

TORONTO, ONTARIO--(Marketwired - July 16, 2015) - [Lydian International Ltd.](http://www.lydianinternational.co.uk) (TSX:LYD) ("Lydian" or "the Company") is providing an update on potential additional project upgrades through the value engineering program at its 100% owned Amulsar Gold Project in Armenia.

Second quarter engineering programs focused on testing and analysis of a number of opportunities to improve Amulsar economics. Consideration was primarily directed toward opportunities to reduce capital costs and to identify other areas where operating cost improvements may be further realized. This included incorporating new Armenian mining legislation to redesign the mine through reconfiguring the crushing plant, conveyor belt design revisions, and refinements to the site layout. The possibility of moving from self-mining to contract mining is also under review.

As outlined in the Lydian news release dated May 20, 2015, an expected savings of approximately \$86 million will result from an optimized mine design that takes into account legislative changes by the Republic of Armenia which now allow for a maximum ramp gradient of 10% in open pit mines. Fuel cost assumptions were also updated to take into account the current trend for diesel prices in Armenia. These changes provided a significant reduction in expected operating costs of approximately \$83 million and a reduction in expected mining capital expenditures of approximately \$3 million.

The potential to redesign the crushing and screening plant represents one of the more important opportunities to further reduce capital and operating costs. Metallurgical testing is being conducted on a total of 30 columns to determine the effect on gold recoveries and other operating parameters, such as reagent consumption, when crush size is increased from a P₁₀₀ crush size of 12.5 millimeters to 19 millimeters. If successful, a larger crush size combined with the findings of a blast fragmentation study may support reconfiguration and reduction of crushing equipment. Additionally, the energy requirement for crushing may be reduced if a larger crush size can be utilized.

An alternative route and configuration of the conveyor belt is being reviewed. A more direct route may result in up to a 15% reduction in the overland conveyor length, fewer elevated sections, and elimination of the transfer station. Analysis of the operating belt speed is also being examined, which may allow the belt width to be reduced. Other site layout revisions are being considered to reduce construction earthwork volumes, improve surface water management, and combine various facilities to reduce duplicated infrastructure.

Howard Stevenson, Lydian's President and CEO, stated, "We are pleased with the progress to date. This program is an important step toward ensuring maximum project economics. Much of this work will also support enhanced construction and operating conditions and further mitigate environmental and social impacts. We expect to bring these value engineering studies to conclusion in due course and quantify our findings through an update of the Amulsar technical report."

About Lydian International

Lydian is an emerging gold developer, focused on its 100% owned Amulsar Gold Project, located in Southern Armenia. The Company's current mine development and construction plan for Amulsar is aimed at achieving average production of 200,000 ounces of gold per year and establishing the Company as a high cash-flow producer. The Company is committed to best practices in all aspects of its operations including production, sustainability, and good corporate citizenry. For more information on Lydian please visit www.lydianinternational.co.uk.

Caution regarding forward-looking information

This news release contains certain information that constitutes forward-looking statements. Forward-looking statements are frequently characterized by words such as "plan," "expect," "project," "intend," "believe," "opportunity", "anticipate" and other similar words, or statements that certain events or conditions "may" or "will" occur. All statements, other than statements of historical fact, included herein, including statements with respect to the ability of the Company to optimize and/or enhance the base case as set out in the technical report dated May 16, 2015 for the Amulsar Gold Project, including with respect to capital costs and operating costs, the ability of the Company to potentially include the results of the value engineering process in a new or updated technical report, feasibility study or any future financial analysis of the Amulsar Gold Project, the ability of the Company to carry forward and incorporate into future studies of the Amulsar Gold Project any redesign, work that will evaluate and optimize the project configuration and capital costs and operating costs, the potential development of any mine at the Amulsar Gold Project, business and financing plans and business trends are forward-looking statements. Information concerning mineral reserve/resource estimates and the economic analysis thereof contained in the feasibility study also may be deemed to be forward-looking statements in that it reflects a prediction of the mineralization that would be encountered, and the results of mining it, if a mineral deposit were developed and mined. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include the inherent risks involved in the exploration and development of mineral properties, mine site planning and development, the uncertainties involved in interpreting drilling results and other geological data, fluctuating metal prices, permitting and licensing and other factors described above and in the Company's most recent annual information form under the heading "Risk Factors", which has been filed electronically by means of the Canadian Securities Administrators' website located at www.sedar.com. The Company disclaims any obligation to update or revise any

forward-looking statements if circumstances or management's estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.

Contact

[Lydian International Ltd.](#)

Doug Tobler

Chief Financial Officer

+1 720-307-5087 (direct) or +1 303-905-4442 (mobile)

douglas.tobler@lydianinternational.co.uk

Moreinfo@Lydianinternational.co.uk