

TORONTO, ONTARIO--(Marketwired - Dec. 28, 2016) - [Lydian International Ltd.](#) (TSX:LYD) ("Lydian" or "the Company") is pleased to announce that its wholly owned Armenian operating subsidiary has entered into a secured credit facility with Caterpillar Financial Services (UK) ("Cat Financial") for a maximum principal amount of US\$42 million ("Cat Term Facility"). Proceeds of the Cat Term Facility will be used to purchase Cat® mobile mining equipment for Lydian's 100%-owned Amulsar Gold Project in Armenia. Construction at Amulsar started in October 2016; first gold production is expected during the first quarter of 2018.

Howard Stevenson, Lydian's President and CEO, commented, "We have crossed another major milestone in the development of the Amulsar gold mine and are extremely pleased to have Cat Financial support our future mining operations."

The Cat Term Facility is available to be drawn in multiple advances through June 2018. Each advance will be repayable over a 75-month term, inclusive of a six-month initial repayment grace period. The Cat Term Facility bears an interest rate of Libor plus 4.5%. Principal security consists of specific equipment financed by Cat Financial. In addition, Lydian has provided an unsecured guarantee in favour of Cat Financial. All advances under the Cat Term Facility are subject to satisfaction of certain conditions.

Endeavour Financial is acting as financial advisor to Lydian.

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 life of mine. 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", "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 amount and timing of funds available to be drawn under the Cat Term Facility; the satisfaction of conditions, and timing thereof, to make draws under the Cat Term Facility; the use of funds drawn by the Company under the Cat Term Facility; the Company's partnership with Cat Financial; the scope of Cat Financial's security interests; 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; 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: failure to satisfy the conditions to draw down advances under the Cat Term Facility; 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. 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

Doug Tobler, CFO

+1 720-307-5087 (d) or +1 303-905-4442 (m)

Pamela Solly, Vice President, Investor Relations

+1 720-464-5649 (d) or +1 303-810-4863 (m)

moreinfo@Lydianinternational.co.uk