

NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES OR DISSEMINATION IN THE UNITED STATES.

[Lydian International Ltd.](#) (TSX:LYD) ("Lydian" or "the Company") is pleased to announce that it has entered into a subscription agreement (the "Subscription Agreement") with the European Bank for Reconstruction and Development (the "EBRD"), pursuant to which Lydian will issue 33,500,000 ordinary shares of the Company at a price of C\$0.34 per share, for aggregate gross proceeds of C\$11,390,000, on a private placement basis (the "Private Placement") as previously announced on July 21, 2016. Closing of the Private Placement is subject to customary terms and conditions.

Pursuant to the terms of the Subscription Agreement, the EBRD has been granted a pre-emptive right on any future equity or equity-linked offerings by the Company up to the percentage of its ownership at the time of offering, so long as the EBRD beneficially owns at least 5% of the total outstanding ordinary shares of the Company. In addition, the EBRD has been granted the right to designate one candidate for nomination to the Board of Directors of the Company as long as the EBRD maintains its share ownership stake in the Company at or above 5%. Such ownership percentage will be calculated on a non-diluted basis, but without giving effect to the issuance of any exempt securities (defined to include, among others, securities issued to acquire property and compensate employees or directors).

About Lydian International Limited

Lydian is a gold developer, focusing on construction at its 100%-owned Amulsar Gold Project, located in south-central Armenia. Amulsar presents an opportunity for a large scale, low cost operation with production expected to begin in 2018. Open pit mining and conventional heap leach processing contribute to excellent scale and economic potential. Amulsar will be Armenia's largest gold mine, with estimated mineral resources containing 3 million measured and indicated ounces and 2 million inferred ounces. Gold production is targeted to average greater than 200,000 ounces annually over an initial 10 year mine life. Existing mineral resources and open extensions provide opportunities to improve average annual production and extend the mine life. The Company is committed to good international industry practices in all aspects of its operations including production, sustainability, and corporate social responsibility. 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", "proposed" 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: the terms of the proposed Private Placement, including the number of ordinary shares of the Company to be issued and the price per share and the aggregate gross proceeds to the Company.

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 terms and conditions to the completion of the Private Placement.

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 satisfaction of each party's obligations in accordance with the terms of the definitive agreements for the Private Placement; the possibility that the proceeds of the Private Placement may need to be reallocated; 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.

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