

Precipitate Gold team talks discovery at Ginger Ridge



PRECIPITATE GOLD

Precipitate Gold vice-president of exploration Michael Moore (facing camera) analyzes core from discovery hole 5 at the Ginger Ridge zone, part of the Juan de Herrera gold project in the Dominican Republic.

BY MATTHEW KEEVIL

VANCOUVER — It took junior **Precipitate Gold** (TSXV:PRG; US-OTC:PREIF) two years of socio-political wrangling to get its drills turning, but only a fraction of that time to make a discovery at its 125 sq. km Juan de Herrera concession within the Dominican Republic's emerging Tireo gold trend. On Sept. 23 Precipitate announced results from a six-hole drill program at its Ginger Ridge zone that unveil the potential for a gold-rich volcanogenic massive sulphide (VMS) deposit.

The company grabbed the ground in

2012 after **GoldQuest Mining's** (TSXV:GQC; US-OTC:GDQMF) discovery of the nearby Romero deposit, which has quickly grown to 19.4 million indicated tonnes grading 2.63 grams gold per tonne, 0.63% copper, 0.29% zinc and 3.7 grams silver per tonne for 2.4 million contained oz. gold equivalent.

"We were sort of handcuffed by permitting delays for the better part of 18 months," comments president and CEO Jeffrey Wilson during an interview. "We did some surface work and geochemistry, but couldn't proceed with trenching, geophysics or drilling.

We got the green-light in January, and were off to the races."

The company sent its vice-president of exploration Michael Moore and his team down to walk the ground and learn about areas of interest, and ended up with two prospects in the Ginger Ridge and Melchor showings.

After more detailed work on the areas, Wilson says Ginger Ridge "lit up" as a priority due to promising surface results and easier access. Drill targets emerged after trenching results that were highlighted by 32.5 metres grading 1 gram gold and 18 grams silver. Follow-up in-

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Drillers target the Ginger Ridge zone Precipitate Gold's Juan de Herrera gold project in the Dominican Republic.

verse-polarization (IP) geophysical surveys outlined anomalies that coincided with the smoke at surface.

“We really weren’t reinventing the wheel,” Moore says, adding that Precipitate is following a discovery model similar to GoldQuest’s. “First of all, we wanted to drill test those coincident IP anomalies that ran alongside our surface trench numbers. Our bias going into this geologically speaking was that all of the lithologies dipped steeply northeast, but after drilling and more surface mapping I’ve flipped that 90 degrees, and think the lithologies dip moderately southwest.”

Moore’s conclusion follows a 1,200-metre scout drill program that confirmed Precipitate could be sitting on a VMS discovery. Oddly enough, when

the company drilled its most promising target with hole 1 — which represented the coincidental geophysical and surface anomalies — it came away empty-handed. It was only when Precipitate turned its drills northward that it made a discovery.

The locations of discovery holes 5 and 6 correlate with the highest IP chargeability signature, but occupy an area where the company has had limited surface sampling. Hole five cut 98 metres of massive and semi-massive sulphides, including 18 metres at 4.54 grams gold from 84 metres downhole. Meanwhile, hole 6 returned 41 metres of disseminated sulphides including 3.1 metres of 0.55 gram gold and 0.11% copper from 47 metres downhole.

“In my mind what has happened is that we’ve drilled enough holes and done enough work that the story has evolved,” Moore continues. “We went into this thinking that the surface geochemistry and IP anomalies were indicative of an intermediate sulphidation target. The first four holes essentially tested our best near-surface work, while holes five and six hit the strongest IP anomaly. For the most part that chargeability high would indicate the target with the highest sulphide content. My thinking is that hole 5 is right on the edge of something significant.”

Moore adds that the surface work over the discovery holes is nearly barren — likely due to a rhyolite dome. He says

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Carrying a load of drill rods through the Ginger Ridge zone at Precipitate Gold's Juan de Herrera gold project.

there are slightly elevated base metals, but no gold values.

An intriguing aspect is that some outcrops in the discovery area host disseminated and massive pyrite associated with base metals. The company hasn't yet run IP lines north of its discovery, and Moore expects that geophysical work will unveil more high-chargeability targets in that direction.

"Though the timeline from original staking runs nearly two years, we've really only recently had boots on the ground," Moore adds. "We've gone from grassroots to a discovery very quickly. To be frank, I'm a little surprised how fast it evolved, but now the strategy is fairly straightforward. We'd like to do some more IP to the north to tighten it up and identify the best drill targets. But it looks pretty linear, so we can move immediately

north of hole 5 along strike to the next strongest IP anomaly."

The estimated 600-metre-long area flanking holes 5 and 6 will also be targeted for follow-up, given its prospective VMS characteristics.

Another positive factor for Precipitate is that the discovery at Ginger Ridge cost a relatively small amount of money. The company has spent \$750,000 in the Juan de Herrera concession to date, with the drill program costing just over \$500,000. The company will likely have \$750,000 in treasury once all the latest exploration bills are settled.

Precipitate extended its land holdings at Juan de Herrera in July when it picked up the David concession for a 2% net smelter return royalty and 100,000 shares.

David gives the company contiguous exposure to the Tireo trend along the southern boundary of neighbouring

GoldQuest concessions.

"It's been a small amount of money," Wilson adds. "One of the things we like is that we've been able to really streamline our spending on both a corporate and exploration level to make sure we get decent returns on every dollar spent. The capital markets have been a bit frustrating since we didn't get the response we anticipated from the drill results. That said, we have some great supporters and other investors are starting to get it from a VMS standpoint. And the upside is now we have a solid working, geological model."

Precipitate has traded within a 52-week window of 7¢ to 29¢, and closed at 18¢ per share at press time. The company has 36 million shares outstanding for a \$7-million market capitalization, with founders and insiders holding 40% of that total.