, without limitation, environmental technology and biotechnology, confidential information, trade names, goodwill, copyrights, and
- (vi) software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively “Intellectual Property”); and
- (vii) any and all future material contracts, including any mining exploration or development contracts, and refining and milling
- (viii)

contracts, and all proceeds related thereto, and any renewals and amendments thereof.

Notwithstanding anything to the contrary in this Security Agreement, the Note (as defined below) or the Loan Documents (as defined in the Note), this Security Agreement shall not constitute a grant of a security interest in (and the Collateral shall not include) the Excluded Property (as defined below).

(b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefore, but, upon the enforcement of the Security Interest, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

(c) The terms “Goods”, “Chattel Paper”, “Document of Title”, “Instrument”, “Intangible”, “Security”, “Investment Property”, “proceed”, “Inventory”, “accession”, “Money”, “Account”, “financing statement” and “financing change statement” whenever herein shall be interpreted pursuant to their respective meanings when used in “UCC”, the Uniform Commercial Code, as enacted in the State of New York, as amended from time to time, which Code, including amendments thereto and any Code substituted therefor and amendments thereto is herein referred to as the “UCC,” provided always that the term “Goods” when used herein shall not include “consumer goods” of Debtor as that term is defined in the “UCC.” Any reference herein to “Collateral” shall, unless the context otherwise requires, be deemed a reference to “Collateral or any part thereof”.

(d) The term “Excluded Property” means (i) assets or property with respect to which pledges and security interests are prohibited by applicable law, rule or regulation for as long as such applicable law, rule or regulation includes such prohibition, (ii) assets or property subject to any lease, license or other agreement permitted by Section 1.3 of the Note (A) that prohibits or requires the consent of any person other than the Debtor and its affiliates as a condition to the creation by the Debtor of a lien or other encumbrance on such asset, which consent has not been obtained or (B) to the extent that a lien or other encumbrance thereon would give any other party thereto (other than the Debtor and its affiliates) a legally enforceable right to terminate such lease, license or other agreement and no waiver of such right has been obtained, and (iii) any governmental licenses or state or local franchises, charters and authorizations, to the extent security interests in such licenses, franchises, charters or authorizations are prohibited or restricted thereby; in each case, with respect to the foregoing clauses (i), (ii) and (iii), the assets, properties or other rights or interests contemplated therein shall constitute “Excluded Property” only to the extent, and for as long as, the prohibition or restriction applicable to such asset, property, right or interest is not terminated or rendered unenforceable or otherwise deemed ineffective by the UCC or any other applicable law, rule or regulation.

2. INDEBTEDNESS SECURED

The Security Interest granted hereby secures the Obligations under and as defined in the Secured Promissory Note and Guaranty dated February 10, 2014 (the “Note”), among the Debtor, Secured Party and Comstock Mining Inc.

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) the Collateral is owned by Debtor free of all security interests, mortgages, liens, claims, charges, licenses, leases, encumbrances or other adverse claims or interests (hereinafter collectively called “Encumbrances”), save for the Permitted Liens, the Security Interest and those Encumbrances shown on Schedule “A” or hereafter approved in writing by Secured Party, prior to their creation or assumption;
- (b) all Intellectual Property applications and registrations are valid and in good standing and Debtor is the owner of the applications and registrations;
- (c) each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in all material respects in accordance with its terms against the party obligated to pay the same (the “Account Debtor”), and the amount represented by Debtor to Secured Party from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually owing by such Account Debtors, except for normal discounts and ordinary course accommodations and adjustments; and
- (d) the locations specified in Schedule “B” as to business operations and records are accurate and constitute all locations where any material business operations and records are kept and, with respect to material Goods (including Inventory) constituting Collateral, the locations specified in Schedule “B” are accurate save for Goods in transit to such locations and Inventory on lease or consignment; and all fixtures or Goods about to become fixtures and all minerals to be extracted which forms part of the Collateral will be situated at one of such locations.
- (e) the execution, delivery and performance of the obligations under this Security Agreement and the creation of any security interest in or assignment hereunder of Debtor’s rights in the Collateral to Secured Party will not result in a breach of any agreement to which Debtor is a party.

4. COVENANTS OF THE DEBTOR

So long as this Security Agreement remains in effect, Debtor covenants and agrees:

- (a) to defend Collateral against the claims and demands of all other parties claiming the same or an interest therein in a commercially reasonable and prudent manner; to diligently initiate and prosecute legal action against all infringers of Debtor’s rights in Intellectual Property; to take all reasonable action to keep the Collateral free from all Encumbrances, except for the Security Interest, licenses which are compulsory under federal or provincial legislation, the Permitted Liens and those shown on Schedule “A” or hereafter approved in writing by Secured Party, prior to their creation or assumption, and not to sell, exchange, transfer, assign, lease, license or otherwise dispose of Collateral or any interest therein without the prior written consent of Secured Party not to be unreasonably withheld, delayed or conditioned; provided that, so long as a default is not continuing, Debtor may, in the ordinary course of Debtor’s business, sell or lease Inventory, equipment or other assets;
- (b) to notify Secured Party promptly of:

- (i) any change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral,
- (ii) the details of any significant acquisition of Collateral,
- (iii) the details of any claims or litigation affecting Debtor or Collateral in which the maximum amount claimed or in controversy exceeds \$10,000,
- (iv) any material loss or damage to Collateral in excess of \$10,000 and not covered by insurance,
- (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral, and
- (vi) the return to or repossession by Debtor of Collateral;
- (c) to keep Collateral in good order, condition and repair, normal wear and tear excepted, and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance; to renew all agreements and registrations as may be necessary or desirable to protect Intellectual Property, unless otherwise agreed in writing by Secured Party; to apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever Debtor in its sole discretion determines it is commercially reasonable to do so;
- (d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by Secured Party of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;
- (e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable, except for those whose amount or validity is being contested in good faith by proper proceedings diligently conducted;
- (f) to insure collateral in such amounts and against such risks as would customarily be insured by a prudent owner of similar Collateral, with loss payable to Secured Party and Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor and deliver copies of policies and evidence of renewal to Secured Party on request, and carry on and conduct the business of Debtor in a proper manner and so as to protect and preserve Collateral as may be commercially reasonable and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and material Collateral at Secured Party's request so as to indicate the Security Interest;
- (g) to prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an accession to other property not covered by this Security Agreement;
- (h) to deliver to Secured Party from time to time promptly upon request:

- any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to
- (i) Collateral, to the extent necessary to perfect a security interest therein, except to the extent there is a Permitted Lien with priority to such security interest,
 - (ii) copies of all policies and certificates of insurance relating to Collateral, and
 - (iii) such information concerning Collateral, the Debtor and Debtor's business and affairs as Secured Party may reasonably request.

5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with Debtor's covenants contained herein and Clause 7 hereof, Debtor may, until a default (as defined herein), possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of Debtor's business in any manner not inconsistent with the provisions hereof; provided always that Secured Party shall have the right at any time and from time to time upon reasonable notice and during normal business hours and subject to reasonable safety procedures and requirements of Debtor, to verify the existence and state of the Collateral in any reasonable manner and Debtor agrees to furnish all reasonable assistance and information and to perform all such acts as Secured Party may reasonably request in connection therewith and for such purpose to grant to Secured Party or its agents access to all places where Collateral may be located and to all premises occupied by Debtor.

6. SECURITIES, INVESTMENT PROPERTY

If Collateral at any time includes Securities and a Default (as defined in the Note) shall have occurred and is continuing, Debtor authorizes Secured Party to transfer the same or any part thereof into its own name or that of its nominee(s) so that Secured Party or its nominee(s) may appear of record as the sole owner thereof.

Where any Investment Property is held in or credited to an account that has been established with a securities intermediary, Secured Party may, at any time after Default shall have occurred and is continuing, give a notice of exclusive control to any such securities intermediary with respect to such Investment Property.

7. COLLECTION OF DEBTS

After a default under this Security Agreement, Secured Party may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to Secured Party.

8. DISPOSITION OF MONEY

Subject to any applicable requirements of the UCC, all Money collected or received by Secured Party pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied against the Obligations of Comstock Mining Inc. under the Note in such manner as Secured Party deems best or, at the option of Secured Party, may be held unappropriated in a collateral account or released to Debtor, all without prejudice to the liability of Debtor or the rights of Secured Party hereunder, and any surplus shall be accounted for as required by law.

9. EVENTS OF DEFAULT

The happening of any Default (as defined in the Note) shall constitute a default hereunder and is herein referenced to as “default.”

10. ACCELERATION

Secured Party, in its sole discretion, may declare all or any part of the Note to be immediately due and payable, without demand or notice of any kind, if a default shall have occurred and be continuing.

11. REMEDIES

At any time that a default has occurred and is continuing, Debtor acknowledges and agrees that Secured Party shall have the right to:

- (a) subject to any applicable law, including the UCC, take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof;
- (b) sell, license, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to Secured Party may seem reasonable;
- (c) have all rights and remedies of a secured party under the UCC in addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and Secured Party and in addition to any other rights Secured Party may have at law or in equity; provided, that Secured Party shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes; provided, further that Secured Party shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in Secured Party’s possession and shall not be liable or accountable for failure to do so;
- (d) take possession of Collateral under this clause (d) wherever it may be located and by any method permitted by law and Debtor agrees upon request from Secured Party to assemble and deliver possession of Collateral at such place or places as directed;
- (e) reimbursement for or payment of all costs, charges and expenses reasonably incurred by Secured Party, whether directly or for services rendered (including reasonable attorney fees), in operating Debtor’s accounts, in preparing or enforcing this Security Agreement, in taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting the Obligations of the Debtor under the Note and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by Secured Party, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby;
- (f) dispose of Collateral as provided hereunder in the manner required by the UCC after giving Debtor notice of the date, time and place of any public or private sale; and
- (g) after delivering written demand to Debtor and subject to any applicable law, including the UCC, require Debtor to take such further action as may be necessary to evidence and effect an

assignment or licensing of Intellectual Property to whomever Secured Party directs (including to Secured Party) or appoint an officer, director or branch manager of Secured Party to be Debtor's attorney in accordance with applicable legislation with full power of substitution and to do on Debtor's behalf anything that is required to assign, license or transfer, and to record any assignment, license or transfer of the Collateral (this power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest).

12. MISCELLANEOUS

(a) Debtor hereby acknowledges that Secured Party shall be entitled to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situated) as Secured Party may deem appropriate to perfect on an ongoing basis and continue the Security Interest.

(b) Without limiting any other right of Secured Party, at any time that a default has occurred and is continuing, Secured Party may, in its sole discretion, set off against the Note any and all amounts then owed to Debtor by Secured Party in any capacity, whether or not due, and Secured Party shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on Secured Party's records subsequent thereto.

(c) Upon Debtor's failure to perform any of its duties hereunder in any material respect, Secured Party may, but shall not be obligated to, perform any or all of such duties, and Debtor shall pay to Secured Party, forthwith upon written demand therefor, an amount equal to the expense incurred by Secured Party in so doing plus interest thereon from the date such expense is incurred until it is paid at a rate that is the lower of (i) 15% per annum or (ii) the highest rate allowable by applicable law.

(d) Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others and with Collateral and other security as Secured Party may see fit without prejudice to the liability of Debtor or Secured Party's right to hold and realize the Security Interest. Furthermore, Secured Party may demand, collect and sue on Collateral in either Debtor's or Secured Party's name, at Secured Party's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other Instruments pertaining to or constituting Collateral.

(e) No delay or omission by Secured Party in exercising any right or remedy hereunder or with respect to the Note shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, Secured Party may remedy any default by Debtor hereunder or with respect to the Note in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of Secured Party granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

- (f) Debtor waives protest of any Instrument constituting Collateral at any time held by Secured Party on which Debtor is in any way liable and, subject to Clause 11(g) hereof, notice of any other action taken by Secured Party.
- (g) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. If more than one Debtor executes this Security Agreement the obligations of such Debtors hereunder shall be joint and several. This Security Agreement may be executed and delivered by the parties in one or more counterparts, each of which will be an original, and those counterparts will together constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Security Agreement by facsimile or by email, in pdf format, shall be effective as delivery of a manually executed counterpart of this Security Agreement.
- (h) Provided that Secured Party executes and delivers a non-disclosure agreement that is acceptable to Debtor and subject to such agreement, Secured Party may provide any financial and other information it has about Debtor, the Security Interest and the Collateral to anyone acquiring or may acquire an interest in the Security Interest or the Collateral from Secured Party or anyone acting on behalf of Secured Party.
- (i) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.
- (j) Subject to the requirements of Clause 11(g) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of Secured Party, if delivered to it or sent by prepaid registered mail addressed to it at its address set forth in the Note or as changed pursuant thereto, and, in the case of Debtor, if delivered to Comstock Mining Inc. or if sent by prepaid registered mail addressed to Comstock Mining Inc. at its address set forth in the Note or as changed pursuant thereto. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.
- (k) The headings used in this Security Agreement are for convenience only and are not be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.
- (l) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.
- (m) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.
- (n) Nothing herein contained shall in any way obligate Secured Party to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute indebtedness.

(o) The Security Interest created hereby is intended to attach when this Security Agreement is signed by Debtor and delivered to Secured Party and the Note is executed, delivered and funded.

(p) This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the State of New York.

(q) The Security Interest created hereunder shall terminate when the Obligations of the Debtor under the Note have been fully satisfied, at which time Secured Party shall execute and deliver to Debtor, or to such person or persons as Debtor shall reasonably designate, all UCC termination statements and similar documents prepared by Debtor at its expense which Debtor shall reasonably request to evidence such termination. If any of the Collateral shall be sold, transferred or otherwise disposed of by any Debtor in a transaction permitted by the Note, then Secured Party, at the request and sole expense of such Debtor, shall execute and deliver to Debtor all releases or other documents reasonably necessary or desirable for the release of the Liens created hereby on such Collateral.

(r) Debtor represents and warrants that the following information is accurate:

BUSINESS DEBTOR

NAME OF BUSINESS DEBTOR

Comstock Mining LLC

ADDRESS OF BUSINESS DEBTOR

CITY

STATE

POSTAL CODE

1200 American Flat Road, PO Box 1118

Virginia City

Nevada

89440

[Signature Page Follows]

IN WITNESS WHEREOF each of the parties hereto has executed this agreement on the 11th day of February, 2014.
AURAMET INTERNATIONAL, LLC

By: ___/s/ Justin Sullivan_____
Name: Justin M. Sullivan

COMSTOCK MINING LLC

By: ___/s/ Corrado De Gasperis___
Name: Corrado De Gasperis

EXHIBIT 10.5

AURAMET TRADING, LLC
300 Frank W. Burr Blvd
5th Floor, Suite 24
Teaneck, NJ 07666
Phone: 201-905-5000
Fax: 201-905-5001

AMENDED AND RESTATED MASTER PURCHASE CONTRACT

&

BILL OF SALE

February 13, 2014

Comstock Mining Inc.

Mr. Corrado De Gasperis

President and CEO

1200 American Flat Road

PO Box 1118

Virginia City, NV 89440

PRECIOUS METALS (“PM”) PURCHASE CONTRACT AND BILL OF SALE (THE “AGREEMENT”)
RE: BETWEEN AURAMET TRADING, LLC, AND COMSTOCK MINING INC. AND ITS OPERATING
SUBSIDIARY COMSTOCK MINING LLC

Dear Mr. De Gasperis:

This Amended and Restated Master Purchase Contract & Bill of Sale amends and restates that certain Master Purchase Contract and Bill of Sale dated July 24, 2012 wherein AURAMET TRADING, LLC (“Buyer”) hereby agrees to purchase and COMSTOCK MINING INC. (“Comstock Mining”) together with its operating subsidiary COMSTOCK MINING LLC (“Subsidiary”, jointly and severally, “Seller”) hereby agrees to sell, transfer, assign, set over and convey to Buyer the PM described below on the following terms and conditions.

1.0 Material

Seller may, in its sole discretion, sell, transfer, assign, set over and convey to Buyer up to a maximum of 100% of the gold and silver production (the “Material”) for a period of one year from the date hereof, however, as long as there are any outstanding obligations of the Seller under the Secured Promissory Note and Guaranty dated February __, 2014 (the “Note”) (the “Obligations”) and Auramet International, LLC has not assigned a different gold agent under the Note, Seller will sell, transfer, assign, set over and convey to Buyer 100% of the gold and silver production. This Agreement may not be terminated while the

Obligations are outstanding. Upon full satisfaction of the Obligations, this Agreement may be terminated by either party upon 30 days prior written notice to the other party hereto. No termination of this Agreement shall relieve either party of any accrued and unpaid obligations due hereunder on date of such termination.

2.0 Pricing Mechanisms

Buyer will provide the Seller with a flexible and comprehensive pricing and payment facility pursuant to the following terms and conditions:

2.1 Spot Pricing

Buyer will price the Material based upon the estimated gold and silver content contained in dore or concentrate, as per Seller's assays, on Buyer's current spot market bid price during New York trading hours (8:30 a.m. to 4:30 p.m. Eastern Time) on any business day (defined as "any business day that the COMEX division of the New York Mercantile Exchange ("COMEX") is open for business"). The spot value date is generally 2 business days from the date of such pricing.

Unless priced on a spot or other basis as outlined herein, Buyer will work Seller's firm orders 24 hours a day on a good until cancelled basis.

2.2 Forward Pricing

Buyer will price the Material for periods up 12 months (or such longer periods as the parties may agree) forward based on the spot price as outlined above and adjusted to reflect the then current forward rates in effect at the time of pricing. The forward contract value date is the date (within the maximum tenor of 12 months) of the forward contract maturity.

2.3 Option Pricing

The Seller may, at its discretion, be either the seller or the buyer of European Style Gold or Silver Options (for Loco London delivery). Any option premium due will be payable on the premium value date (the option premium value date is generally two business days after the date of buying or selling the option).

In the event that an option is exercised, the delivery and value date shall be two business days after the exercise date (unless otherwise agreed by Buyer and Seller).

The terms and conditions set forth in that certain Master Trading Agreement dated as of July 24, 2012, between Buyer and Seller shall apply to any transaction outlined above.

2.4 Payment

In all cases outlined above, the payment shall be payable by wire transfer:

2.4.1 If to Seller

Seller's designated account shall be provided in writing prior to the first payment date herein.

2.4.2 If to Buyer:

Buyer's designated account shall be provided in writing prior to the first payment date herein.

3.0 Purchase and Settlement Mechanisms – Spot; Forward; and In-Process Facility

Seller may sell the Material on the basis of any of the following three methods:

- (a) on a Spot Basis, i.e. payment for and delivery of the Material generally made contemporaneously two (2) business days after pricing as set forth in Section 2.1.
- (b) on a Forward Basis, i.e. payment for and delivery of the Material generally made contemporaneously on a date set up to 12 months following pricing in accordance with Section 2.2 above; or
- (c) on a In Process Basis, i.e. the Material is priced and paid for while the Material is in process or in transit to or at Metalor, Attleboro, Massachusetts ("Refinery") or any other refinery acceptable to the Buyer or while pending refining and located at warehouse acceptable to the Buyer ("Warehouse") pursuant to the following terms and conditions:

3.C.1 Form

Dore or concentrate containing unrefined PM (the "Unrefined PM"). The Buyer shall be satisfied through final delivery at the Refinery of refined PM ("Refined PM") in gold ingot or other form having a minimum purity of .9999 or silver ingot or other form having a minimum purity of .999+.

3.C.2 Delivery Schedule

Seller may make shipments on a weekly basis from the mine sites to the Refinery. Seller shall notify Buyer telephonically or by telecopy of all PM shipped pursuant to this Agreement. Outturn shall be to Buyer's London pool account with JP Morgan Chase unless otherwise agreed by the parties on the agreed upon outturn date (the "Outturn Date").

3.C.3 Purchase Price

The purchase price for Material sold on an In-Process Basis shall equal the agreed upon amount per troy ounce of Refined PM as set forth in the applicable trade confirmation sent by Buyer to Seller (the "Purchase Price"), multiplied by the agreed upon estimated quantity of PM as set forth in the applicable trade confirmation sent by Buyer to Seller (the "Estimated Quantity"). The Purchase Price shall be based on the pricing established pursuant to Section 2.1 above and adjusted to reflect the agreed upon cost of financing and any market contango or backwardation for the period from the date of payment to the Outturn Date.

3.C.4 Late Delivery

Subject to Buyer's other rights hereunder, including the right of termination, if the Estimated Quantity is not credited to the account designated by Buyer in writing to Seller ("Buyer's Metal Account") on the Outturn Date, the Purchase Price shall be adjusted to reflect the additional financing cost of such delay. Such adjustment shall be calculated using an amount equal to the then applicable PM lending rates (as reasonably determined in good faith by

Buyer) for the period of time from the original Outturn Date to the date the Estimated Quantity is finally credited to Buyer's Metal Account released to Buyer.

3.C.5 Shortfall/Surplus

Notwithstanding any of the foregoing, in the event, for any reason, that there is a shortfall at Outturn, Seller shall immediately, through pool transfer, market transaction, or other manner acceptable to Buyer, transfer to Buyer the subject PM shortfall.

In the event that there is a surplus at Outturn, then Seller may elect to immediately sell the surplus amount to Buyer at Buyer's then current spot market price, sell such surplus to any other party at Seller's sole and absolute discretion, or maintain the surplus balance of ounces in its account with Buyer until sold on a date specified by Seller in the future.

3.C.6 Shortfall/Surplus Account

For practical purposes, Seller and Buyer may mutually agree to keep an ongoing over/under account which is to be settled whenever the over/under quantity exceeds 100 ounces of refined gold and silver.

Buyer will provide Seller with a shipment by shipment settlement report which shall include the details of all pricings, outturns, payments, and adjustments. This shall be a perpetual electronic file which will be used by Seller and Buyer to monitor movements in the over/under account.

3.C.7 Payment

The Purchase Price shall be paid by wire transfer to Seller's designated account in US Dollars against Buyer's receipt of the following documents:

A. If Payment is to be made while the Material is at the Refinery:

- (a) Seller's letter of instruction to the Refinery in substantially the form attached hereto as Exhibit A; and
- (b) An executed Refiner's Holding Certificate in substantially the form attached hereto as Exhibit B.

B. If Payment is to be made while the Material is at the Warehouse:

- (a) An independent, third party's report on sampling and assaying of the Material, from Inspectorate or other assay firm reasonably acceptable to Buyer;
- (b) A warehouse receipt from the Warehouse, satisfactory to Buyer in all material respects; and

- (c) A certificate of insurance naming Buyer as an additional loss payee as its interests may appear, satisfactory to Buyer in all material respects.

3.C.8 Title/Ownership of PM Shipment

Ownership of the PM shall become vested in Buyer upon pick-up of the PM by Brinks Armored Security Service or such other mutually agreeable armored carrier. All shipping and other records and documents prepared by or which come into the possession of Seller with respect thereto shall be retained and maintained, in trust, for Buyer by Seller in a custodial capacity and delivered to Buyer upon request.

3.C.9 Inspection

Buyer shall have the right to have an agent or representative inspect and/or take samples of the Unrefined PM during business hours upon reasonable notice and to witness the loading/sealing of the containers in which the Refined PM is to be shipped from the Refinery.

4.0 Representations and Warranties, Covenants

Seller represents and warrants to Buyer that:

- (a) the PM conforms to or will conform to the description of such goods contained in this Agreement; the material containing the PM contains no hazardous materials.
- (b) Seller has conveyed or will convey good title to such PM free from any security interest, lien or encumbrance;
- (c) Seller has all requisite power, authority, licenses and approvals necessary to enter into and perform its obligations under this Agreement;
- (d) Seller or any person designated by Seller (including any signatory hereto) has due authorization to act in all respects relating to this Agreement;
- (e) this Agreement and the transaction relating thereto are valid and legally binding obligations of the Seller enforceable against it in accordance with their terms;
- (f) Seller is not insolvent, has not declared bankruptcy and has no intention or plans for doing so;
- (g) Seller covenants and agrees to provide Buyer with prompt telephonic notice, promptly followed by electronic mail and telecopy, of the occurrence of any of the following events:
 - (1) any material discrepancy in the assays of Seller and Refiner;
 - (2) any loss or delay or other material event with respect to any PM purchased hereunder; and
 - (3) any material adverse change in the affairs or prospects of Seller.

5.0 Authorized Officers

The individuals identified herein shall be authorized to enter the transactions contemplated herein on behalf of Seller; provided that Seller may add or remove individuals from this Section 5.0 from time to time in a written notice to Buyer.

Name	Title
Corrado De Gasperis	President and CEO
Scott H. Jolcover	Director of Business Development
Judd Merrill	Controller

6.0 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial

This Agreement shall be governed by and interpreted under the laws of the State of New York.

Each party waives the posting of any bond otherwise required in connection with any judicial process or proceeding to enforce any judgment or other court order entered in favor of such party, or to enforce this Agreement or any other agreement or document between Seller and Buyer. In addition, each party waives any right that they may have to a jury trial.

7.0 Notices

7.1 If to Buyer:

Auramet Trading, LLC
300 Frank W. Burr Blvd
5th Floor, Suite 24
Teaneck, NJ 07666
Tel: 201-905-5002
Fax: 201-905-5001

7.2 If to Seller, as appropriate:

Comstock Mining Inc.
Mr. Corrado de Gasperis, President and CEO
1200 American Flat Road
PO Box 1118
Virginia City, NV 89440
Tel: 775-847-4755
Fax: 800-750-5740

To signify your acceptance of these terms, please sign this Agreement in the space provided below and return it by fax to 201-905-5001.

Yours truly,
Auramet Trading, LLC

Signed: ___/s/ Justin M. Sullivan
By: Justin M. Sullivan

Accepted and Agreed:

Comstock Mining Inc.

Signed: /s/ Corrado De Gasperis
By: Corrado De Gasperis

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Exhibit A

[Letterhead]

[INSTRUCTIONS TO THE REFINER]

[] [], 2014

Customer Service Manager

VIA FAX:

Dear Sirs:

RE: _____ (“Seller”) Sale to Auramet Trading, LLC (“Buyer”), Shipment
Number [].

This letter is to confirm that Seller has sold [dore, concentrate, carbon material] containing [] troy ounces of gold or silver (the “PM”) to Buyer pursuant to a Purchase Contract and Bill of Sale dated [] [], 2014. The PM is currently in transit in unrefined form to [] (the “Refinery”) pursuant to bill of lading number []. Seller agrees to be responsible for and pay all refining costs.

This transfer and conveyance cannot be withdrawn or amended without the prior written consent and explicit agreement of Buyer. All further instructions concerning this PM shall come exclusively from Buyer.

Upon the receipt of this fax, please complete the following form indicating your understanding and acceptance of these instructions and fax the completed form separately to Auramet, Precious Metals Operations, 201-905-5001.

Thank you in advance for your assistance.

Regards,

[_____]

[Title]

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Exhibit B

[Refiner/Processor's Holding Certificate]

From:

To: Auramet Trading, LLC

Suite 645, 2 Executive Drive

Fort Lee, NJ 07024

Tel : 201-905-5000

Fax: 201-905-5001

Re: PM Shipment, Bill of Lading #[] from [] ("Seller").

We hereby confirm receipt of Seller's notice dated [] [], 2014 and acknowledge that the above-captioned PM shipment has been sold to Auramet Trading, LLC ("Buyer") and that title to such goods has been transferred to Buyer.

We hereby irrevocably undertake that upon receipt of such goods we shall hold them to the order of Buyer without set-off, deduction or counterclaim. We agree that Seller shall be the sole party responsible for the payment of any and all refining costs associated with this PM shipment. Such goods and any documents relating thereto shall not be released to anyone other than Buyer without the prior written agreement of Buyer.

We undertake to keep the same free from any mortgage, charge, pledge, lien or other encumbrance and all other third party rights.

We undertake to promptly inform you in the event and to the extent that the weights or assays produced by us materially differ from those received from your Seller with respect to the captioned Shipment.

Such goods are insured under our existing all risk (including casualty and theft) policy. We hereby undertake to keep the goods insured while they are in our possession.

Sincerely,

By: