

TORONTO, ONTARIO--(Marketwired - Jun 8, 2016) - [Lydian International Ltd.](#) (TSX:LYD) ("Lydian" or "the Company") is pleased to announce a formal decision has been made to proceed with construction at its 100%-owned Amulsar Gold Project in Armenia. This action by the Company's board of directors follows recent receipt of an amended Mining Right from the Republic of Armenia and the previously announced closings of a C\$38.3 million public offering and US\$80 million in private placements.

The development plan for Amulsar demonstrates a compelling opportunity for value generation. Upon completion, Amulsar is expected to be the largest gold mine in Armenia, producing an average of 243,000 ounces of gold per year over the initial five years of operations. With this scale of production and a 10-year life-of-mine total cash cost estimated at US\$509/gold ounce, Amulsar will be a highly profitable operation. First gold pour is expected within approximately 20 months from the start of construction. Lydian will also be evaluating future expansion potential from currently defined inferred mineral resources and, ultimately, from open extensions at depth.

Financing for Amulsar has been established, most notably through the comprehensive US\$325 million financing package announced in late 2015 (see Lydian's news release, dated December 1, 2015). Amulsar's construction capital is estimated at US\$370 million. Funding for more than 80% of this is in place; equipment financing is expected to fill in the remainder.

Howard Stevenson, Lydian's President and CEO, stated, "Lydian is now rapidly advancing on a number of fronts to achieve a summer start to construction at Amulsar. Basic engineering is advancing and we plan to tender several key contracts during the coming weeks in anticipation of breaking ground. We expect to accomplish a number of milestones this year and will outline our path forward at Lydian's upcoming annual meeting."

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", "intends", "anticipates" or variations of such words and phrases or statements that certain actions, events or results "will", "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: construction of the Amulsar Gold Project, including the cost and timing thereof; timing of key contract tenders; timing of the Amulsar Gold Project's first gold pour; future expansions and extensions; future financing arrangements and the ability to access funds under existing arrangements; the timing and results of future value generation as a result of developing the Amulsar Gold Project; the level of production, including average ounces of gold per year; cash costs per gold ounce; and future profitability and the timing thereof.

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 satisfaction or waiver of all conditions precedent of the private placements; 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.

Cautionary Note Concerning Estimates of Inferred Mineral Resources

This news release uses terms that comply with reporting standards in Canada and certain estimates are made in accordance with National Instrument 43-101, which is a rule developed by the Canadian Securities Administrators that establishes Canadian

standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. These standards differ significantly from the requirements of the U.S. Securities and Exchange Commission ("SEC"), and mineral resource information contained herein may not be comparable to similar information disclosed by United States companies. This news release uses the term "inferred mineral resources", and we advise United States investors that while such term is recognized and required by Canadian regulations, the SEC does not recognize this term. United States investors are cautioned not to assume that any part or all of the mineral deposits in such categories will ever be converted into mineral reserves under SEC definitions. This term has a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. Therefore, United States investors are also cautioned not to assume that all or any part of "inferred mineral resources" exist. In accordance with Canadian rules, estimates of "inferred mineral resources" cannot form the basis of pre-feasibility or other economic studies. It cannot be assumed that all or any part of the "inferred mineral resources" will ever be upgraded to a higher category.

Financial Definitions-Non-GAAP Measures

"Total Cash Costs" figures are non-GAAP measures which are calculated in accordance with a standard developed by The Gold Institute, a worldwide association of suppliers of gold and gold products and included leading gold producers from North America that ceased operations in 2002. Adoption of the standard is voluntary and the cost measures presented may or may not be comparable to other similarly titled measures from other gold companies. Total cash costs for Lydian were calculated and defined to include the addition of mining costs, processing costs, general and administrative costs, off site refining and transportation of bullion costs, the Newmont royalty, and the Armenian mining royalty tax on gross revenues. The sum of these components are reduced by the estimate of by-product credits. This sum is then divided by tonnes of ore or ounces of gold to attain Total Cash Costs on a per tonne ore or per ounce of gold basis. These measures are considered to be key indicators of a Company's ability to generate operating earnings and cash flow from its mining operations. This data is furnished to provide additional information and is a non-GAAP measure specific to the gold mining industry. Total cash costs do not have standardized definitions under GAAP and may not be comparable to other measures. It should not be considered in isolation as a substitute for other measures of performance and it is not necessarily indicative of operating costs presented under GAAP.

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