

## **LKA Provides Details of Cambior Joint Venture Proposal and Exploration/Expansion Plans at Golden Wonder Mine**

GIG HARBOR, Wash.--(BUSINESS WIRE)--October 11, 2006--As previously announced, LKA International, Inc. (OTCBB: [LKAI - News](#)) and Cambior Inc. (NYSE: [CBJ - News](#)) have been engaged in discussions concerning a joint venture proposal submitted by Cambior on July 17, 2006. The key elements of the proposal include Cambior's right to earn a 50% ownership interest in LKA's Golden Wonder mine by providing \$18 million in exploration and development work/expenditures at the Golden Wonder over a three-year period. The primary focus of the proposed joint venture will be to conduct an extensive exploration program below the current workings at the mine's 6th level. Depending on the success of these exploration efforts, Cambior will have the right to develop and commence production of any mineable ore encountered. LKA's current lessee/operator, Au Mining, Inc., will retain all rights to continue mining ore at levels three through six until the current lease agreement with LKA expires in September 2008. Prior to receipt of the Cambior proposal, Au Mining informed LKA that it did not intend to participate in the new, lower-level exploration project and that it intended to terminate its mining activities upon expiration of its lease agreement in 2008.

Investors are cautioned that no definitive agreement has yet been reached between LKA and Cambior and there still exists a number of complicating factors which have yet to be resolved, including threatened litigation by Au Mining and the pending merger between Cambior and Iamgold Corp. (NYSE: [IAG - News](#)). While Cambior has indicated that Iamgold Corp. intends to honor any agreement reached with LKA, Cambior is under no obligation to finalize an agreement. Concerning recent claims made by Au Mining, LKA has been advised by its legal counsel that Au's claims are without merit and appear to be designed/intended to interfere with LKA's plans to develop the Golden Wonder. At this time no lawsuits have been filed by either side.

### About LKA

As the sole property owner, LKA currently receives a 10% net-smelter royalty (less certain shipping and handling charges) from Golden Wonder production. The Golden Wonder mine has been in production since 1998 and has produced 133,483 ounces of gold at an average grade of 15.99 ounces of gold per ton. LKA plans to substantially increase its interest in Golden Wonder production (up to a 40-50% net-profits interest) by developing a new ore body below the mine's current workings.

LKA's plans to expand Golden Wonder production are subject to a number of conditions including, but not limited to, favorable geology and successful exploration efforts, favorable financing terms/availability, permits, gold prices, 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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