

TORONTO, ONTARIO--(Marketwired - May 13, 2016) - [Lydian International Ltd.](#) (TSX:LYD) ("Lydian" or "the Company") announced today its financial results for the three months ended March 31, 2016. All dollar amounts referenced in this news release are, unless otherwise indicated, United States dollars.

First Quarter 2016 Highlights

Lydian continues preparatory activities necessary to move Amulsar toward development and commencement of construction. To this end, a number of important achievements have been completed since December 31, 2015, including:

- Closing of a \$28.8 million public offering of subscription receipts;
- Entering into private placement subscription agreements for a total of \$80 million;
- Advancing toward approval of the amended Mining Right by the Republic of Armenia, including approval of the EIA and mine design during April 2016;
- Drafting amendments to the ESIA and preparing for disclosure and public consultation during Q2 2016;
- Substantial completion of Phases 1 and 2 of the land acquisition program, and initiation of Phases 3 and 4;
- Beginning the process of changing land status from agricultural to industrial use;
- Planning for a detailed drilling program to commence this summer at Amulsar;
- Continuation of ongoing environmental and social programs, along with planning for 2016 field work;
- Planning and scoping for basic engineering, initially focusing on the heap leach facility, access and haul roads, and infrastructure; and
- Other pre-construction work activities required before full-scale construction can commence this summer.

The Company completed a number of important financing-related milestones since announcing the \$325 million financing transactions in December 2015. Importantly, the Company closed a \$28.8 million offering of subscription receipts and entered into private placements for an additional \$80 million during March 2016. These proceeds are expected to be released from escrow to the Company following receipt of a favorable vote from existing Shareholders at an extraordinary general meeting scheduled for May 18, 2016 and upon satisfaction of certain additional escrow release conditions. Of note, Glass Lewis and Institutional Shareholder Services are recommending shareholders vote FOR the resolution to approve the private placements. Management is targeting receipt of funds from the public offering and private placements during Q2 2016.

The approval process for the amended Mining Right, EIA and other documents that required alignment with the Company's value engineering is progressing as planned. In April, the EIA was approved by the Ministry of Nature Protection and the Amulsar mine design Technical Safety Program was approved by the Ministry of Emergency Situations. The application has now reverted to the Ministry of Energy and Natural Resources for final review and approval of the Mining Right. Similarly, amendments to the ESIA are being made to align this document with the value engineering. Management expects to complete the amended ESIA draft and initiate the required disclosure and public consultation later in Q2 2016.

Land acquisition for private land parcels within the footprint of the heap leach facility and other plant facilities (Phases 1 and 2) is 98% complete; four remaining parcels are subject to customary expropriation procedures. Activities to acquire additional land parcels along the overland conveyor corridor and mine access roads (Phases 3 and 4) have started. Also, Management has commenced the process to convert acquired lands from their present designation for agricultural use to industrial use.

Planning was completed for a drilling program to be carried out at Amulsar this summer. The objectives of the program will be to target conversion of inferred mineral resources within the currently designed pit boundaries and increase drill density for mine planning purposes.

Basic engineering packages have been formulated and quoted; awards will be made in Q2 2016. Initiating construction is expected this summer once key milestones of the preceding pre-construction related work programs have been completed. Prior to starting facilities construction, Management will also focus on a number of pre-construction activities such as temporary facilities, infrastructure, and site access. Pre-construction activities to relocate an irrigation pipeline from the heap leach facility commenced in April.

Financial Results

The net loss for the quarter ended March 31, 2016 was \$1.5 million, a decrease of \$0.3 million compared with a net loss of \$1.8 million for the quarter ended March 31, 2015. The reduction in net loss for the quarter ended March 31, 2016 is due primarily to lower share-based compensation expense in 2016 and a foreign currency gain in 2016 versus a loss in 2015.

The Company's cash balance at March 31, 2016 was \$25.0 million, reflecting net expenditures during the quarter ended March 31, 2016 of \$3.6 million. Cash used in operations was \$1.2 million, which was used primarily for corporate expense. Cash used in investing activities was \$1.7 million. These expenditures were for exploration and evaluation costs at Amulsar as the Company transitions to project planning activities directed at initiating project development. Cash used in financing activities was \$0.6 million, primarily related to expenditures associated with arranging the Amulsar project financing.

A complete set of the Company's unaudited condensed consolidated financial statements and the notes thereto for the three

months ended March 31, 2016 and the related Management's Discussion and Analysis are posted on the Company's website at www.lydianinternational.co.uk and available at www.sedar.com.

About Lydian International

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.

For further information please contact

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 release of the escrowed proceeds; the receipt of shareholder approval at the extraordinary general meeting; the timing of the extraordinary general meeting; the receipt of the private placement proceeds; the timing of receipt of the escrowed proceeds and the private placement proceeds; the completion of the amended ESIA draft; the timing of the ESIA public consultations; the timing and objectives of the drilling program; the timing of awarding basic engineering packages; and the initiation of pre-construction and construction activities at Amulsar.

All forward-looking statements in this news release are based on the opinions and estimates made as of the date of such statements and 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 the private placements; the satisfaction or waiver of all conditions precedent of the private placements; the approval of the Mining Right amendment; the completion of key milestones of the preceding pre-construction related work programs; and the satisfaction or waiver of all escrow release conditions.

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: 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

Howard Stevenson
President and CEO
+1 720-307-5080 (d)
+1 775-771-0739 (m)
Doug Tobler, CFO
+1 720-307-5087 (d)
+1 303-905-4442 (m)