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**My personal observations on the Golden Wonder for LKA Management**

By Rauno Perttu, geologist

I believe the Golden Wonder Mine has the potential to grow into a much larger property than its historic production of 140,000 ounces. Among the several reasons I have for this belief are:

- The northeast-trending structure that hosts the Golden Wonder almost certainly extends well beyond the recognized ore zone. The same structure hosts the Golden Fleece Mine across the valley, and the Gold Quartz Mine downhill of the Golden Wonder. The structure continues northeastward from the Golden Wonder, and almost certainly continues southwestward from the Golden Fleece. The structure is also wide. The zone of mineralization at the Golden Wonder is at least 100 feet wide.
- The high-grade gold mineralization at the Golden Wonder, and most likely at the Golden Fleece is within a boiling zone environment. The top and bottom of the boiling zone at the Golden Wonder are at approximately the 200 and 600 foot levels of the mine, with leakage both above and below. The fact that high-grade gold was discovered at the boiling zone elevation on both sides of the canyon that separates the Golden Fleece from the Golden Wonder, and these are the only two exposures of the boiling zone, strongly suggests that gold mineralization occurs semi-continuously along the boiling zone elevation within the northeast-trending ore structure. The boiling zone is eroded between the mines, and is hidden below cover to the northeast and southwest. I postulate that the boiling zone below the cover contains additional ore bodies.
- The very high grade multi-ounce per ton nature of the Golden Wonder ore means that new ore bodies, of even limited size, can contain large volumes of gold. Additionally, the Golden Wonder ore system extends at least 700 feet vertically, which gives it room to develop a large number of ounces over a short horizontal distance.
- Telluride systems, such as the Golden Wonder, can be up to multimillion ounce in ultimate size. Additionally, the Golden Wonder Mine is in the Colorado Mineral Belt. The Colorado Mineral Belt hosts numerous large ore bodies. One of the largest, the Cripple Creek District, is a telluride deposit that has produced approximately 23 million ounces, and has multimillion ounce reserves left.

Based, in part, on these reasons, I believe the Golden Wonder has a potential upside that could ultimately exceed a million ounces.