

Precipitate CEO outlines drill strategy at Juan de Herrera in the Dominican Republic



Drill crews work at the Ginger Ridge target on the Juan de Herrera gold project in the Dominican Republic. Credit: Precipitate Gold.

Posted By: Matthew Keevil

VANCOUVER — Explorer **Precipitate Gold** (TSXV: PRG; US-OTC: PREIF) is ready to get drills turning at its flagship Juan de Herrera gold project in the Dominican Republic, roughly two years after making its initial discovery at the Ginger Ridge target. The company has been judicious with its cash during the intervening period and its tough markets, but used that time to refine its regional mapping and geological models with more ground magnetics and soil geochemical surveying.

Previous field programs at Ginger Ridge uncovered a zone of gold-enriched massive sulphide mineralization that has a potential to extend more than 1 km. Precipitate wrapped up a maiden drill program at the target in September 2014, which was highlighted by 18 metres of 4.54 grams gold per tonne from 84 metres depth in discovery hole 5. The intercept was contained within 98 metres of strongly disseminated, semi-massive to massive sulphides.



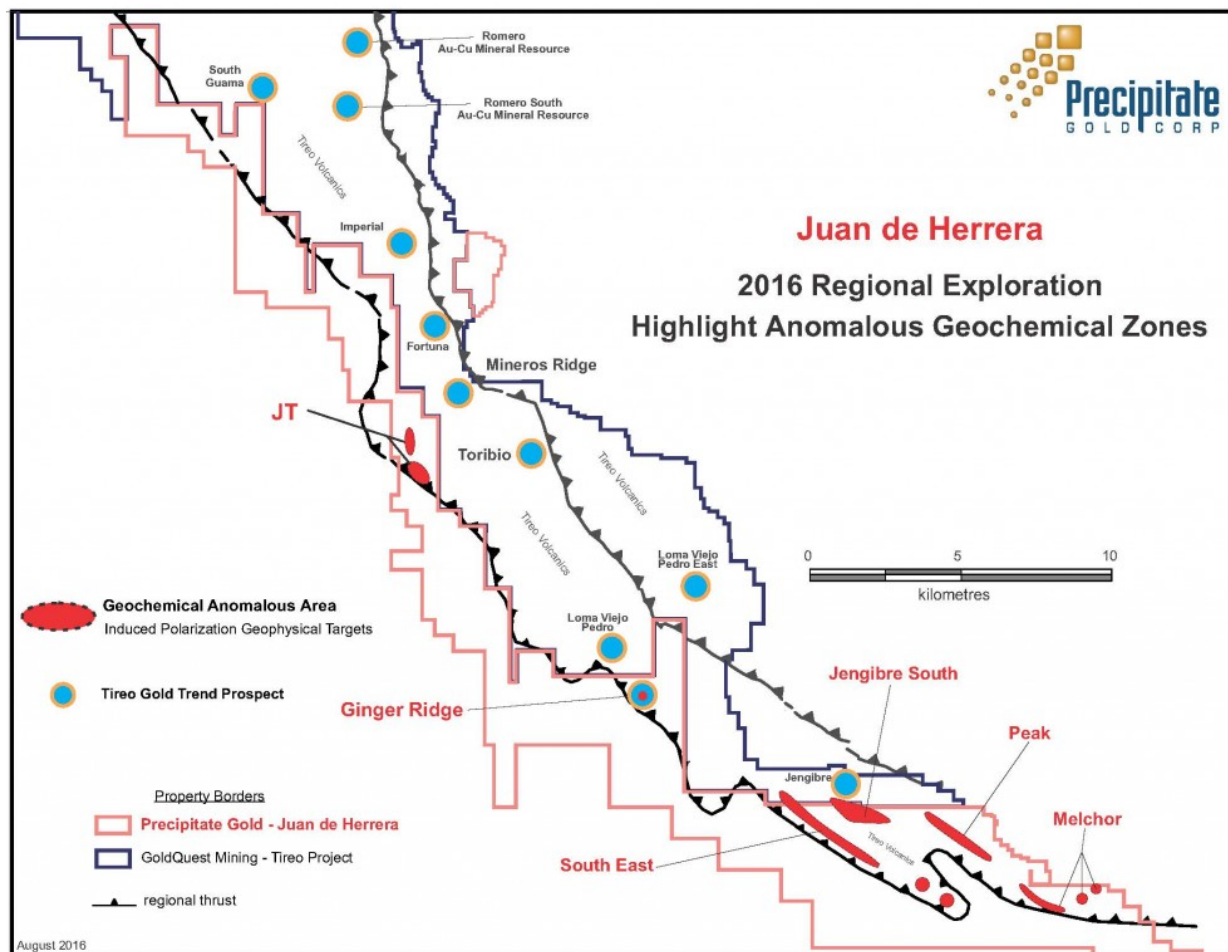
Employees work near a drill pad at the Juan de Herrera gold project in the Dominican Republic. Credit: Precipitate Gold.

Precipitate subsequently agreed to a data sharing and collaboration agreement with **GoldQuest Mining** (TSXV: GQC; US-OTC: GDQMF), which is advancing engineering studies on its multi-million ounce Romero gold-copper project nearby. The two companies will combine exploration databases, including airborne and surface geophysical surveys, geology and alteration mapping, and drill and surface sampling results.

“We’re working along the emerging Tireo gold trend, which hasn’t received a lot of attention historically,” commented Precipitate Gold president and CEO Jeffrey Wilson during an interview in Vancouver. “We’re talking about fairly benign-looking terrain with limited outcrop, but it’s really emerged in the past decade on the back of gold discoveries that now total around 5 million ounces. The entire belt we’re looking at here has seen very limited systematic exploration.

“We did the initial follow-up geophysics in 2015, but since then we’ve really been looking for the capital to go in and drill again. The markets have been pretty tough, and we weren’t interested in diluting ourselves at low share prices. We also felt even if we did the work the market wouldn’t reward us for it,” he said.

Precipitate has spent the past year prospecting and completing grid and ridge-spur soil sampling on “multiple new anomalously mineralized areas,” which show similar “geochemical and geophysical characteristics to known mineralized zones in the Tireo region.”



Highlights of recent geochemical results at the Juan de Hererra gold project in the Dominican Republic. Credit: Precipitate Gold.

Meanwhile, the company funded new induced-polarization (IP) survey work at Ginger Ridge in anticipation of a follow-up drill program. The next stage will involve geophysical surveys of five new geochemical anomalies, namely: the JT, South East, Jengibre South, Peak and Melchor areas.

The company’s primary gold-copper exploration focus is the Tiroe Formation volcanic rocks, which reportedly host a variety of mineral occurrences, including: volcanogenic massive sulphide, porphyry-skarn and low to high-sulphidation epithermal. Mineralization at Ginger Ridge appears to demonstrate “some characteristics of a volcanogenic massive sulphide model,” and possibly a low-sulphidation epithermal.

“We start with regional airborne surveys and then come down and typically complete ground magnetics. From there we get into induced-polarization work, and we’ve done a few different variants on that technology,” Wilson continued. “Right now we’re doing more traditional pole-dipole array work. That initial discovery hole helped us determine we were looking for a signature marked by a chargeability high situated beneath the geochemistry at surface. Our question was always: Is there more of that out there?”

On Nov. 7 Precipitate outlined the details of a 2,000-metre drill program at Ginger Ridge that will step-out along the projected strike of geophysical and geochemical anomalies hosting the discovery hole.



Drillers at the Ginger Ridge target at the Juan de Hererra gold project in the Dominican Republic. Credit: Precipitate Gold.

Initial drill holes will be collared up to 50 metres north and south from hole 5 in order to test “on-strike gold mineralization coincident with the core of the chargeability high anomalies.” Drilling will then move north to a second high-priority area at Ginger Ridge that has the “strongest IP chargeability readings and most robust surface geochemical soil-rock values.”

“We haven’t been delayed with follow-up drilling at Ginger Ridge due to permitting or any related concerns,” Wilson said. “It’s just that the geophysical gear has been on the site, and it’s prevented us from moving in the drill rigs. That work has already wrapped up, and I can say we’ve mobilized the drill rigs and expect to get the program started within the next two weeks.”

In July, Precipitate closed a \$2.6-million non-brokered private placement wherein it issued 10.38 million units. Each unit was priced at 25¢ and entitles the holder to one share and one warrant exercisable at 35¢ for 12 months. The company had working capital of \$2.8 million at the end of August.

Precipitate shares have traded in a 52-week range of 6¢ and 37¢ per share, and closed at 20¢ at the time of writing. Precipitate has 64 million shares outstanding for an \$11 million market capitalization.

“Following our most recent financing we have sufficient capital to expand the program if we have success,” Wilson said. “We actually saw a pretty great summer for explorers in terms of the market. It’s cooled off since then, but I’ve been quite encouraged during my conversations with people who are not ‘gold investors,’ per se. This is money that has been out of the gold market for quite some time, and they are telling me they see a paradigm shift wherein institutional capital is mobilizing.”