

TORONTO, ONTARIO--(Marketwired - Nov 14, 2016) - [Lydian International Ltd.](#) (TSX:LYD) ("Lydian" or "the Company") reported its results for the three and nine month periods ended September 30, 2016. All figures are reported in U.S. dollars, unless otherwise indicated.

### Q3 2016 HIGHLIGHTS

- Receipt of \$35 million as the second and final deposit under the Stream Agreement;
- Closing of a private placement with the EBRD for gross proceeds of \$8.8 million;
- Finalization of private land purchases, providing Lydian with control of all surface rights needed to access and build the Amulsar Gold Project;
- Overall engineering surpassing 50%, including fully completing detail engineering for the HLF and mine haul road;
- Preparation of tender documents to support upcoming on-schedule orders for major equipment including the mining fleet, crushing plant, and the overland conveyor;
- Starting site earthworks on key infrastructure access roads and other facilities;
- Continuing key programs in the areas of community engagement and government relations;
- Advancing our sustainability commitments by establishing a framework for a biodiversity offset area and by becoming a signatory to the International Cyanide Management Code;
- Building our organizational capacity in key construction and operations areas; and
- Working capital as of September 30, 2016 was \$153.9 million.

"With mass earthworks activities underway, the finalization of surface rights and ongoing community support, we continue to advance the path to production at Amulsar," said Howard Stevenson, Lydian's President and CEO. "Over the next quarter, we will finalize key equipment packages and complete drilling we began in Q2 with the objective to convert inferred mineral resources and increasing drill density for grade control purposes."

### RECENT DEVELOPMENTS

**Financing** - Lydian continued to advance its financing plan for Amulsar by receiving additional cash proceeds under the Stream Agreement and the EBRD Private Placement. From all sources, Lydian has now received gross financing proceeds of \$178 million toward its financing plan. Provisions of the Term Loan were also aligned with anticipated Amulsar cash flow requirements. Q3 2016 funding included receipt of the \$35 million second deposit under the Stream Agreement and gross proceeds of \$8.8 million from the EBRD. The availability periods for the initial and second tranches of the Term Loan were extended to June 30, 2017 and March 31, 2018, respectfully, each being subject to applicable conditions precedent.

**Land Acquisition** - All privately owned land parcels required for Amulsar have been acquired. Lydian now controls all surface rights within the footprint of the Rock Allocation Area as granted to Lydian by the Republic of Armenia. Re-zoning for industrial use of the most recently acquired land plots started upon closing of the purchase of the final plot and is expected to be complete during Q4 2016. This administrative process is not expected to impact planned construction activities.

**Engineering & Procurement** - Overall engineering progress is now greater than 50% complete. Detail engineering for the mine haul road and the HLF are complete. Tendering and commencing earthworks in the HLF is one of the Corporation's next major priorities. This work will start with installation of primary HLF surface water sedimentation control structures and contractor laydown areas, followed by primary earthworks later in Q4 2016.

Lydian is finalizing key equipment packages for award in Q4 2016, including the crushing plant, overland conveyor and ADR plant equipment packages. Preparation of tender packages for pre-engineered metal buildings is also well advanced and will be released for tender in Q4 2016. Negotiations with the prospective vendors for the initial mining fleet and certain auxiliary mobile equipment are nearing completion and orders will be placed before the end of 2016.

**Construction** - Earthworks activities commenced with work on several infrastructure access roads. These roads provide access along the conveyor and internal interconnection of the Amulsar offices, mine maintenance facilities, and camp. Work on the mine haul road from the mine pits to the crusher location began, as well as construction of platforms for a 680-person camp, project offices, contractor laydown area. Land clearance activities in preparation for opening of the initial phase of the barren rock storage facility began.

**Government Relations** - Government support and local cooperation continued to be strong for Amulsar during Q3 2016. As engineering designs became available, applications for construction permits were initiated and received well within the Amulsar schedule requirements. This included construction permits for relocation of an existing irrigation pipeline and power line, as well as several site access roads. Engagement with senior-level government officials also continued unimpeded as the Republic of Armenia transitioned its prime minister post to Karen Karapetyan following the resignation of Hovik Abrahamyan.

**Environmental and Social Responsibility** - Lydian became a signatory to the Cyanide Management Code. The Code is a voluntary industry program for responsible companies involved in the production of gold using cyanide. By becoming a signatory, Lydian has committed to follow the Code's Principles by implementing its Standards of Practice, and to have verification audits of its operation conducted by independent third-party auditors within one year of its first receipt of cyanide, and every three years thereafter.

Operations will be certified if found in compliance with the Cyanide Code.

Previously initiated programs such as *Potentilla porphyrantha* translocation, the brown bear survey, community relations, and stakeholder engagement continued as planned. Field work increased during Q3 2016 for such activities as wildlife surveys, archeological surveys, and local health-related studies. Also, work started on a project to establish a biodiversity offset area. The final report for the inception phase of such offset was approved by the Ministry of Natural Protection. A memorandum of understanding is now being prepared.

**Drilling** - The Amulsar drilling that initiated during Q2 2016 continued; completion is expected during Q4 2016. The objectives of the program are to target conversion of inferred mineral resources that are within the currently designed pit boundaries and increase drill density in certain areas for mine planning purposes.

**Organizational Development** - We continued to build organizational capacity within all areas of Lydian's business. Significant focus included additions to the construction management group in key areas that included safety, project controls, sustainability, contracting, procurement and field management. Senior-level mining and process engineering personnel were also added.

Lydian's financial statements are prepared in accordance with International Financial Reporting Standards. Lydian's condensed interim consolidated financial statements and management's discussion & analysis for the three and nine month periods ended September 30, 2016 are available via Lydian's website at [www.lydianinternational.co.uk](http://www.lydianinternational.co.uk) and will be available on SEDAR at [www.sedar.com](http://www.sedar.com).

## 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](http://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", "will", "would", "should", or "occur" or the negative or other variations of such terms. Forward-looking statements in this news release include, among others, statements with respect to: 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 and advance various on-site construction activities; current expectations regarding forthcoming operational objectives and the timing and satisfaction of such objectives; the ability to access funds under current and future financing arrangements and the timing and terms of such funding; results of future exploration and drilling; 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; 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; failure to achieve the objectives of the future exploration and drilling programs; regulatory changes; as well as "Risk Factors" included in the disclosure documents filed on and available at [www.sedar.com](http://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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