

TORONTO, ONTARIO--(Marketwired - May 10, 2017) - [Lydian International Ltd.](#) (TSX:LYD) ("Lydian" or "the Company") announced today its results for the three months ended March 31, 2017. All dollar amounts referenced in this news release are, unless otherwise indicated, in United States dollars.

Q1 2017 Highlights

Construction at Lydian's Amulsar Gold Project in Armenia continued to progress throughout Q1 2017. Priorities included completing the financing package, ordering key equipment, starting fabrication, expanding earthworks as Spring conditions opened working faces, constructing worker accommodations, and advancing major bid packages for contracts to be awarded during Q2 2017. Field activities were somewhat limited during the early part of the quarter, but ramped up as planned during March 2017. Work is now advancing to higher elevations with project activities expected to peak during Q2 and Q3 2017. As of March 31, 2017, project commitments totaled 44% of estimated total project costs and working capital was \$86.7 million.

Howard Stevenson, President and Chief Executive Officer of Lydian said, "Our team made excellent progress during the first quarter, which positions us for a productive construction period over the balance of 2017. We saw a significant rise in committed costs, adding greater certainty to our project plan, and direct project expenditures increased to nearly \$50 million. Winter conditions and minor contracting delays slightly impacted the project schedule, but we estimate first gold pour will be achieved in mid-2018."

First Quarter Recent Developments

Amulsar Financing Plan

Lydian completed its comprehensive financing plan with the closing of the \$50 million ING Term Facility. The financing plan provides \$370 million for project construction costs and other estimated interest costs, financing fees, and corporate expenditures during construction. To date, Lydian has received \$188 million from various components of this plan, with the balance to come from the arranged credit facilities. Advances under these credit facilities will be subject to satisfaction or waiver of certain conditions.

Equipment Supply Contracts

The Company signed key equipment supply contracts covering all significant components of the mining fleet, materials handling system, gold-recovery plant, electrical systems, and worker accommodations. Associated detailed design, fabrication, and delivery schedules are all advancing.

Earthworks

With the onset of Spring conditions, earthworks on key structures started at lower elevations. This included the ADR platform, other associated roads and structures, and topsoil removal in the heap leach facility. Roadwork is now progressing toward the crushing plant site, where work on that platform is expected to begin during Q2 2017.

Worker Accommodations

Establishing appropriate worker accommodations has been a high priority leading into the Summer season. Renovation of a local hotel in Jermuk is now complete. The camp at site is scheduled for completion during Q2 2017 and will provide space for an additional 680 workers.

Implementing International Standards

Lydian continued to implement its commitment to good international industry practices by forming a voluntary, independent advisory panel to monitor and advise on environmental and social activities at Amulsar.

Resources and Reserves Growth

The 2016 drilling program at Amulsar successfully converted a portion of the inferred gold resource within the currently designed pit boundaries. Measured and indicated gold resources increased 16% while contained gold reserves increased 8%. As a second objective, tightly spaced drilling in certain areas of the mine plan provided positive confirmation of the block model.

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 mid-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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