

LKA International to Develop Golden Wonder Mine Further

Gig Harbor, WA., January 5, 2005 -- LKA International, Inc. (OTC Bulletin Board: LKAI), as previously announced, has decided to further its plans to permit and develop a new drift below the current workings at its Golden Wonder Mine located near Lake City, Colo. Based on the most recent eight quarters of production, totaling some 41,693 ozs. Au. from 2,830 dry weight tons with a weighted, average grade of 14.47 ozs. Au per ton, LKA has decided to actively pursue an increase of its permitted area to include a new adit and working pad to be located approximately 1,000 vertical feet below the current sixth level of the Golden Wonder.

The objective of the new drift will be to intersect the vein structure(s) currently being mined at levels 4-6 and significantly extend the size and productive capacity of the mine. To date, production from the relatively small area (approximately 320 vertical feet) between the third and sixth levels has exceeded 85,700 ozs. Au with the majority of that production, 58,942 ozs., being produced within the last three years between the 4 and 6 levels.

By financing this new extension to the Golden Wonder's existing workings, LKA will be entitled to increase its current 10% "net smelter interest" as the property owner to a 40% "working interest" in all ore encountered below the mine's sixth level.

About LKA International, Inc.:

LKA International, Inc. is a natural resources development company that owns the Golden Wonder Mine, a producing, high-grade gold property, located near Lake City, Colorado. Additionally, LKA owns the Ute Ule silver mine (currently inactive) and milling facility which are also located near Lake City, CO. The company currently plans to permit and develop a new drift approximately 1,000 feet below the current workings of the Golden Wonder Mine to extend the size and productivity of the mine.

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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