

**LKA Announces Receipt of Joint Venture Proposal from Cambior Inc.**

GIG HARBOR, Wash.--(BUSINESS WIRE)--July 21, 2006--LKA International Inc. (OTCBB: [LKAI](#) - [News](#)) announces that it has received a joint-venture proposal from Cambior Inc. (AMEX: [CBJ](#) - [News](#)) for the further exploration and development of LKA's Golden Wonder mine located in Lake City, Colo.

As anticipated by both companies, there are still a number of details to be worked out before the terms of the proposal are released. LKA and its consultants are currently engaged in an evaluation of the proposal and will disclose the specific terms upon completion of this process.

About LKA

LKA International Inc. ("LKA" or the "company") is a natural resource development company based in Gig Harbor, Wash., which owns 100% of the Golden Wonder and Ute Ule mines, both located in Colorado. The company's primary asset is the Golden Wonder gold mine, a producing, high-grade mine located near Lake City, Colo. The company currently leases the property to Au Mining Inc. for which it receives a 10% net smelter royalty. The company's contract with Au Mining to operate the mine at the existing levels (3 through 6) expires in September 2008. At this time, LKA and Au Mining have not reached an agreement to extend the existing lease/operating agreement beyond 2008.

Gold Production

To date the Golden Wonder mine has produced 125,938 ounces of gold from ore with an average grade of 14.26 oz/ton Au. The average grade of ore has generally increased at depth. Over the past two years, the Golden Wonder mine produced 41,984 ounces of gold at an average grade of 17.36 ounces per ton of ore mined. The mine has consistently produced an average ore grade of 15.63 ounces per ton over the trailing five-year period.

LKA plans to expand production at the Golden Wonder through additional development work over the next several years and increase its interest to at least 50% of the net profits. The company's development plans 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.

Web site: <http://www.lkaintl.com>

*Contact:*

LKA International Inc.  
Kye A. Abraham, 253-851-7486

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