

Collective Mining Ltd.
TERMS OF THE OFFERING



October 17, 2022

A final base shelf prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in all the provinces and territories of Canada, except Québec. A copy of the final base shelf prospectus, any amendment to the final base shelf prospectus and any applicable shelf prospectus supplement that has been filed, is required to be delivered with this document. Copies of the final base shelf prospectus, and any applicable shelf prospectus supplement, may be obtained from Clarus Securities Inc., 130 King Street West, Suite 3640, Toronto, ON M5X 1A9. This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the final base shelf prospectus, any amendment and any applicable shelf prospectus supplement for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

BOUGHT DEAL OFFERING OF UNITS BY WAY OF PROSPECTUS SUPPLEMENT

Issuer:	Collective Mining Ltd. (the “ Company ”).
Offering:	4,444,800 Units (the “ Units ”) of the Company (the “ Offering ”).
Offering Price:	C\$2.25 per Unit (the “ Issue Price ”).
Offering Size:	C\$10,000,800 (C\$11,500,920) if the Over-allotment Option is exercised in full).
Issue:	Each Unit will consist of one common share in the capital of the Company (each, a “ Common Share ”), and one-half of one Common Share purchase warrant (each whole warrant, a “ Warrant ”, and together with the Common Shares, the “ Offered Securities ”). Each Warrant will entitle the holder to purchase one Common Share at an exercise price of C\$3.25 for 18 months following the completion of the Offering.
Type of Transaction:	The Offering will be offered by way of a prospectus supplement to the Company’s short form base shelf prospectus dated November 9, 2021 pursuant to National Instrument 44-101 – <i>Short Form Prospectus Distributions</i> (“ NI 44-101 ”) and National Instrument 44-102 – <i>Shelf Distributions</i> (“ NI 44-102 ”) as filed and to be filed, as applicable, in each of the provinces and territories of Canada, other than Québec (the “ Qualifying Jurisdictions ”). The Offering may also be made in the United States or to or for the account or benefit of “U.S. persons” as defined by Regulation S under the United States Securities Act of 1933, as amended (the “ U.S. Securities Act ”) on a private placement basis to a limited number of Institutional Accredited Investors (as defined in Rule 501(a)(1), (2), (3), (7), (8), (9), (12) or (13) of Regulation D under the U.S. Securities Act and to “qualified institutional buyers” pursuant to Rule 144A or in such other manner as to not require registration under the U.S. Securities Act or any applicable securities laws of any state of the United States, and in other jurisdictions as mutually agreed by the Company and Clarus.
Over-allotment Option:	The Underwriters shall have an over-allotment option, exercisable in whole or in part, for a period of 30 days from and including the Closing Date (as defined herein) to purchase up to an additional 666,720 Units exercisable in whole or in part, for additional gross proceeds of C\$1,500,120 on the same terms and conditions as the Offering.
Use of Proceeds:	The Company intends to use the net proceeds from the Offering to fund ongoing work programs to advance the Guayabales Project, to pursue other exploration and development opportunities, and for working capital and general corporate purposes

Listing: The Common Shares currently trade on the TSXV under the symbol “CNL” and on the OTCQX under the symbol “CNLMF”.

Closing: The Offering is expected to close on or about October 25th, 2022.

U.S. Notice: The Units have not and will not be registered under the U.S. Securities Act or any U.S. state securities laws and may not be offered or sold in the United States unless the Units have been registered under the U.S. Securities Act and any applicable state securities laws, or in compliance with the requirements of an exemption therefrom.