

TORONTO, ONTARIO--(Marketwired - Aug 22, 2016) - [Lydian International Ltd.](http://www.lydianinternational.co.uk) (TSX:LYD) ("Lydian" or "the Company") announced today the groundbreaking ceremony at its 100%-owned Amulsar Gold Project in Armenia. The ceremony, held August 19, took place as Lydian completes key engineering tasks to begin mobilizing for construction.

"Our priorities for the balance of 2016 include mass earthworks for the heap leach facility, construction of haul roads and building of facility platforms," said Howard Stevenson, Lydian's President and CEO. "This ceremony marks an important milestone as we move to a transformational phase at Amulsar. We are grateful for the continuous support and trust of the Government of Armenia, community leaders, the people of adjacent communities, and heads of diplomatic missions."

The ceremony was attended by nearly 100 guests, including the Prime Minister of Armenia, Mr. Hovik Abrahamyan; Minister of Energy and Natural Resources, Mr. Levon Yolyan; and Minister of Economy, Mr. Artsvik Minasyan. Local stakeholders included heads of the communities of Jermuk, Gndevaz, Saravan and Gorayk, and many community members. Also attending were heads of Yerevan offices of the World Bank, Laura Bailey and International Monetary Fund, Teresa Daban Sanchez; representatives of the European Bank for Reconstruction and Development and International Finance Corporation; several shareholders; the Ambassador of the United States in Armenia, Mr. Richard Mills; and the Ambassador of the United Kingdom in Armenia, Mrs. Judith Farnworth.

Upon completion, the Amulsar Gold Project 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 the initial 10-year life-of-mine total cash cost estimated at US\$509/gold ounce, Amulsar will be a highly profitable operation. As construction progresses and operations begin, Lydian will also be evaluating future additional potential from currently defined inferred mineral resources and, ultimately, from open extensions at depth.

For the full ground breaking coverage and photos <http://www.mediamax.am/en/news/society/19565/>.

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 support of the Armenian government and local communities; the realization of mineral resource estimates and the timing of development of the Amulsar Gold Project, including the expected start date of production; the current Amulsar Gold Project construction schedule, including the Company's plan to begin on-site construction activities in the third quarter of 2016; results of future exploration and drilling; the potential improvement of average annual production and extension of the Amulsar Gold Project mine life through the evaluation of currently defined inferred resources and from open extensions at depth; the commitment to and implementation of good international industry practices; the expected gold production from, and life of mine of, the Amulsar Gold Project; the expected mining methods at the Amulsar Gold Project; the estimated cash cost per ounce of gold over the life of mine of the Amulsar Gold Project; and the expected cost of operations at the Amulsar Gold Project. Statements concerning mineral resource estimates may also be deemed to constitute forward-looking information to the extent that they involve estimates of the mineralization that will be encountered when the property is developed.

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; failure to improve average annual production and extend the Amulsar Gold Project mine life through the evaluation of defined inferred resources and from open extensions at depth; 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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