

# Gold Newsletter

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## PRECIPITATE GOLD

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Precipitate Gold made significant news this month with a JV deal with Barrick whereby the major can earn a 70% interest on the company's Pueblo Grande project by spending \$10 million over six years.

To complete the earn-in, the major must also produce a prefeasibility study on the project. Given that Barrick's massive Pueblo Viejo mine lies hard against the property boundary for Pueblo Grande, it's easy to see why it was interested.

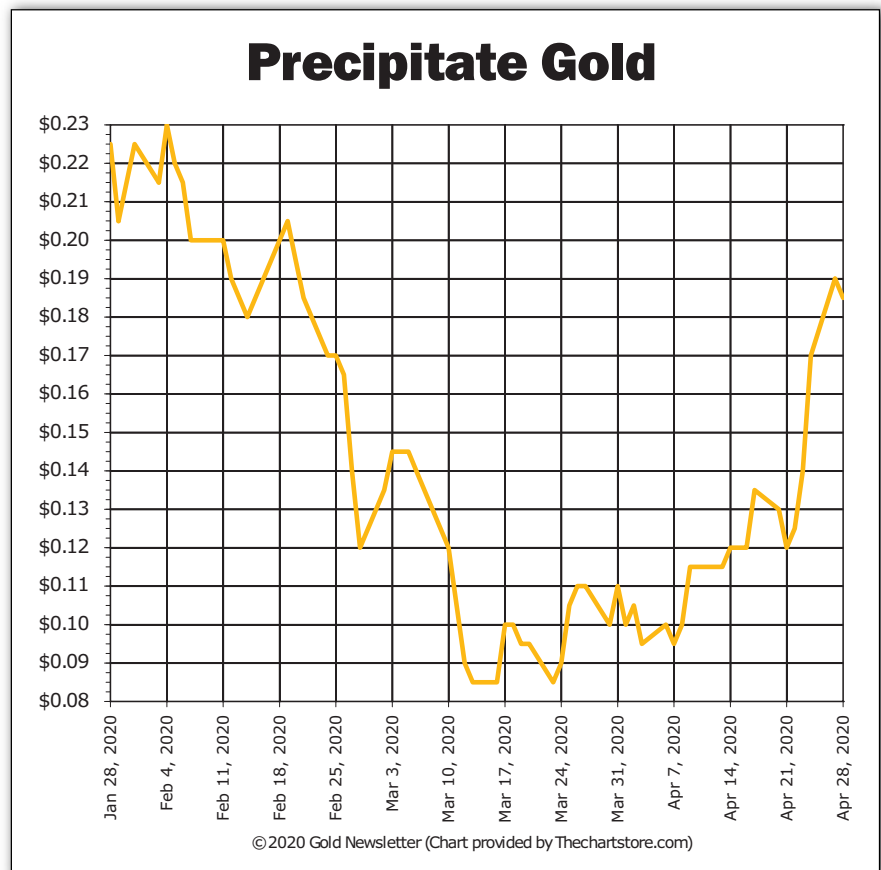
I've heard some chatter among investors that they wished Precipitate had kept Pueblo Grande and drilled it for themselves. And I get that viewpoint — drilling success on the project, given its area play bona fides, would likely have been rocket fuel to the company's share price.

Now, though, PRG has traded in some of that upside for the security of having a deep-pocketed partner who can take a systematic approach to unlocking Pueblo Grande's potential. Plus, the upside of a takeout is still there — if Barrick finds something, it's easy to see them foregoing a headlong race to prefeasibility and just taking out PRG outright to own 100% of the project.

On top of that, given the scale of the target the junior was hunting for, it would likely have taken quite a few rounds of drilling and financing to prove up anything substantial. Instead, Precipitate can participate in the upside if Barrick's exploration program bears fruit, without the attendant risk of dilution that would come with hitting a few singles (as opposed to a home run) with its initial drilling.

With Barrick taking the wheel at Pueblo Grande, the junior will now turn its attention to its Ponton and Juan de Herrera projects. To fund that effort, Precipitate has tapped Barrick for a C\$1.4 million equity raise that saw the issuance of 12.7 million shares priced at C\$0.11.

Management will first apply those funds toward further defining the Copey Hill zone on Ponton. Prior geochemical work on Copey Hills has identified a potential epithermal gold zone spanning 1,200 meters by



1,000 meters. Surface exploration has yielded rock samples on this target grading up to 4.1 g/t gold. The host rocks here appear similar to those that host Pueblo Viejo.

Thanks to the recent Barrick financing, Precipitate’s treasury sits at C\$2.3 million, more than enough to fund a robust program at Ponton (and possibly Juan de Herrera as well) once Covid restrictions are lifted in the Dominican Republic.

I’m excited about this deal and look forward to seeing what Barrick can do with Pueblo Grande and what Precipitate can do with its other DR projects. PRG remains a strong buy at current levels. ▲

**Precipitate Gold Corp.**

Recent Share Price: ..... C\$0.18  
 Shares Outstanding:..... 105.8 million  
 Market Cap: ..... C\$19.0 million  
 Shares Outstanding  
 Fully Diluted:..... 116.1 million  
 Market Cap  
 Fully Diluted:..... C\$20.9 million



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