



## FIRST LOOK January 31, 2024

### COLLECTIVE MINING LTD. (TSX-CNL) C\$3.92

**RATING: BUY**  
(unchanged)

**TARGET: C\$8.30**  
(unchanged)

## CNL Puts Olympus Deeps on Radar

**EVENT:** Yesterday after market close, Collective Mining (TSX-CNL) provided new assay results in directional drilling completed on its 100%-owned Guayabales property which confirmed yet another discovery dubbed Olympus Deeps.

**IMPACT: Positive.** Ongoing and expansion drill testing across multiple targets at Guayabales continue to demonstrate property wide upside with its third major porphyry center discovered over the past 18 months. The Olympus Deeps discovery is marked by >1 km of vertical mineralization and is analogous to the nearby Marmato mine located just 2.5 km to the southeast. Having Olympus combined with the recent announcement of the Trap porphyry discovery presents resource potential upside yet to be captured in our valuation and lends to future growth prospects and mine plan optionality for Collective as they de-risk and substantiate these discoveries.

### HIGHLIGHTS:

- ▶ **Olympus Deeps:** Using directional drilling, at-depth drilling intersected a gold rich brecciated porphyry before eventually losing the hole in mineralization (Exhibit 1). The highlight interval of 202.35 m grading 2.16 g/t AuEq included a high-grade interval of 15.6 m grading 20.34 g/t AuEq. The Olympus footprint is now estimated at 600 m x 400 m with >1 km of vertical extent.
- ▶ **Similarities to Marmato:** Core visuals suggest shallow CBM vein hosted mineralization followed by a gold rich porphyry breccia (Exhibit 2) at depth which is characteristic of the nearby Marmato mine which has a lower level expansion zone hosting ~9M oz AuEq beneath lower grade CBM vein material.
- ▶ **Other Assays:** In addition to the discovery hole, new assays from Apollo also continue to enhance the geologic model with highlight intercepts of:
  - 548.9 m grading 1.91 g/t AuEq incl. 133.9m grading 4.87 g/t AuEq; and
  - 497.35 m grading 1.8 g/t AuEq incl. 200.8m grading 3.19 g/t AuEq.
- ▶ **Next Steps:** The new Trap and Olympus discoveries span a 3.5 km long corridor (Exhibit 3) of prospective ground that is being evaluated for new target areas. Drilling as part of Collective's 40,000m drill program is underway at Apollo and Trap with follow-up efforts at Olympus to commence in the coming weeks.
- ▶ **Valuation:** With multiple discoveries made and unaccounted for in our valuation, we continue to see NAV accretion being exposed through the drill bit. Based on our analysis of Apollo and our operating scope on our assumed ~7M oz AuEq base case, we see CNL trading at a P/NAV of 0.36x and note that continued success and upside supports a premium multiple at this time.

**Phil Ker, P. Geo, MBA**  
pker@pifinancial.com 647.789.2407

### Company Statistics

Risk:	SPECULATIVE
52-week High/Low:	C\$7.05 / C\$2.70
Shares Out. (basic):	60.6M
Shares Out. (fd):	65.9M
Market Cap:	C\$237M
Market Float:	38.9M
Return:	111.7%
Cash:	US\$19.8M
Working Capital:	US\$15M
Long Term Debt:	US\$0M
Enterprise Value:	C\$225M

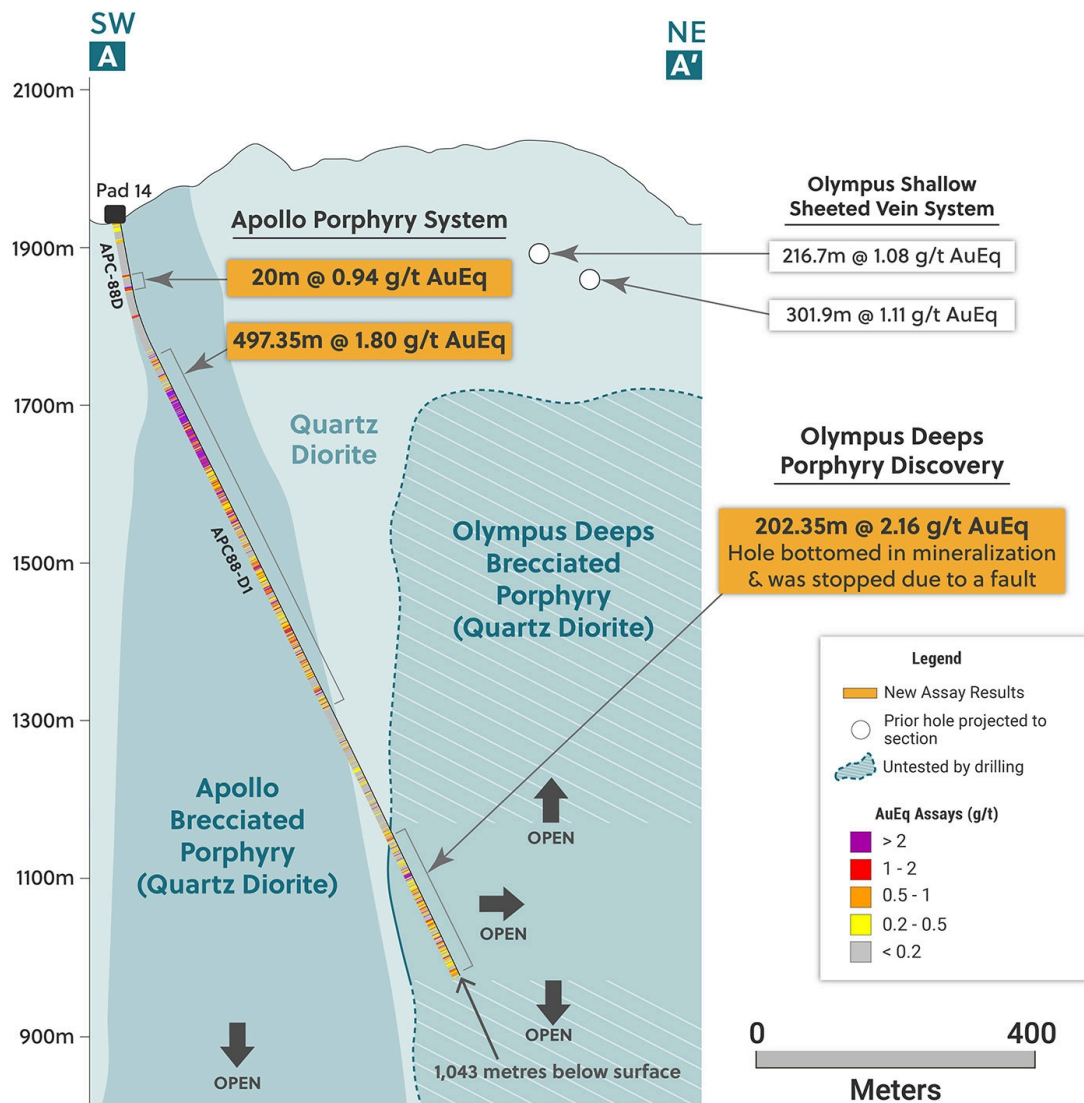
### Valuation Summary

Our target for Collective Mining is generated on a DCF analysis (10%, US\$1,900/oz Au, US \$25.00/oz Ag & US\$3.85/lb Cu) on our assumed operating scenario for Apollo. We then apply regional upside credit and a 0.60x TP/NAV multiple to achieve our target price.



**PI Financial Corp. and/or its affiliates have received compensation for investment banking services for Collective Mining Ltd. over the preceding 12-month period.**

## Exhibit 1 - Cross Section of Olympus Deeps Discovery



Source: Company reports



Exhibit 2 - Core Visuals of Olympus Deeps Discovery

## Olympus Deeps Porphyry Mineralization

**At 796m**



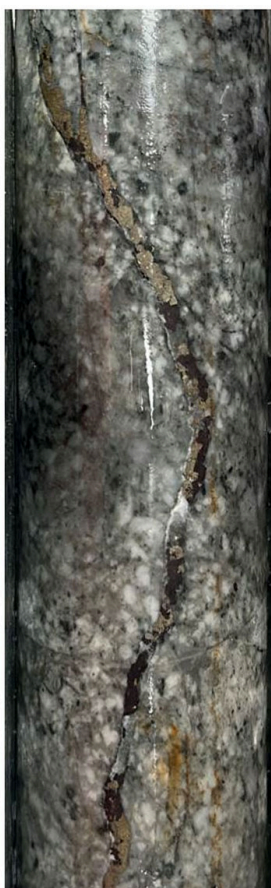
pyrite + pyrrhotite  
+ chalcopyrite

**At 881m**



pyrite + pyrrhotite  
+ chalcopyrite

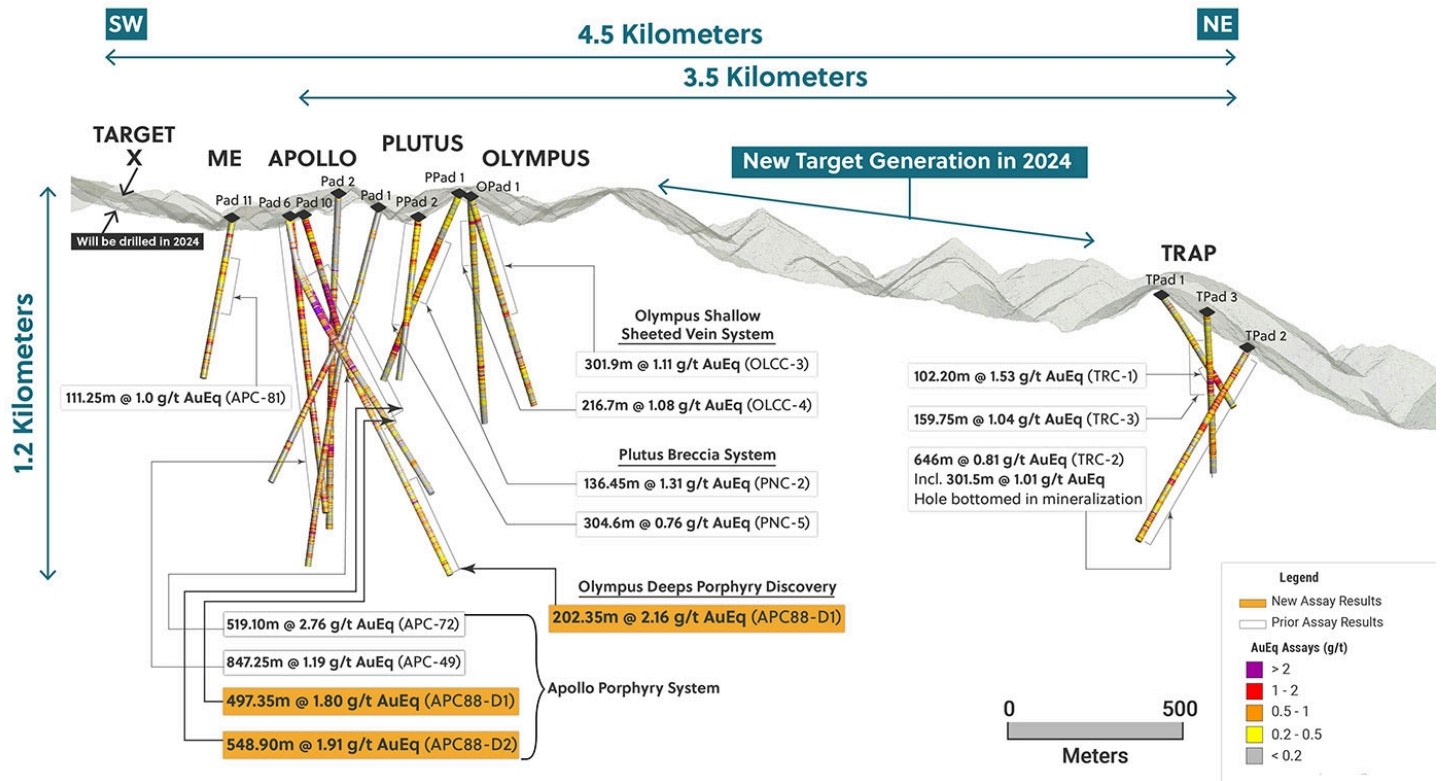
**At 948m**



pyrite + sphalerite  
+ carbonate

Source: Company reports

### Exhibit 3 - Long Section of Porphyry Targets Across Guayabales



Source: Company reports



## Disclosure Fact Sheet

### Ratings

**BUY** : recommendation: stock is expected to appreciate from its current price level at least 10-20% in the next 12 months.

**NEUTRAL** : recommendation: stock is expected to trade in a narrow range from its current price level in the next 12 months.

**SELL** : recommendation: stock is expected to decline from its current price level at least 10-20% in the next 12 months.

**U/R** : Under Review

**N/R** : No Rating

**TENDER**: Investors are guided to tender to the terms of the takeover offer. Analyst recommendations and targets are based on the stock's expected return over a 12-month period or may be based on the company achieving specific fundamental results. Under certain circumstances, and at the discretion of the analyst, a recommendation may be applied for a shorter time period. The basis for the variability in the expected percentage change for a recommendation, relates to the differences in the risk ratings applied to individual stocks. For instance stocks that are rated Speculative must be expected to appreciate at the high end of the range of 10-20% over a 12-month period.

### Price Volatility/Risk

**SPECULATIVE** : The Company has no established operating revenue, and/or balance sheet or cash flow concerns exist. Typically low public float or lack of liquidity exists. Rated for risk tolerant investors only.

**ABOVE AVERAGE** : Revenue and earnings predictability may not be established. Balance sheet or cash flow concerns may exist. Stock may exhibit low liquidity.

**AVERAGE** : Average revenue and earnings predictability has been established; no significant cash flow/balance sheet concerns are foreseeable over the next 12 months. Reasonable liquidity exists. Price Volatility/Risk analysis while broad based includes the risks associated with a company's balance sheet, variability of revenue or earnings, industry or sector risks, and liquidity risk.

### Analyst Certification

I, Phil Ker, hereby certify that all of the views expressed in this report accurately reflect my personal views about the subject securities or issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly related to the specific recommendations or views expressed in this report. I am the research analyst primarily responsible for preparing this report.

### Research Disclosures

Company	Disclosure
Collective Mining Ltd.	3, 4, 9

### Applicability

1. PI Financial Corp. and its affiliates' holdings in the subject company's securities, in aggregate exceeds 1% of each company's issued and outstanding securities.
2. The analyst(s) responsible for the report or recommendation on the subject company, a member of the research analyst's household, and associate of the research analyst, or any individual directly involved in the preparation of this report, have a financial interest in, or exercises investment discretion or control over, securities issued by the following companies.
3. PI Financial Corp. and/or its affiliates have received compensation for investment banking services for the subject company over the preceding 12-month period.
4. PI Financial Corp. and/or its affiliates expect to receive or intend to seek compensation for investment banking services from the subject company.
5. PI Financial Corp. and/or its affiliates have managed or co-managed a public offering of securities for the subject company in the past 12 months.
6. The following director(s), officer(s) or employee(s) of PI Financial Corp. is a director of the subject company in which PI provides research coverage.
7. A member of the research analyst's household serves as an officer, director or advisory board member of the subject company.
8. PI Financial Corp. and/or its affiliates make a market in the securities of the subject company.
9. Company has partially funded previous analyst visits to its projects.

### General Disclosure

The affiliates of PI Financial Corp. are PI Financial (US) Corp., PI Financial Services Corp., and PI Capital Corp.

Analysts are compensated through a combined base salary and bonus payout system. The bonus payout is amongst other factors determined by revenue generated directly or indirectly from various departments including Investment Banking. Evaluation is largely on an activity-based system that includes some of the following criteria: reports generated, timeliness, performance of recommendations, knowledge of industry, quality of research and investment guidance, and client feedback. Analysts and all other Research staff are not directly compensated for specific Investment Banking transactions.

None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of PI Financial Corp.

PI Financial Corp.'s policies and procedures regarding dissemination of research, stock rating and target price changes can be reviewed on our corporate website at [www.pifinancial.com](http://www.pifinancial.com) (Research: Research and Conflict Disclosure).

The attached summarizes PI's analysts review of the material operations of the attached company(s).

Analyst	Company	Type of Review	Operations / Project	Date
Ker, Phil	Collective Mining Ltd.	Site Visit	All	01/30/24
Recommendations		Number of Recommendations	Percentage	
BUY		58	74.36%	
NEUTRAL		4	5.13%	
SELL		1	1.28%	
UNDER REVIEW		14	17.95%	
N/R		0	0.00%	
TENDER		1	1.28%	
<b>TOTAL</b>		<b>78</b>		

## Stock Rating and Target Changes

For reports that cover more than six subject companies, the reader is referred to our corporate web site for information regarding stock ratings and target changes. [www.pifinancial.com](http://www.pifinancial.com) (Research: Research and Conflict Disclosure).

Collective Mining Ltd. Rating History as of 01/30/2024



## Capital Markets Group

### Managing Director, SVP Capital Markets

**Jeremiah Katz**  
604.664.2916

### Managing Director, Head of Research

**Chris Thompson, PGeo**  
604.718.7549

### Managing Director, Head of Institutional Sales & Trading

**Brodie Dunlop**  
604.718.7533

### Managing Director, Head of Investment Banking

**Tim Graham, B.Comm**  
604.664.3656

#### Research Analysts

##### Mining

Chris Thompson, P. Geo  
604.718.7549

Philip Ker, P. Geo, MBA  
647.789.2407

Connor Mackay, P. Eng  
604.718.7547

Alex Terentiew  
416.775.4662

##### Diversified Industries

Ben Jekic, CFA, MBA  
416.775.5107

Devin Schilling, CFA  
604.718.7557

##### Special Situations/Technology

Jason Zandberg, B.BA, CFA  
604.718.7541

#### Research Associates

Jessica Stefan, B.BA  
604.664.2628

Matt Taylor, M.Sc  
604.718.7548

#### Marketing and Publishing

Michelle Kwok  
604.664.2724

#### Institutional Sales

##### Vancouver

Adam Dell, CFA  
604.718.7517

Brodie Dunlop  
604.718.7533

Jeremiah Katz  
604.664.2916

David Goguen, CFA  
604.664.2963

Malcolm MacIsaac  
604.664.2685

##### Toronto

Jose Estevez, CFA  
416.883.9042

##### Calgary

Kerklan Hilton  
403.543.2922

#### Institutional Trading

##### Vancouver

Darren Ricci  
604.664.2998 or 800.667.6124 (US)  
or 877.682.7233 (CDN)

Calvin Buchanan  
604.718.7535

Konrad Sanderson, CFA  
604.718.7534

Cole Steenge  
604.718.7544

##### Toronto

Scott Brophy  
416.883.9043

#### Investment Banking

##### Mining

Russell Mills, CFA, MFin  
647.789.2405

Tim Graham, B.Comm  
604.664.3656

Jim Locke, CFA  
604.664.2670

##### Technology

Vay Tham  
647.789.2417

Fayassir Haqna, B.BA  
416.775.5115

##### Diversified Industries

John Rak  
416.775.5112

##### Equity Capital Markets/Syndication

Jennifer Leung, BA  
416.775.5120

Metta Solihin, B.BA  
604.664.2687

Marcus Nickold, BA  
416.775.5114

##### Investment Banking Associate

Karolina Kosior  
604.718.7516

##### Investment Banking Analyst

Jasdeep Toor, B.BA  
604.664.2626

## PI Financial Corp.

[www.pifinancial.com](http://www.pifinancial.com)

### Head Office

Suite 2500, 733 Seymour Street  
Vancouver, BC V6B 0S1  
ph: 604.664.2900 fx: 604.664.2666

### Toronto Office

Suite 3401, 40 King Street West  
Toronto, ON M5H 3Y2  
ph: 416.883.9040 fx: 647.789.2401

### Calgary Office

Suite 4000, 350 7<sup>th</sup> Avenue SW  
Calgary, AB T2P 3N9  
ph: 403.543.2900 fx: 403.543.2800

For a complete list of branch office locations and contact information, please go to [www.pifinancialcorp.com](http://www.pifinancialcorp.com)

Participants of all Canadian Marketplaces. Members: Investment Industry Regulatory Organization of Canada, Canadian Investor Protection Fund and AdvantageBC International Business Centre-Vancouver. Estimates and projections contained herein are our own and are based on assumptions which we believe to be reasonable. Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness, nor in providing it does PI Financial Corp. assume any responsibility or liability. This information is given as of the date appearing on this report, and PI Financial Corp. assumes no obligation to update the information or advise on further developments relating to securities. PI Financial Corp. and its affiliates, as well as their respective partners, directors, shareholders, and employees may have a position in the securities mentioned herein and may make purchases and/or sales from time to time. PI Financial Corp. may act, or may have acted in the past, as a financial advisor, fiscal agent or underwriter for certain of the companies mentioned herein and may receive, or may have received, a remuneration for their services from those companies. This report is not to be construed as an offer to sell, or the solicitation of an offer to buy, securities and is intended for distribution only in those jurisdictions where PI Financial Corp. is registered as an advisor or a dealer in securities. Any distribution or dissemination of this report in any other jurisdiction is strictly prohibited. PI Financial Corp. is a Canadian broker-dealer and is not subject to the standards or requirements of MiFID II. Readers of PI Financial Corp. research in the applicable jurisdictions should make their own efforts to ensure MiFID II compliance.

For further disclosure information, reader is referred to the disclosure section of our website.