

LKA Provides Details of Golden Wonder Mine Expansion Plans

GIG HARBOR, Wash., January 31 /PRNewswire-First Call/-- LKA International, Inc. (OTC Bulletin Board: LKAI) provides certain details of its plans to expand the Company's Golden Wonder Mine located in Lake City, CO.

As previously announced, LKA is proceeding with its plans to expand the size and productive capacity of its Golden Wonder Mine by developing a new production level approximately 1,000 vertical feet below the Mine's 6th level (the current production level. See attached diagram entitled "GW Cross Section 3" hereinafter, the "Diagram").

Current Operations

The red cross hatched section of the Diagram represents the producing area within the Mine. Since 1997 this has been the main zone of production and is currently being mined by LKA's operator, Au Mining, LLC. Production to date from this area has exceeded 121,055 ounces of gold. The weighted average grade of all ore produced from this area has been 14.19 ounces of gold per ton. At current production rates this area of the Mine produces 24,000 – 27,000 ounces of gold per year. 2005 production was 25,543.31 ounces of gold. LKA and its operator, Au Mining, expect that production from this area is sustainable for the next couple of years without additional exploration and/or development.

Future Operations (projected)

Beginning in late 2004, LKA acquired additional claims and began the permitting process for a new ore pad (on-surface loading and crushing area) located approximately 1,000 feet below the Golden Wonder's 6th level. From this new ore pad LKA and its operator expect to drive a drift (horizontal) approximately 4,800 feet to intersect the current Golden Wonder structure (see "LKA Level" on Diagram). Assuming successful contact with the Golden Wonder Structure, this new drift will serve as the new production level for the next 6-8 years. With the experience gained through mining over several years covering 500 vertical feet and a strike length of 100 feet within the Golden Wonder structure, LKA anticipates that the new "Target Production Zone" will contain approximately 345,000 ounces of gold (\$190 million at current prices). LKA also expects to increase the productive capacity of the Mine from its current 25,000 ounces per year to 60,000 ounces per year by 2009. Additional exploration both above and below the Mine's 6th Level could significantly extend this production forecast.

LKA's to Increase Interest in Production

As the property owner, LKA currently receives a 10% "net smelter royalty" (this equates to almost 10% of the "gross" production proceeds) from the Golden Wonder. LKA expects to increase its interest to 50% of the "net" production by financing the estimated

\$3.5 million cost of the new lower level drift. Permitting for this project is currently underway.

LKA's plans to expand Golden Wonder production are subject to a number of conditions including but not limited to, favorable financing terms/availability, permits, favorable geology, etc. There can be no assurance that LKA will be successful in this endeavor.

Forward-looking statements in this release are made pursuant to the 'safe harbor' provisions of the Private Securities Litigation reform Act of 1995. Investors are cautioned that such forward-looking statements involve risks and uncertainties, including, but not limited to, continued acceptance of the company's products and services, competition, new products and technological changes, as well as any and all 'other risks' associated with business.

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