

TORONTO, ONTARIO--(Marketwired - Mar 30, 2017) - [Lydian International Ltd.](#) (TSX:LYD) ("Lydian" or "the Company") announced today its results for the three months and year ended December 31, 2016. Copies of the Company's audited annual financial statements, management's discussion and analysis, and annual information form are available under the Company's profile on www.sedar.com. All dollar amounts referenced in this news release are, unless otherwise indicated, in United States dollars.

Year Ended December 31, 2016

Lydian successfully achieved its 2016 objective of starting construction at its 100%-owned Amulsar Gold Project in Armenia. The Company made a formal decision in May 2016 to proceed with construction. After a period for engineering and other preparations, construction activities for access roads and platforms started during Q4 2016. Project activities continue to accelerate and are expected to peak during Q2 and Q3 2017. First gold production is targeted for 2018. Many accomplishments contributed to meeting our construction objective, including:

- Completed a comprehensive financing plan for nearly \$440 million for project construction costs, interest and financing fees, and corporate costs;
- Obtained updated national-level permits from the Republic of Armenia to align with the optimized Amulsar development plan, which included amendments to the Mining Right and approval of updates to the Environmental Impact Assessment and Technical Safety Program;
- Strengthened Lydian's commitment to good international industry practices by disclosing the ESIA amendment to reflect design improvements realized from Lydian's successful 2015 value engineering program, establishing a framework for a biodiversity offset area, and becoming a signatory to the International Cyanide Management Code;
- Finalized private land purchases providing Lydian with control of all surface rights needed to access and build the Amulsar Gold Project, and received approval from the Republic of Armenia and local communities for the conversion of key lands from agricultural to industrial use;
- Completed 2016 drilling program and increased measured and indicated gold resources by 16% and gold reserves by 8%;
- Continued ongoing environmental and social programs, along with field work;
- Working capital as of December 31, 2016 was \$141 million.

Howard Stevenson, President and Chief Executive Officer of Lydian said, "During 2016, we achieved many significant milestones at our Amulsar Gold Project, including securing a \$440 million financing package and transitioning Amulsar into the construction phase. With approximately 40% of total capital expenditures now committed, we are well on our way towards our first gold pour in 2018. We remain steadfast in our efforts to be a responsible miner and will continue to strengthen our commitment to good international industry practices through construction and during operations."

Fourth Quarter and Recent Developments

Equipment Financing

Lydian's financing plan contemplates up to \$85 million of funding for equipment financing. Lydian, through its wholly-owned Armenian subsidiary, entered into three credit agreements to support purchases of the mobile mining fleet, material handling systems, and other equipment. These credit agreements provide up to \$116 million, although current contractual terms limit the aggregate amount that can be drawn to \$85 million. The excess availability provides Lydian with flexibility among these lenders to source funding for certain equipment.

Equipment Supply Contracts

During February 2017, Lydian announced that its wholly-owned Armenian subsidiary had signed key equipment supply contracts for the Amulsar Gold Project. These contracts, signed ahead of the 2017 construction season, will provide all significant components of the mining fleet, materials handling system, gold-recovery plant, electrical systems, and worker accommodations.

Mineral Resource and Reserve Update

During February 2017, the Company announced a positive update to its mineral resource and mineral reserve estimates resulting from the 2016 drilling program at Amulsar. The objectives of the program were the conversion of inferred mineral resource within the currently designed pit boundaries and an increase in drill density in certain areas for mine planning purposes. The measured and indicated mineral resource estimate increased by 19.8 million tonnes to 142.2 million tonnes, while the gold grade decreased from 0.77 g/t to 0.76 g/t. The mineral reserve estimate increased by 184,000 contained gold ounces to 2,606,000 contained gold ounces with an increase in the gold grade from 0.78 g/t to 0.79 g/t.

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 3.5 million measured and indicated gold ounces and 1.3 million inferred gold ounces. Gold production is targeted to average approximately 225,000 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 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. 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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