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[Lydian International Ltd.](#) (TSX:LYD) ("Lydian" or "the Company") is pleased to announce that the Company has filed a preliminary short form prospectus with the securities regulatory authorities in each of the provinces and territories of Canada, other than Québec, in connection with a marketed offering (the "Offering") of subscription receipts of the Company (the "Subscription Receipts") led by Scotia Capital Inc. Lydian expects to grant the underwriters an option to purchase additional Subscription Receipts for gross proceeds of up to 15% of the Offering.

The net proceeds of the Offering will be held in escrow and, upon the satisfaction of the escrow release conditions, holders of the Subscription Receipts will be entitled to receive, without payment of additional consideration or taking of further action, one ordinary share of Lydian for each Subscription Receipt held. If these conditions have not been satisfied by August 31, 2016, then the Subscription Receipts shall be automatically cancelled and the escrow agent shall remit to holders of the Subscription Receipts an amount equal to the original purchase price plus accrued interest.

The Company plans to use the net proceeds of the Offering to finance a portion of the engineering, design and construction, other development costs and working capital requirements of the Company's 100%-owned Amulsar Gold Project, as well as for fees and expenses related to the financing transactions with Orion Mine Finance ("Orion") and Resource Capital Funds ("RCF") announced by the Company on December 1, 2015. Readers are encouraged to refer to the Company's news release of December 1, 2015 announcing that Lydian has entered into definitive agreements related to a US\$325 million construction financing package with Orion and RCF for the development of the Amulsar Gold Project.

The Offering is expected to close during the week of December 28, 2015 and is subject to customary conditions and receipt of required regulatory approvals, including the approval of the Toronto Stock Exchange. The Subscription Receipts will be offered in Canada (other than Québec) by short form prospectus, and in the United States on a private placement basis, and in other jurisdictions outside of Canada and the United States where the Subscription Receipts can be issued on a private placement basis, exempt from any prospectus, registration or other similar requirements.

The preliminary prospectus is subject to completion or amendment. There will not be any sale or any acceptance of an offer to buy the Subscription Receipts until a receipt for the final short form prospectus has been issued.

No securities regulatory authority has either approved or disapproved the contents of this press release. This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. Lydian's securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

About Lydian International Limited

Lydian is an emerging gold developer, focused on its 100%-owned Amulsar Gold Project, located in south-central Armenia. The Company's current mine development and construction plan for Amulsar is aimed at achieving average production greater than 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 and to directly contact us, please visit www.lydianinternational.co.uk.

Caution regarding forward-looking information

Certain information contained in this news release is "forward looking". All statements in this news release, other than statements of historical fact, that address events, results, outcomes or developments that the Company expects to occur are "forward-looking statements". Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the use of forward-looking terminology such as "plans", "expects", "is expected", "intends", "anticipates" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "should", or "occur" or the negative connotation of such terms. Forward-looking statements in this news release include, among others, statements with respect to: the timing and use of proceeds of the Offering; the granting of an over-allotment option and the completion of the Offering.

All forward-looking statements in this news release are based on the opinions and estimates made as of the date such statements are made and are subject to important risk factors and uncertainties, many of which are beyond the Company's ability to control or predict. The forward-looking statements in this news release are subject to the following assumptions: the receipt of all required approvals necessary for the completion of the Offering; and successful marketing of the Offering.

Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to known and

unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. Such risks, uncertainties and factors include, without limitation: the actual results of marketing activities; changes in gold and silver prices; adverse general economic, market or business conditions; regulatory changes; as well as "Risk Factors" included in the disclosure documents filed on and available at www.sedar.com. Forward-looking statements are not guarantees of future performance, and actual results and future events could materially differ from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. All of the forward-looking statements contained in this news release are qualified by these cautionary statements. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, events or otherwise, except in accordance with applicable securities laws.

Contact

[Lydian International Ltd.](#)

Howard Stevenson

President and CEO

+1 720-307-5080 (d) or +1 775-771-0739 (m)

[Lydian International Ltd.](#)

Doug Tobler

CFO

+1 720-307-5087 (d) or +1 303-905-4442 (m)

www.lydianinternational.co.uk