

POCML 5 and Collective Mining Close First Tranche of \$15 Million Subscription Receipt Financing and Enter into Definitive Agreement to Complete Qualifying Transaction

TORONTO, Feb. 26, 2021 (GLOBE NEWSWIRE) -- POCML 5 Inc. (TSXV: PCML.P) (the “**Company**” or “**POCML5**”) is pleased to announce that, further to its news releases dated November 30, 2020 and January 21, 2021 announcing the proposed business combination whereby POCML5 will acquire 100% of the issued and outstanding securities of Collective Mining Inc. (“**Collective**”), with such transaction constituting the “Qualifying Transaction” of POCML5 under the policies of the TSX Venture Exchange (“**TSXV**”) (the “**Proposed Transaction**”), each of POCML5 and Collective have completed the first of their previously announced non-brokered private placements to raise aggregate gross proceeds of \$14,000,000 through the sale of: (i) 12,775,000 subscription receipts of Collective (the “**Collective Subscription Receipts**”) at an issue price of \$1.00 per Collective Subscription Receipt for gross proceeds of \$12,775,000; and (ii) 4,900,000 subscription receipts of POCML5 (the “**POCML5 Subscription Receipts**”, and together with the Collective Subscription Receipts, the “**Subscription Receipts**”) at an issue price of \$1.00 (on a post-Consolidation (as such term is defined below) basis) per POCML5 Subscription Receipt for gross proceeds of \$1,225,000 (collectively, the “**Offering**”). An additional 1,000,000 Collective Subscription Receipts are expected to be issued by Collective in mid-March as part of the second and final tranche of the Offering resulting in aggregate gross proceeds raised in the Offering of \$15 million.

Financing Details

Each Collective Subscription Receipt entitles the holder to receive, without payment of additional consideration, or further action, one unit (“**Unit**”) of Collective upon satisfaction or waiver of the Escrow Release Conditions (as defined herein). Each Unit shall consist of one common share of Collective (a “**Collective Share**”) and one-half of one Collective Share purchase warrant (each whole warrant, a “**Collective Warrant**”). Each Unit shall be exchanged, without further consideration or action on the part of the holder, for one unit (a “**Resulting Issuer Unit**”) of the Resulting Issuer (as defined herein), upon the completion of the Proposed Transaction. The Collective Subscription Receipts and the POCML5 Subscription Receipts have similar economic terms, except that on conversion of a POCML5 Subscription Receipt, a holder will receive Resulting Issuer Units in connection with the Proposed Transaction.

Each Resulting Issuer Unit will consist of one common share of the Resulting Issuer (a “**Resulting Issuer Share**”) and one-half of one Resulting Issuer Share purchase warrant (each whole warrant, a “**Resulting Issuer Warrant**”). Each Resulting Issuer Warrant, forming part of the Resulting Issuer Units, shall entitle the holder thereof to acquire one Resulting Issuer Share at a price of C\$2.00 per Resulting Issuer Share for a period of 36 months following the completion of the Proposed Transaction, subject to the right of the Resulting Issuer to accelerate the expiry date of the Resulting Issuer Warrants in the event that the closing price of the Resulting Issuer Shares on the TSXV remains equal to or higher than C\$2.60 for 20 consecutive trading days (the “**Acceleration Trigger Date**”). The expiry date of the Resulting Issuer Warrants may be accelerated to the date that is 30 trading days after the Acceleration Trigger Date by the issuance of a news release announcing such acceleration, within two trading days of the Acceleration Trigger Date. Immediately prior to the completion of the Proposed Transaction, POCML5 will effect a consolidation (“**Consolidation**”) of its issued and outstanding common shares on a one (new) for four (old) basis and change its name (“**Name Change**”) to “Collective Mining Ltd.” or such other name as determined by Collective (the “**Resulting Issuer**”).

The gross proceeds from the sale of the Subscription Receipts are held in escrow (the “**Escrowed Proceeds**”) by an escrow agent (the “**Escrow Agent**”) (the Escrowed Proceeds, together with any interest and other income earned pending satisfaction of the Escrow Release Conditions, are referred to as the “**Escrowed Funds**”). The Escrowed Funds will be released from escrow to the POCML5 or Collective, as applicable, upon the satisfaction of the following conditions (the “**Escrow Release Conditions**”) on or prior to May 31, 2021 (the “**Escrow Deadline**”): (a) the receipt of all required shareholder, regulatory, and other approvals, including without limitation, the conditional approval of the TSXV for the listing of the Resulting Issuer Shares and the Proposed Transaction; and (b) the Collective and POCML5 having delivered a direction to the Escrow Agent confirming that the conditions set forth above have been met or waived. If (i) the Escrow Release Conditions are not satisfied on or before the Escrow Deadline, or (ii) prior to the Escrow Deadline POCML5 announces to the public that it does not intend to satisfy the Escrow Release Conditions, the Escrowed Funds shall be returned to the holders of the Subscription Receipts on a *pro rata* basis and the Subscription Receipts will be cancelled without any further action on the part of the holders. To the extent that the Escrowed Funds are not sufficient to refund the aggregate issue price paid by the holders of the Subscription Receipts, Collective or POCML5, as applicable, will be responsible and liable to contribute such amounts as are necessary to satisfy any shortfall. In connection with the sale of the Collective Subscription Receipts, Resulting Issuer Units will be issued as compensation to eligible finders upon satisfaction of the Escrow Release Conditions and following the completion of the Proposed Transaction.

Following the satisfaction of the Escrow Release Conditions and the completion of the Proposed Transaction, the net proceeds from the Offering are anticipated to be used, principally, to perform exploration activities on Collective’s projects in Colombia, and for general working capital purposes. While the Resulting Issuer intends to spend the funds available to it as stated above, there may be circumstances where for sound business reasons a reallocation of funds may be necessary.

The POCML5 Subscription Receipts issued pursuant to the Offering are subject to a four month and one day regulatory hold period under applicable Canadian securities law.

Definitive Business Combination Agreement

POCML5 also announces that it has entered into a definitive business combination agreement with Collective and a wholly-owned subsidiary of POCML5 ("**Subco**") which outlines the terms and conditions pursuant to which the parties will complete the Proposed Transaction. The Proposed Transaction will result in a reverse take-over of POCML5 by Collective and will constitute POCML5's "Qualifying Transaction" on the TSXV. Immediately prior to the completion of the Proposed Transaction, POCML5 will effect the Consolidation and the Name Change. Immediately following the completion of Consolidation, Collective and Subco will amalgamate to form a new company, and upon such amalgamation, holders of securities of Collective will receive comparable securities of POCML5 (on a post-Consolidation basis) for every such security of Collective then held.

About the Company

The Company is a CPC within the meaning of the policies of the TSXV that has not commenced commercial operations and has no assets other than cash. Except as specifically contemplated in the CPC policies of the TSXV, until the completion of the Proposed Transaction, the Company will not carry on business, other than the identification and evaluation of companies, business or assets with a view to completing the Proposed Transaction.

For further information please contact:

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Completion of the Proposed Transaction is subject to a number of conditions including, but not limited to, TSXV acceptance and shareholder approval. The Proposed Transaction cannot close until all required shareholder approvals are obtained. There can be no assurance that the Proposed Transaction will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a CPC should be considered highly speculative.

The TSXV has in no way passed upon the merits of the Proposed Transaction and has neither approved nor disapproved the contents of this news release.

Cautionary Note Regarding Forward Looking Information

This news release contains statements about the Company's expectations regarding the Proposed Transaction, the ability of either the Company or Collective to satisfy the Escrow Release Conditions, and the proposed use of proceeds from the Offering, which are forward-looking in nature and, as a result, are subject to certain risks and uncertainties. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, undue reliance should not be placed on them as actual results may differ materially from the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include general business, economic, competitive, political and social uncertainties; and the delay or failure to receive board, shareholder or regulatory approvals. The forward-looking statements contained in this press release are made as of the date hereof, and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, except as required by law.

NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.