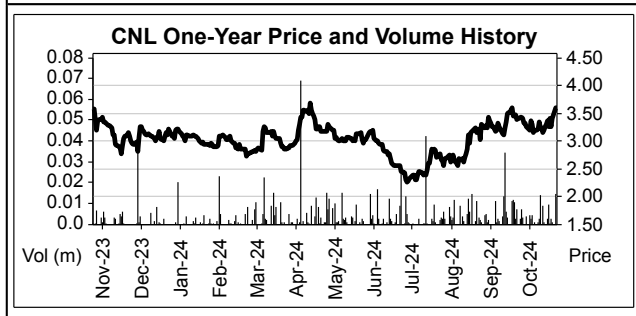


Resources: Metals & Mining
Company Update
Collective Mining Ltd. | CNL-\$3.59-NYSE American | Buy

Target Price Changed

Stock Data			
52-Week Low - High	\$2.25-\$3.68		
Shares Out. (mil)	68.30		
Mkt. Cap.(mil)	\$243.83		
3-Mo. Avg. Vol.	5,566		
12-Mo.Price Target	\$7.00		
Cash (mil)	\$21.1		
Tot. Debt (mil)	\$0.0		
Rev (\$M)			
Yr Dec	— 2023—	— 2024E—	— 2025E—
		Curr	Curr
1Q	0.0A	0.0A	0.0E
2Q	0.0A	0.0A	0.0E
3Q	0.0A	0.0E	0.0E
4Q	0.0A	0.0E	0.0E
YEAR	0.0A	0.0E	0.0E
EPS \$			
Yr Dec	— 2023—	— 2024E—	— 2025E—
		Curr	Curr
1Q	(0.07)A	(0.07)A	(0.06)E
2Q	(0.10)A	(0.09)A	(0.06)E
3Q	(0.06)A	(0.07)E	(0.06)E
4Q	(0.09)A	(0.08)E	(0.07)E
YEAR	(0.33)A	(0.31)E	(0.25)E



CNL: Ramp Zone Discovery, PT to \$7

CNL announced the discovery of a new deep zone at a depth of the nearby Marmato Deeps deposit. The new zone, named the Ramp Zone, provides a clear indication of management making the case for constructing an underground exploration tunnel. Having visited the project, the discovery validates the wisdom of a ramp, which turns a new chapter at Guayabales. This confirms our evolving investment thesis that CNL's success places it beyond its initial goal of a 10 million AuEq oz inferred resource.

Ramp Zone discovery drill hole APC99-D5. This was the twelfth hole averaging over 1,000 gram x meters (with 1,021 gram x meters) and the deepest in the Apollo system to date to a vertical depth of 1,150m, ending in mineralization. As predicted by its model, the hole intercepted numerous precious metals-rich carbonate base metal (CBM) veins within an intercept grading 1.84 g/t gold (1.97 g/t AuEq) over 517.35m from 351.55m. The model did not predict a different style of reduced intrusion related gold system (RIRGS) massive sulfide mineralization with high gold grades of significant thickness, now referred to as the Ramp Zone.

APC99-D5 – grading 7.83 g/t gold (8.18 g/t AuEq) over 57.65m from 811.25m, including an interval of 19.39 g/t gold (20.21 g/t AuEq) over 18.85m.

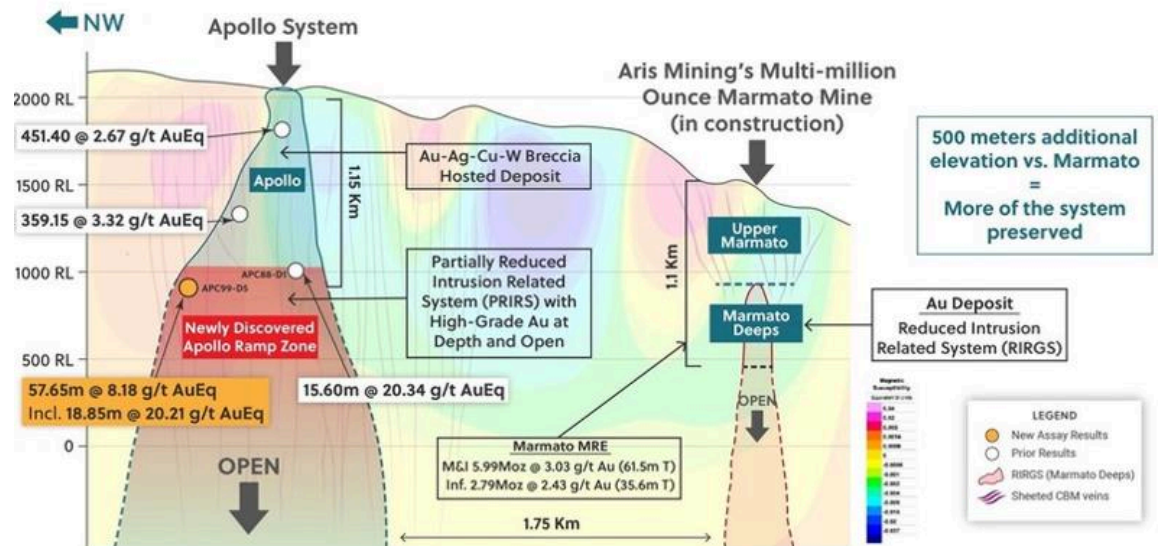
The Ramp Zone may present a starter zone for a potential mine. APC99-D5 is ~480m northeast from hole APC88-D1 grading 20.34 g/t AuEq over 15.60m from 809.0m. This forms a zone attractive for potential development, with significant lateral extent and high grades open to expansion and at depth. As the name implies, this is an indication that CNL is seriously considering a four-kilometer exploration/production access ramp from a neighboring valley, horizontally through recent discoveries at the Trap and Plutus targets, into a potential bulk tonnage underground target at the Ramp Zone.

Ramp Zone significance for further resource expansion. The Ramp Zone, at the bottom of the Apollo System, is 1,000m asl, like the top of the Marmato mine 1.75 km southeast of Apollo. Despite the abundance of targets at Guayabales, we recognized the importance of a ramp to more efficiently drill to test for a Marmato-type deep extension of the Apollo system.

We believe that Marmato Deeps may be the new Ramp Zone playbook. This presents the potential for taking the Ramp Zone deeper, and possibly doubling the potential depth of the Apollo system. We view the necessity of constructing a ramp, a bold departure from the goal of an initial 10 million AuEq oz inferred resource target, potentially transforming Guayabales into a mining complex. We maintain our Buy rating and are increasing our price target to US \$7.00 per share (from US\$6.00 per share).

Exhibit 1 shows a section of the Apollo and Marmato mines. It shows the upper portion of the Apollo system to have eroded off. The exhibit also presents a potentially attractive starter area for a bulk tonnage underground mine between holes APC88-D5 and APC88-D1. It is important to note the shared RIRGS mineralogy of the Ramp Zone and Marmato Deeps, suggesting the potential for a doubling of the depth of the Apollo system.

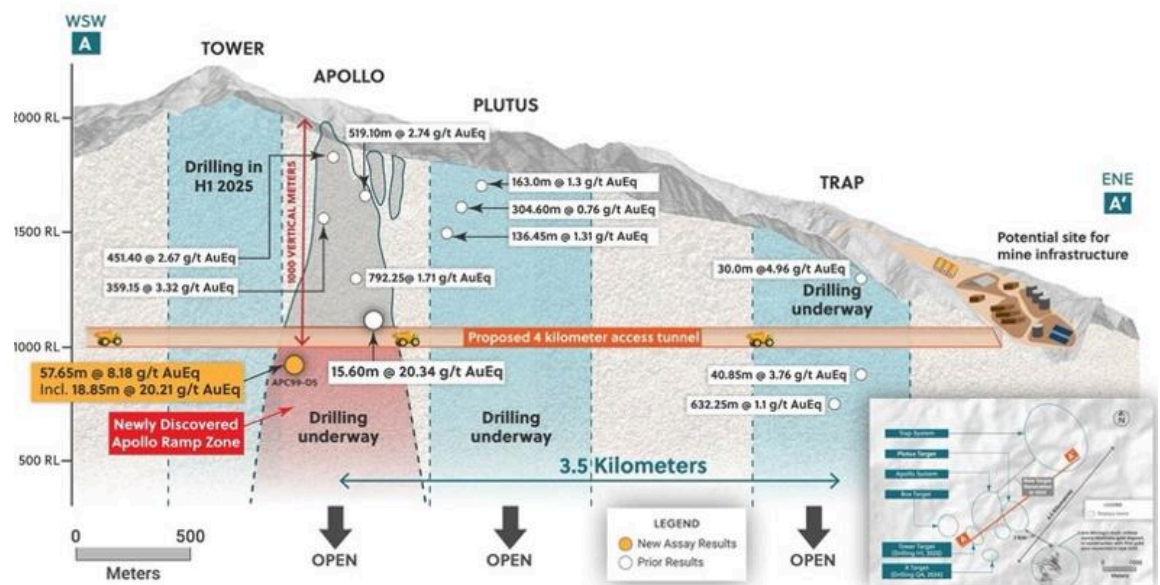
Exhibit 1: Section Comparing Elevation and Proximity of Ramp Zone to Marmato Deeps



Source: Collective Mining Ltd., press release dated October 22, 2024 ([link](#))

Exhibit 2 shows the potential benefits of constructing a tunnel from a potential processing site horizontally through several targets into the top of the Ramp Zone. This includes lower-cost exploration drilling, the opportunity to take a bulk sample from RIRGS style massive sulfide mineralization, and immediate access to a potential starter zone.

Exhibit 2: Ramp Zone and Proposed Tunnel Linking Other Targets at Guayabales



Source: Collective Mining Ltd., press release dated October 22, 2024 ([link](#))

VALUATION

CNL's initial goal was to produce a ten-million-ounce inferred gold-equivalent resource by the end of 2025. It is now attempting to locate another Apollo-type target, which we believe will allow it to exceed its earlier goal. While CNL has not completed a resource estimate at Apollo, we believe Apollo, with the addition of the Trap Zone and the Trap target's TMZ zone, has potential to outline at least 8.0 Moz AuEq inferred oz. Based on \$60 per AuEq oz, we value the Apollo zone at \$422 million. With 68.3 million shares outstanding, this implies a value of US\$7.02 per share. This does not include other prospective exploration targets. We maintain our Buy rating and increase our target price to US\$7.00 per share (from US\$6.00 per share).

Factors that could impede CNL from achieving our price target include but are not limited to the inability to define additional resources, political risk, achieving economic recoveries, declining gold and silver prices, inability to access additional capital and exploration risk.

RISKS

Political risk. Natural resource companies are subject to significant political risk. Although most mining jurisdictions have known laws, potential exists for these laws to change.

Commodity price risk. All natural resource companies have some form of commodity price risk. This risk is not only related to final products but can also be in regard to input costs and substitute goods.

Operational and technical risk. Natural resources companies have significant operational and technical risks. Despite completing NI 43-101 compliant (or similar) resource estimates, deposits can still vary significantly compared to expectations. Additionally, numerous unforeseeable issues can occur with operations and exploration activities.

Pre-revenue risk. Pre-revenue natural resource companies are dependent on available cash, marketable assets and the ability to borrow or sell equity into capital markets to fund development including exploration and construction. There is no guarantee that the company will become cash flow positive.

Market risk. Although most natural resource companies are more closely tied to individual commodity price performance, large business cycle forces or economic crises can impact a company's valuation significantly.

Cautionary Note to US Investors: Estimates of Measured, Indicated and Inferred Resources

"Measured Mineral Resources" and "Indicated Mineral Resources." U.S. investors are advised that although these terms are required by Canadian regulations, the U.S. Securities and Exchange Commission (SEC) does not recognize them and describes the equivalent as "Mineralized Material." U.S. investors are cautioned not to assume that these terms are any form of guarantee.

"Inferred Mineral Resources." U.S. Investors are advised that while this term is required by Canadian regulations, the SEC does not recognize it. "Inferred Mineral Resources" are not delineated with a great deal of certainty and should not be considered likely to be brought into production in whole or in part.

COMPANY DESCRIPTION

CNL is a copper, silver, gold and tungsten exploration company with projects in Caldas, Colombia. CNL has options to acquire 100% interest in the Guayabales and San Antonio projects, located within an established mining camp with ten fully permitted and operating mines. CNL was founded by the team that developed and sold Continental Gold Inc. to Zijin Mining for approximately C\$2 billion in enterprise value.

CNL Income Statement															
Amounts in \$ million	1Q23A	2Q23A	3Q23A	4Q23A	2023A	1Q24A	2Q24A	3Q24E	4Q24E	2024E	1Q25E	2Q25E	3Q25E	4Q25E	2025E
Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Expenses	3.1	4.4	5.4	6.5	19.4	5.0	6.4	5.4	5.8	22.6	4.6	4.4	4.7	5.4	19.2
Operating Income	(3.1)	(4.4)	(5.4)	(6.5)	(19.4)	(5.0)	(6.4)	(5.4)	(5.8)	(22.6)	(4.6)	(4.4)	(4.7)	(5.4)	(19.2)
Other Expenses	(0.9)	(1.7)	1.6	1.2	0.3	0.3	0.1	0.6	0.6	1.6	0.6	0.6	0.6	0.6	2.3
Pretax Income	(4.0)	(6.1)	(3.7)	(5.3)	(19.1)	(4.7)	(6.3)	(4.8)	(5.2)	(21.1)	(4.1)	(3.9)	(4.1)	(4.8)	(16.9)
Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income	(4.0)	(6.1)	(3.7)	(5.3)	(19.1)	(4.7)	(6.3)	(4.8)	(5.2)	(21.1)	(4.1)	(3.9)	(4.1)	(4.8)	(16.9)
Basic EPS	(\$0.07)	(\$0.10)	(\$0.06)	(\$0.09)	(\$0.33)	(\$0.07)	(\$0.09)	(\$0.07)	(\$0.08)	(\$0.31)	(\$0.06)	(\$0.06)	(\$0.06)	(\$0.07)	(\$0.25)
FD EPS	(\$0.07)	(\$0.10)	(\$0.06)	(\$0.09)	(\$0.33)	(\$0.07)	(\$0.09)	(\$0.07)	(\$0.08)	(\$0.31)	(\$0.06)	(\$0.06)	(\$0.06)	(\$0.07)	(\$0.25)

Source: CNL company reports on SEDAR and ROTH Capital Partners estimates

Note: Company reports under IFRS, 12/31 fiscal year end, figures in USD

Quarterly EPS may not sum to annual EPS due to rounding

Mike Niehuser

mniehuser@roth.com

(949) 402-5336

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Distribution of IB Services Firmwide

Rating	Count	Percent	IB Serv./Past 12 Mos. as of 10/22/2024	
			Count	Percent
Buy [B]	359	74.33	107	29.81
Neutral [N]	77	15.94	8	10.39
Sell [S]	2	0.41	0	0
Under Review [UR]	45	9.32	1	2.22

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Sell: A rating, which at the time it is instituted and or reiterated, that indicates an expectation that the price will depreciate by more than 10% over the next 12 months.

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