

## **Second 20 Minutes with Mr. Michael Moore \$PRG Precipitate Gold**

Peter “@Newton” Bell, 16 October 2017

In second part of interview with Mr. Michael Moore, Vice President of Exploration for Precipitate Gold (TSX.V:PRG), continue to discuss the chalcopyrite rock sample but also step back for a broader discussion of the company. Watch out for the third and final part of our hour-long interview!



Peter Bell: This is a fresh piece of rock. Was it an area of interest before you found it? I guess so as you were out there prospecting.

Mike Moore: Let me take you way back, Peter. We first got to this property back in September 2012. It seems like forever ago now. I had been around the world as a geologist, but this was the first time I had been to the Dominican Republic. I went there with another geologist, who is a friend of mine. I remember the moment when we first landed in helicopters there -- that was the only way to effectively take a look at a large land package that we had.

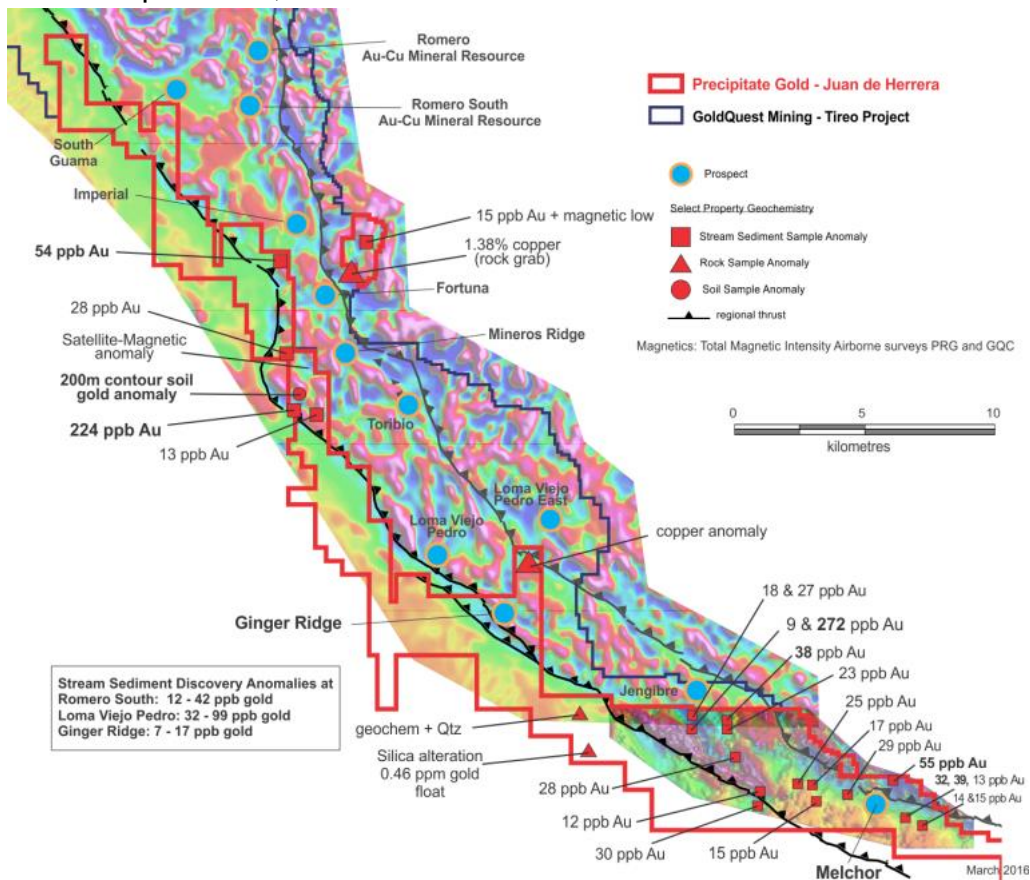
We landed up on top of the hill, looked around and went, "Where to start?" There were no decent geological maps. There was no previous work. I thought, "This is a geologist's dream. I get to start somewhere where nobody else has actually done any meaningful work." We didn't have a clue.

It's kind of embarrassing to say it, but when we tied on to GoldQuest's land we didn't know what we had. We didn't know how much volcanic rock we had, which is the key thing as we discussed before.

Peter Bell: Right, much of your exploration since then has been about finding the extent of that volcanic rock and searching for mineralized sections.

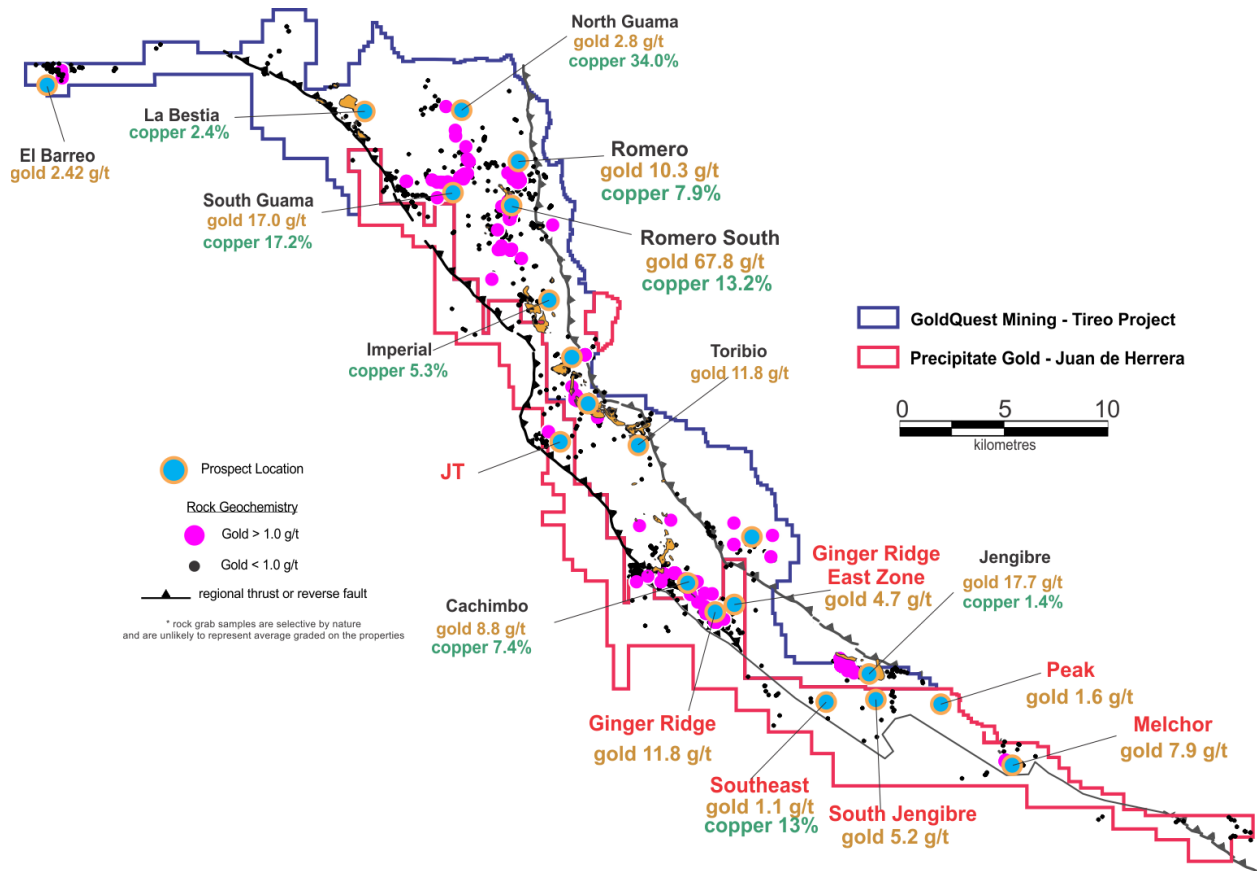
Mike Moore: You got it, Peter.

It all started with geologists named Marco and later on James, who I mentioned before. We did basic prospecting and stream silt sampling. That method draws you into river drainages and then up the prospective ones. We did regional soils along the way. The interpretation of soils can be quite hard, as we discussed before.



Peter Bell: And that was why you were happy to have seen fresh chalcopyrite in outcrop. I'm with you, Mike. This early work is different from what you did to find this outcrop, which you found by starting at the top and going down rather than starting at the bottom and coming up the drainages.

Mike Moore: That's right, Peter. The early work is different but certainly necessary. Once you start tallying your anomalies, then you can start doing more detailed work. At that stage, we were looking at zones like Ginger Ridge, the JT Zone, and also bunch of other ones further to the north that we don't talk about very much. We have more anomalies than I care to explain or even count, really. I'd like to follow up on them all, but we face constraints. Lo and behold, we now have another prior target based on this surface showing of chalcopyrite that we've been discussing. I suspect that we'll stick holes into it.



Peter Bell: I imagine that it would be difficult to not drill-test this one as an exploration geologist, Mike.

Mike Moore: It's the clear priority for us between now and Christmas. I have teams of people taking detailed soils for us now. They happen to be local geologists. They have collected rocks and soils at several places around our property over time.

Soon we hope to understand what every piece of our ground looks like chemically. It is not a small endeavor, but we are confident that we will get there. By Christmas, I will have over 10,000 new soil samples. It's a mountain of dirt -- it could probably fill a small dump truck.

Peter Bell: And that's just sampling.

Mike Moore: I'm not kidding you. The geos go out every day and take a small shovel or hammer, put dirt in a Ziploc bag, and bring it back to the storage facility. We're using a portable XRF to scan the samples ourselves before sending them for assay. It gives us instant data and is much cheaper.

Peter Bell: Do you send it off for the full treatment with ICP spectoscopy?

Mike Moore: We send portions of it off for ICP analysis, but not all of it. As an example, it may cost \$15 per sample for assay. If we send 10,000 soil samples to the lab, then that is \$150,000. I'd rather not spend that money, so we pre-screen everything with our XRF. My hope is that we send about 30% of all the samples to the lab so that we can combine an analytical soil map with lab and XRF data.

Peter Bell: Wow.

Mike Moore: It is ambitious, but we believe we can get there.

Peter Bell: How about the question about gold and the XRF?

Mike Moore: Yes, the XRF doesn't do precious metals very well. Particularly gold and silver. We can't quote those results publicly but we can certainly quote base metals and a few of the typical pathfinders such as arsenic, antimony, bismuth and the like. Put all of that together and it gives us a lot of information on the prospectivity of different areas.

Peter Bell: That's a massive undertaking.

Mike Moore: It is. It's certainly not unheard of in the industry, though.

Peter Bell: Have you guys done anything that big here before?

Mike Moore: No, this is our first endeavor.

Peter Bell: Good for you. That's really exciting.

Mike Moore: Thanks, Peter. I'm really looking forward to it. The guys in the field are as well. It's a lot of work, but it's worth it to my mind. The best and fastest way to make ourselves understand whether or not we're in a fight worth fighting is to collect as much data as cheaply and quickly as possible.

To my knowledge, the only guys that ever done anything like this is UniGold to the north of us. Back in the early days when they were under previous management, they did something like this but we are the only two groups that will have blanketed our properties with soil samples to such a degree.

Peter Bell: Do you have geology maps?

Mike Moore: We do, but they're our own internal maps.

Peter Bell: I wonder if there is an opportunity for the government to work with you to make some maps of the area public. Amazing to hear you describe what it was like when you first touched down there off a helicopter, Mike. You knew so little and now you're talking about the largest soil sampling campaign in the area. Keep going, Mike!

Mike Moore: In a lot of ways, you would like to do these things earlier on. We've done things in fits and starts because of the capital markets more than anything else. We are finally in a position where we have money and a good local crew. Now, I can literally send people instructions through WhatsApp or e-mail and it gets done.

Peter Bell: Wow.

Mike Moore: It takes time to build a quality team. Training people is not easy. We've created a brilliant team down there and I'm hardly needed anymore, other than giving some direction.

Peter Bell: That's good. I've heard that to be successful in an organization, you have to make yourself irrelevant. That always seems like a puzzling statement, but you're describing a clear example of it.

Mike Moore: Well, it's got to the point where I am more in the way than helping anymore! When I show up, things slow down now Peter. I'm extremely pleased with everybody. The Dominicans are such good people.

Peter Bell: How long have you been in country?

Mike Moore: Five years now.

Peter Bell: That's a busy five years.

Mike Moore: 2015 and into '16 was tough. As my father would say, "No money, no funny." We have a lot of land and it requires patience and a fair bit of money to work this land. I try to put money to good use, but the exploration business is cash flow negative.

Peter Bell: Little things add up, whether it's using the XRF to pre-screen the soil samples or something else.

Mike Moore: I'm trying to make sure that all the money we raise is focused on exploration. You have to make efforts towards a discovery. As a geologist, you put yourself in a position to be lucky. That's really all you can do. You do all the good science, and then the truth machine comes out.

Peter Bell: That's right.

Mike Moore: You can't put the mineralization in the rock. Geologists like myself can certainly find a lot of good anomalies, but economic mineralization is so difficult to find anywhere.

Peter Bell: A frustrating venture with lots of failure -- apparent failures. For what it's worth, my sense is that a few holes at Ginger Ridge does not ruin that target.

Mike Moore: Geologists always want another hole, Peter. I certainly do in this case. If we were unlimited, then I would keep drilling in that area but we face constraints. We have bigger fish to fry.

Peter Bell: Right, I'm with you on that. To be looking at this chip sample here and hearing that you have not found anything quite like this before really hammers that home.

Mike Moore: Nothing like it at all, Peter.

Peter Bell: What is it specifically about this rock that's so special?

Mike Moore: You don't see exposed chalcopryite in such a large amount here. You don't need to be a rocket scientist for this one. With such large outcrop, you just take a hammer, bang some rock off, and you're there. I could take you there, Peter, and you could find this.

A lot of the targets we have worked on so far, have been blind targets. Goldquest's Romero deposit was a blind discovery. Ginger Ridge has exposed alteration and soil anomalies, but it is almost a blind target.

Peter Bell: It was a geophysics target, right?

Mike Moore: Yes, at the end of the day it was a geophysical anomaly. Ginger Ridge East or the East Zone, as I call it, has surface expressions of soils that are elevated in multi-elements, but there is nothing like this exposed sulphide.

Peter Bell: If you've been forced to bring your head up and look around a little bit more at the property area and re-evaluate your approach, that's OK. As an outsider, I can appreciate all these soil samples now rather than more holes at Ginger Ridge. Especially if these soils can help generate discoveries like this chalcopryite outcrop!

Mike Moore: It's been an evolution in understanding. Not just for ourselves, but for GoldQuest as well. They are further ahead of us in terms of number of holes -- not to mention that they have resource estimate.

What's critical here for us is trying to get a sense of stratigraphy. We need to understand the horizons, the timelines, the alteration packages, and elemental suites that are the best targets for us to test with drill holes.

Peter Bell: Does this rock sample represent a significant milestone?

Mike Moore: I think it does. Other than the great optics of a good chunk of chalcopryite, I believe it is the right stratigraphic package of rock. Not just the right lithological rock types, but also the right stratigraphy. To my mind, it's an on-strike extension of Cachimbo or something similar. It is proximal to some nice trenching and drill samples from Goldquest to the northeast as well. I think we're in good hunting grounds here.

There's another nearby area that's developing nicely as well. We need to go back in there and start poking around drainages with elevated copper and zinc -- there may be more of this stuff hiding around there.

Peter Bell: Great. A good local team on the ground is probably the quickest and cheapest way to find it, too.

Mike Moore: That's right, Peter. You can really move the needle for the company with prospecting, in terms of understanding and establishing a precedent for this stuff, then that is just great as an exploration geologist.

From a typical millennial's perspective, this stuff is slow and tedious work. It's not an app. It takes time for guys to go out there and get the work done. If it was that easy, then everybody else would be doing it! Keep in mind that this part of the world is utterly unexplored, too.

Peter Bell: It was 2012 when you first took a helicopter out to unexplored areas of the property, right? I would imagine that it was pretty special for you to be working in an area with such little geological knowledge. And for it to be a safe place it just great, too.

Mike Moore: Yes, it was 2012 Peter. And you're right about the safety of the Dominican Republic. We do not have to bring someone along with a machine gun when we are in the field.

Peter Bell: Have you seen rock like this elsewhere around the world?

Mike Moore: Yes. I've seen it in, well, in British Columbia to be sure. I've seen it in Greenland and other places too.

Peter Bell: Is this rock pretty straightforward as a VMS?

Mike Moore: Chalcopyrite in itself doesn't necessarily have to be VMS. Pyrite is an iron-sulfide and chalcopyrite is a copper-sulphide. You can have a zinc-sulfide, which is sphalerite. The chemistry is slightly different, but this is essentially a copper mineral. How it gets deposited or is liberated from fluids is a different question.

For example, if you look at a classic VMS as a black smoker on the sea floor then you can actually see chalcopyrite and sulfur minerals being deposited. They form a sand on the bottom of the ocean, which you can actually see.



Of course, sometimes it is different. Sometimes the fluids only permeates fractures in rocks. In the case of VMS, it doesn't necessarily have to outcrop on surface -- it can be restricted to permeability horizons within the volcanics.

Peter Bell: Wow. I haven't heard of that model before. I could imagine that occurring distally to a black smoker.

Mike Moore: At the risk of getting technical, I will say that I was interested when I realized that VMS deposits doesn't have to go out onto the sea floor too, Peter. It doesn't have to. There are degrees and measures of these things. In the case of Ginger Ridge, say, I suspect that large pyritic body that we drilled into did not ever outcrop.

Peter Bell: What a puzzle.

Mike Moore: It can be. As an exploration geologist, these things aren't particularly critical. For me it's just a matter of vectoring towards mineralization in an effective and quick manner.

Peter Bell: Keep it simple, right?

Mike Moore: It is important. When I look at something like this, I'm not trying to necessarily think of genesis and I'm not trying to pigeonhole a model. I'm vectoring towards economic mineralization. I allow the people much smarter than me, the academics of the world and people with more experience to tackle how it was created.

I'll give you an example. Pueblo Viejo is one of the largest and best "high-sulphidation epithermal gold" deposits in the world and there are still a lot of people out there that don't believe that's the case. They think it is something else altogether.

Peter Bell: Wow.

Mike Moore: Romero is another example. Some people think of it as intermediate sulphidation deposit, but others think of it as VMS. My current bias is VMS with a gold overprint, but it is what it is. I'm not that technical. I'm a generalist -- I've explored for just about every element on the planet, with the exception of diamonds. I don't profess to be an expert in VMS or orogenic gold or nickel or copper or anything else.

Peter Bell: But if you see a wall or exposed rock like this?

Mike Moore: Yes. When there are shiny bits like that, you know you're in the right.



Peter Bell: Is the black the volcanic rock?

Mike Moore: No, that would be just oxidized rock as this is close to surface. That's a manganese oxide, left-over from surface weathering. It will be soft.

Peter Bell: (Presses thumbnail into black rock)



Peter Bell: And what is the grey rock?

Mike Moore: That's altered volcanics. The gray portion of the rock is going to be a sericitic alteration. The host rock in this case is called dacite. What is really interesting, if you want to get specific, is how the chalcopyrite forms in this particular outcrop. The sulphides in the chalcopyrite are not your typical massive sulphides. It's actually in semi-massive lenses and in fracture infills. It's what I would call a quartz chalcopyrite stringer zone. If it were utterly massive, then we would probably be drilling it right now.

Peter Bell: Great, thanks Mike. If we were to break this rock in half, would we see more of this?

Mike Moore: You should see more of the same. The face that you're seeing on this side is massive chalcopyrite. If you were to cut it, right angles to it, you would probably find another band or two parallel to it.

Peter Bell: Interesting to think that the fractures may be parallel.

Mike Moore: When we get around to drilling it, having an understanding of how those fractures form and their orientations will be really critical. We have structural information on those orientations. Before we go in there in detail, we need to understand the bigger context.

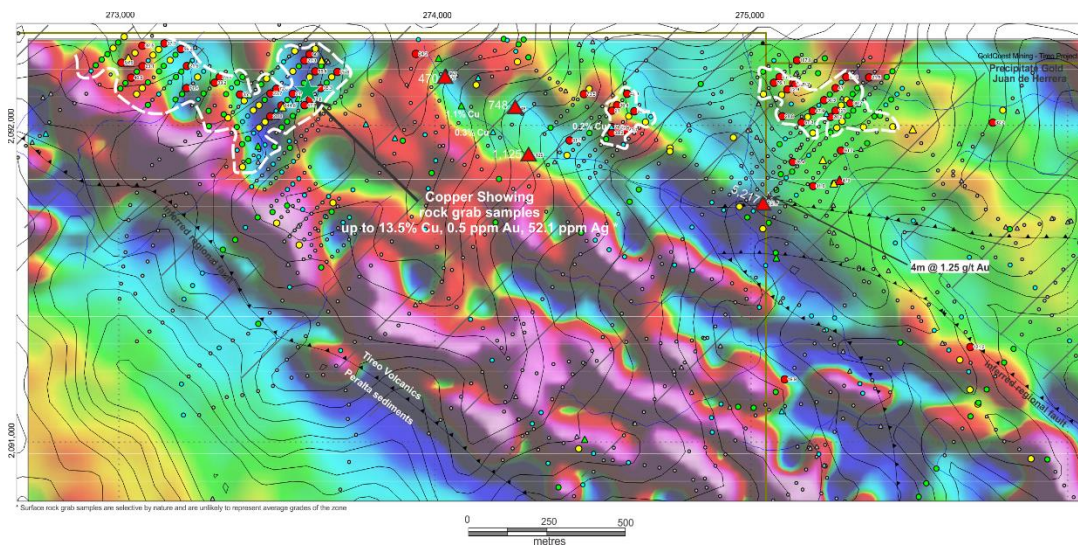
Peter Bell: Indeed, Mike. The genetic model may be academic at this point, but the geotechnical details are essential.

Mike Moore: Of course, Peter. As I say, we have structural information on the orientations of these fractures.

One thing that I really like about this outcrop is that it's probably not the only one. There are soil samples out about 230 meters to the west that we have reported that are quite interesting. If you're looking at our soil maps, then you can see another small cluster of two or three anomalies immediately to the west of the area where this sample was taken.

Going forward, we will try to talk about multi-element results from soil sampling. Part of the reason is that the XRF doesn't do gold reliably and the other part is that these are multi-element targets. We are seeing copper, lead, zinc, and gold. We need to show how those signatures actually show up.

To the point here, 230 meters west of the rock sample are a bunch of small clusters of anomalies in soil samples. We need to go there and prospect. As luck would have it, those soil anomalies are actually located in another river drainage.



Peter Bell: Perfect!

Mike Moore: We will go there and poke around. Will we see more of this or less? I don't know, but there are several copper anomalies in the river drainage at roughly the same elevation as the location of this rock sample.

Peter Bell: Exciting. Is that the other side of the same ridge?

Mike Moore: It's essentially a ridge or two over.

So you can take that and add it to the list of things to do. If anything, our problem is too many targets. I have so many targets to chase that it can be a little overwhelming at times. People ask why we haven't been back to this area or that area. Part of it is money. Another part is logistics. We want to do high-quality work and need to have a strong field team.

We stay focused. I can throw the kitchen sink at everything, but then the money just gets blown away. We're trying to do things intelligently, prudently and all that. Now more than ever, I have comfort that we're doing the right things.

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