Lydian Announces Positive Results From Updated Feasibility Study for the Amulsar Gold Project

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TORONTO, ONTARIO--(Marketwired - Sep 11, 2014) - Lydian International Ltd. (TSX:LYD) ("Lydian" or "the Company") today announced the results of an updated feasibility study for its 100%-owned Amulsar Gold Project in Southern Armenia. The results of the study demonstrate Amulsar as a compelling opportunity for the development of a large scale, low cost operation utilizing open pit mining and conventional heap leach processing. All dollar amounts are listed in U.S. dollars unless otherwise noted.

Highlights

- Total recoverable gold of 2.1 million ounces over a 10.4 year mine life;
- Gold production averaging over 200,000 ounces per year;
- Initial capital costs of $426 million;
- Low all-in sustaining costs of $701 per ounce of gold;
- 84% gold recoveries and 2.8:1 strip ratio;
- Accelerated after tax-cash flows in first five years to support early payback and project financing;
- After-tax unleveraged IRR of 20.2% and NPV[1] of $306 million based on a discount rate of 5% and a gold price of $1,250 per ounce.

[1] NPV stated as at January 1, 2015

Results of the study may be enhanced by additional drilling which could potentially convert inferred mineral resources into proven and probable mineral reserves and define additional potential resources and reserves.

The study incorporates a new site layout to accommodate the relocation of the heap leach facility to the site endorsed by the joint Working Group with the Government of Armenia. Nominal throughput of 10 million tonnes of ore per year is planned from the outset, with processing of higher grade ore during the initial five years. New estimates of mineral resources and reserves accompany the updated feasibility study.

Howard Stevenson, President and CEO stated, "This study produced an excellent outcome from both technical and economic perspectives. Moving the previously planned location for the heap leach facility has allowed us to optimize the entire site layout. We have also focused on pulling operating cash flows forward with our planned construction of a full scale, 10 million tonnes per year processing facility at the outset and using a higher cut-off grade for five years with lower grade material stockpiled for processing in later years. Our plan to generate over $570 million of after-tax cash flow during the first five years of operations provides an attractive rate of return and enhances our ability to add leverage to the planned financing arrangements."

The study has been prepared by SGS in accordance with the CIM Definition Standards on Mineral Resources and Mineral Reserves referred to in the National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101").

Mineral Resource Estimate

The independent mineral resource estimate was prepared by AMC Consultants (UK) Limited using all available exploration results. Mineral resources for the Amulsar Gold Project were estimated in conformity with generally accepted "CIM Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines and are classified according to the "CIM Standards on Mineral Resources and Reserves: Definition and Guidelines" (November 2010).

Mineral Resource Estimate AMC Consultants (UK) Limited, August 29, 2014					
Classification	Quantity (tonnes)	Gold Grade (g/t)	Silver Grade (g/t)	Contained Gold (oz)	Contained Silver (oz)
Measured	77,200,000	0.78	3.6	1,940,000	8,810,000
Indicated	45,100,000	0.76	3.5	1,100,000	5,120,000
Total Measured and Indicated	122,400,000	0.77	3.5	3,030,000	13,930,000
Total Inferred	106,200,000	0.59	2.6	2,010,000	8,980,000

- The effective date of the mineral resource estimate was August 29, 2014.
- A cut-off grade of 0.20 g/t gold was used for this project based on gold price of US$1,500 per troy ounce of gold and assuming a Whittle optimized open-pit mining scenario.
- Figures have been rounded to the appropriate level of precision for the reporting of Indicated and Inferred Resources in the upper and lower volcanic units.
- Due to rounding, some columns or rows may not compute exactly as shown.
- Mineral resources in this resource estimate are not mineral reserves and do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

Mineral Reserve Estimate

The independent mineral reserve estimate was prepared by AMC Consultants (UK) Limited using the mineral resource estimate from August 29, 2014. Mineral reserves were estimated with reference to CIM Definition Standards - For Mineral Resources and Mineral Reserves (November 2010).

The study contemplates a mining production schedule which was developed through pit optimizations using the mineral resource model and pit slope designs, these formed the basis for the design of open pits which were scheduled to deliver ore to a conventional heap leach process. Mine production is based on the following mineral reserves, these are a portion of measured and indicated mineral resources and are included in the production schedule.

Mineral Reserve Estimate							
Category	Ore (Mt)	Gold Grade (g/t)	Silver Grade (g/t)	Gold Metal (koz)	Silver Metal (koz)	Waste (Mt)	Strip Ratio (W:O)
Proven	72.9	0.77	3.6	1,816	8,436		
Probable	28.9	0.77	3.7	712	3,481		
Total Proven and Probable	101.8	0.77	3.6	2,529	11,917	284.8	2.80

- The mineral reserve was estimated using a gold price of US$1,200/oz and a silver price of US$20/oz for economic evaluations.
- The pit design was based on an optimization shell generated at a gold price of US$900/oz and a silver price of US$15/oz.
- A diluted gold cut-off grade of 0.20 g/t was used for processing.
- The material mined in the first five years of the project above 0.20 g/t and below 0.30 g/t will be stockpiled as low grade for processing later in the life-of-mine.
- The effective date of the mineral reserve estimate was August 29, 2014.

Amulsar Gold Project Description

The Amulsar Gold Project is located in Southern Armenia approximately 115 km south-west of the capital city of Yerevan and covers an area of approximately 56 km^2. The Amulsar property reaches a maximum elevation of 2,988 m, with the heap leach facility located in a valley at lower elevations providing a nominal top surface elevation of 1,856 m.

All major infrastructural needs are readily accessible. The town of Jermuk is located 15 km to the north of the site and Gorayk is 6 km to the south. The town of Gndevaz is located 1 km north of the heap leach facility. Current vehicular access to the heap leach facility is mainly via an unpaved road extending east from the highway to Gndevaz and Jermuk. There is also a sealed highway linking the Amulsar project site to Yerevan. Other adjacent infrastructure includes high tension power lines and substations, a gas pipeline, a fiber optic

internet cable and on-site sources of water.

The Company's planned operations contemplate an owner-operated mining fleet delivering run-of-mine ore at a nominal rate of 10 Mtpy from the three open pits to the primary crusher. The ore will be reduced in size through a three-stage crushing facility from 700 mm to 100% passing 12.5 mm. The crushed ore will be transported approximately 6.2 km via overland conveyors to a crushed ore stockpile. From there, it will be reclaimed by belt feeders underneath the stockpile and transferred to a load out bin by a conveyor. Lime will be added to the ore on the conveyor and trucks will haul the ore approximately half a kilometer to the heap leach pad for stacking.

The planned heap leach facility consists of the leach pad and collection ponds. The leach pad will be constructed in three phases with a total ore heap stacking capacity of 104 Mt over the 10.4 year project life. The collection ponds will include the process pond and two storm event ponds. Process solution and storm/snowmelt water will flow from the leach pad and will gravity drain through a spillway from the pad to the process pond. Spillways will connect the ponds for potential runoff overflows.

Stacked ore on the heap leach pad will be treated by applying barren leach solution at a rate of 10 l/hr/m^2. The overall leach cycle is 110 days total, consisting of 55 days of primary leaching and 55 days of secondary leaching. Over 70% of the gold is expected to be recovered in the primary leach. Pregnant leach solution will be collected in the process pond and then pumped into a standard adsorption, desorption and recovery plant for processing. The strip solution from the carbon columns will report to the electrowinning circuit where the precious metals will be deposited onto steel mesh cathodes, dried in a retort and smelted into doré bars. Doré will be shipped offsite to be refined and sold. Overall gold recovery is expected to be 84.2%.

The updated feasibility study includes a number of design revisions from the 2012 feasibility study:

- The heap leach facility was relocated to a location endorsed by a Government Working Group outside the defined "immediate impact zone" of Lake Sevan. The location of the heap leach now allows for a valley fill design and a change from an impounding configuration to a free-flowing design. This design allows for intermediate leach solution recirculation, use of more efficient open ponds, and improves remediation management. The lower elevation of the heap should also improve operating conditions.
- Nominal throughput was increased to 10 Mtpy from the outset of the project and a +0.3 g/t cut-off grade was used during the initial five years of operations. This substantially improves operating cash flow during the anticipated project financing period.
- Haul distances to the primary crusher and barren rock storage facility were optimized.
- Ore stacking was revised to utilize haul trucks to reduce overall capital costs.
- Additional hydrology studies evaluated water sourcing, storage, treatment, and usage with a demonstrated zero discharge of process water.

The following table summarizes the outcome of the financial evaluation of the results of the updated feasibility study:

Updated Feasibility Study Results				
		Years 1 - 5		Life of Mine
Gold price - base case	$	1,250	$	1,250
Mine life - years		5.0		10.4
Strip Ratio (W:O)		3.0		2.8
Average annual tonnes processed - Mtpy		9.6		9.8
Average grade - Au g/t		0.97		0.77
Average gold recovery (%)		82.4		84.2
Average annual gold production (oz)		247,000		205,000
Total recovered gold (oz)		1,234,000		2,130,000
Pre-production capital ($ millions)	$	426	$	426
Sustaining capital ($ millions)	$	34	$	75
Total cash cost ($/oz)	$	647	$	642
All-in sustaining cost ($/oz)	$	694	$	701
After tax operating cash flows ($ millions)	$	574	$	961
Project NPV_5 - after tax ($ millions)			$	306
Project IRR - after tax unleveraged				20.2 %

Initial Capital Costs

Details of Amulsar Feasibility Study Capital Costs	
Direct Costs	$M
Mining equipment	101.6
Processing facilities	177.6
Other	39.5
Total direct costs	318.7
Indirect costs	24.4
Owners Costs	38.6
Sub-total	377.4
Contingency	44.4
Total Initial Capital Costs	426.1
Total Sustaining Capital Costs	74.8

Capital costs for the project were estimated by AMC for mining, SGS for the processing plant/infrastructure, and GRE for the leach pad, collection ponds, barren rock storage facility, water treatment plant and Golder Associates Inc. for the mine landfill and planning for closure and rehabilitation. For the purposes of this press release, the accuracy of the Feasibility Study estimates is between minus 10 percent and plus 15 percent of the SGS capital cost estimate.

Operating Costs

Operating costs for the project were estimated with input from SGS, AMC and GRE. Life-of-Mine total cash costs and estimated all-in sustaining costs are:

Details of Amulsar Feasibility Study Operating Costs		
Description	$/ore tonne	$/oz Au
Mining	$ 7.58	$ 362
Processing	$ 3.72	$ 178
General and administrative	$ 1.38	$ 66
Production royalties	$ 1.27	$ 61
Offsite transportation and refining	$ 0.11	$ 5
By-product credit	$ -0.62	$ -30
Total Cash Costs	$ 13.42	$ 642
Corporate general and administrative	$ 0.51	$ 24
Sustaining capital	$ 0.74	$ 35
All-in Sustaining Costs	$ 14.68	$ 701

Royalties and Taxes

The royalties applied in determining the economic results of the study included the Armenian mining royalty tax and a royalty payable to Newmont. The Armenian mining royalty tax includes a 4% royalty on gross revenues from gold and silver sales and a 12.5% royalty, after allowable deductions from income for operating expenses, the 4% production royalty and depreciation. The Newmont royalty is a perpetual 3% net smelter return royalty; however, the Company may, at its option, elect to terminate the 3% Newmont royalty and instead pay to Newmont the aggregate sum of $20 million, in 20 equal quarterly installments of $1 million commencing on the first day of the third calendar month following the start of commercial production and, following such election, the Company may further elect to prepay all unpaid installments by making a one-time payment in an amount equal to the present value of the unpaid installments, calculated using a discount rate of 10 percent per annum (initially, approximately $15.6 million). The economic model assumes the quarterly installment payment method.

Income tax is imposed at a 20% rate, after allowable deductions from income for operating expenses, the Armenian royalties, depreciation, financing charges, and any available net loss carryforwards.

Sensitivity to Gold Price

The economic model is most sensitive to changes in the gold price. The table below demonstrates the base case gold price of $1,250 and the effects of applying various gold prices on net present value and IRR. As shown, the project remains viable at a gold price of $1,100. The after-tax sensitivity to changes in the gold price is:

After-Tax Summary of Key Financial Parameters (Sensitivity to Gold Price)					
Gold Price	$ 1,100	$ 1,175	$ 1,250	$ 1,325	$ 1,400
NPV_5 ($ millions)	$ 151	$ 228	$ 306	$ 383	$ 459
IRR (after tax, unleveraged)	13.1 %	16.8 %	20.2 %	23.4 %	26.5 %

Metallurgy

The most recent phase of metallurgical testing was performed by Kappes, Cassiday & Associates of Reno, Nevada in 2013 on metallurgical composites from the Erato deposit. The program confirmed previous findings from four phases of metallurgical test work performed by SGS and Wardell Armstrong International that indicate that the Amulsar mineral reserves are amenable to precious metal recovery by heap leach processing.

Gold extraction in column tests averaged 91% though this has been de-rated to 84% in the study to allow for field conditions. Average sodium cyanide and lime consumptions of 0.2 kg/t and 2.0 kg/t, respectively, were used in the feasibility study for operating cost estimation. Solution to ore ratio was used to scale these results, to predict the leach rate and ultimate levels of gold and silver extraction for each of the Amulsar deposits.

Financing

The updated feasibility study results will be used to support the Company's efforts to source financing for construction of the Amulsar Gold Project. The acceleration of early cash flows is expected to improve the attractiveness to lenders and support greater project leverage. Management is in early discussions with a number of potential lenders, including commercial banks, International Finance Corporation, and the European Bank for Reconstruction and Development. Various alternative sources of project financing are also being evaluated by management.

Environmental, Social and Permitting

Lydian submitted its mining rights application at the end of July 2014. The application was subsequently accepted for review by the Ministry of Energy and Natural Resources in August 2014. The process of public hearings and regulatory reviews are underway. The initial public hearing required by the EIA Law was held in the village of Gndevaz on August 25, 2014. The second public hearing will likely take place in October 2014, after completion of the reviews by independent experts and receipt of public comments.

Concurrently, the Company is preparing an ESIA to meet the requirements of the Equator Principles so the Company can pursue international financing for construction of the Amulsar project.

A comprehensive plan for affected stakeholders is being implemented with on-going consultation events. The company has engaged with the local communities through public disclosure regarding information on the development of the Amulsar Project. Regular engagement will continue throughout the project development at every key stage.

Next Steps

The Company's current short term objectives include the following:

- Continue the advancement of the mining rights approval process;
- Complete and publicly disclose the ESIA;
- Determine the financing structure, complete lender due diligence, and advance to a bank mandate;
- Value engineering and project optimization;
- Develop a project execution plan for the pre-construction period;
- Front end engineering and design to identify long lead items and prepare for first phase of construction.

Technical Information

The scientific and technical information in this news release has been reviewed and approved by, Marc Leduc, P.Eng, Chief Operating Officer of the Corporation, who is a "qualified person" for the purposes of NI 43-101. A Technical Report to be prepared in accordance with NI 43-101 will be filed on SEDAR within 45 days of this news release. For further information with respect to the key assumptions, parameters and risks associated with the results of the feasibility study, the mineral reserve estimate and other technical information with respect to the Amulsar Gold Project, please refer to the Technical Report to be made available at www.sedar.com. The following qualified persons, as that term is defined in NI 43-101, have prepared or supervised the preparation of their relevant portions of the technical information in this news release and the related Technical Report to be filed:

- Mr. Joseph M. Keane, P.E.
- Mr. Richard Kiel, P.E.
- Mr. Larry Breckenridge, P.E.
- Mr. G. David Keller, P. Geo.
- Mr. Martin Staples, FAusIMM, FIMMM
- Mr. Gary Patrick, MAusIMM CP (Met)
- Mr. Charlie Khoury, P.E.
- Mr. David Brignal, PhD, BSc, CBiol, CSci, MIEnvSci

Conference Call and Webcast Information

Lydian will host a conference call and live webcast on September 11, 2014 (today) at 1:00pm ET to discuss the revised feasibility study results.

Dial-in Numbers:	
United States:	1-866-652-5200
Canada:	1-855-669-9657
International Access:	1-412-317-6060
Conference Title:	Lydian International Feasibility Study Update
	Please request to join Lydian International call
Webcast URL:	www.lydianinternational.co.uk link on Home Page

The call and webcast will be posted on the Company's website for a limited period of time.

About Lydian International Limited

Lydian is an emerging gold developer, focused on its 100% owned Amulsar Gold Project, located in Southern Armenia. The Company's current mine development and construction plan for Amulsar is aimed at achieving average production of 200,000 ounces of gold per year and establishing the Company as a high cash-flow, mid-tier producer. The Company is committed to best practices in all aspects of its operations including production, sustainability, and good corporate citizenry. For more information on Lydian please visit www.lydianinternational.co.uk.

Vahan Kololian and Stephen Altmann were elected to the Board at the Annual General Meeting in June, joining incumbents Gordon Wylie, Tim Read, Willan Abel and Howard Stevenson. This board composition brings a combination of strengths including knowledge of the Armenian language, Armenian domestic and diaspora affairs, capital markets expertise, and technical mining and mine building know-how.

Caution regarding forward-looking information:

Certain information contained in this news release, including any information relating to Amulsar's expected future performance 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", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "projects", "potential", "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will be taken", "occur" or "be achieved" or the negative connotation of such terms. Forward-looking statements in this news release primarily relate to the results of

the Amulsar feasibility study, and include, among others, statements with respect to: the economic and feasibility parameters of the Amulsar Gold Project, the cost and timing of development of the project, expected capital costs, sustaining capital costs, production, cash costs and all-in sustaining costs; the expected mine life, scale, mining methods and plan, processing methods and rate, grades, recovery rates, stripping ratio, production and other attributes of the Amulsar Gold Project; the estimation of mineral reserves and resources; the timing for submission of the Amulsar environmental impact assessment report and receipt of permits; the timing of development of Amulsar in the future; and the expected pre-tax and after-tax NPV, IRR and payback period associated with the Amulsar Gold Project as well as the Company's plans with respect to the Newmont royalty and the option to terminate it, tax planning and allocation of tax attributes.

All forward-looking statements in this news release are based on the opinions and estimates made as of the date such statements and are made and are subject to important risk factors and uncertainties, many of which are beyond the Company's ability to control or predict. Material assumptions regarding forward looking statements are discussed in this news release, where applicable, and will also be discussed in our Technical Report, which will be filed on SEDAR within 45 days of this news release. In addition to, and subject to, such specific assumptions, the forward-looking statements in this new release are subject to the following assumptions: (1) there being no signification disruptions affecting the development and operation of the project; (2) the exchange rate between the Canadian dollar, the Armenian Dram, the British pound and the U.S. dollar being approximately consistent with current levels; (3) the availability of certain consumables and services and the prices for diesel, natural gas, fuel oil, electricity and other key supplies being approximately consistent with current levels; (4) labor and materials costs increasing on a basis consistent with current expectations; (5) permitting and arrangements with landholders being consistent with current expectations; (6) that all environmental approvals, required permits, licenses and authorizations will be obtained from the relevant governments and other relevant stakeholders within the expected timelines; (7) certain tax rates, including the allocation of certain tax attributes to the project; (8) the availability of financing for the Company's development activities; (9) the timelines for exploration and development activities on the project; and (10) assumptions made in mineral resource and reserve estimates, including geological interpretation grade, recovery rates, gold price assumption, and operational costs; and general business and economic conditions.

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: significant capital requirements and availability of capital resources to fund such requirements; price volatility in the spot and forward markets for commodities; fluctuations in the international currency markets and in the rates of exchange of the currencies of Canada, Armenia, Great Britain and the United States; discrepancies between actual and estimated production, between actual and estimated reserves and resources and between actual and estimated metallurgical recoveries; changes in national and local government legislation in Armenia; taxation; changes to the Company's mine plan or profitability or to the Company's asset profile that might alter the allocation of tax attributes to Amulsar; controls, regulations and political or economic developments in Jersey, Canada or Armenia; the speculative nature of mineral exploration and development; risks associated with obtaining and maintaining the necessary licenses and permits and complying with permitting requirements, including, without limitation approval of the Armenian Government and receipt of all related permits, authorizations or other rights; the uncertainties inherent to current and future legal challenges the Company is or may become a party to; diminishing quantities or grades of reserves and resources; competition; loss of key employees; additional funding requirements; rising costs of labor, supplies, fuel and equipment; actual results of current exploration activities; uncertainties inherent to mining economic studies such as the feasibility study for Amulsar, including the risk that the assumptions underlying the feasibility study and its economic parameters will not be realized; changes in project parameters as plans continue to be refined; accidents; labor disputes; defective title to mineral claims or property or contests over claims to mineral properties; delays and costs inherent to consulting and accommodating local stakeholders; and uncertainties with respect to obtaining all necessary surface rights, land use rights and other tenure from the Armenian Government and private landowners required for the Amulsar Gold Project. In addition, there are risks and hazards associated with the business of mineral exploration, development and mining, including environmental events and hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion losses (and the risk of inadequate insurance or inability to obtain insurance to cover these risks) 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.

Where we say "we", "us", "our", the "Company", or "Lydian" in this presentation, we mean Lydian International Ltd. and/or one or more or all of its subsidiaries, as may be applicable. The scientific and technical information about the Amulsar Gold Project and its potential development contained in this presentation has been reviewed and approved by, Marc Leduc, P.Eng, Chief Operating Officer of the Corporation, who is a "qualified person" for the purposes of NI 43-101.

Cautionary Note concerning estimates of Measured, Indicated and Inferred Mineral Resources

This news release uses terms that comply with reporting standards in Canada and certain estimates are made in accordance with Canadian National Instrument 43-101 ("NI 43-101"). NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes Canadian standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. These standards differ significantly from the requirements of the U.S. Securities and Exchange Commission ("SEC"), and mineral resource information contained herein may not be comparable to similar information disclosed by United States companies. This news release uses the terms "measured mineral resources", "indicated mineral resources" and "inferred mineral resources" to comply with reporting standards in Canada. We advise United States investors that while such terms are recognized and required by Canadian regulations, the SEC does not recognize them. United States investors are cautioned not to assume that any part or all of the mineral deposits in such categories will ever be converted into mineral reserves under SEC definitions. These terms have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. Therefore, United States investors are also cautioned not to assume that all or any part of the "measured mineral resources", "indicated mineral resources" or "inferred mineral resources" exist. In accordance with Canadian rules, estimates of "inferred mineral resources" cannot form the basis of pre-feasibility or other economic studies. It cannot be assumed that all or any part of the "measured mineral resources", "indicated mineral resources" or "inferred mineral resources" will ever be upgraded to a higher category.

Financial Definitions-Non-GAAP Measures

"Total Cash Costs" figures are non-GAAP measures which are calculated in accordance with a standard developed by The Gold Institute, a worldwide association of suppliers of gold and gold products and included leading gold producers from North America that ceased operations in 2002. Adoption of the standard is voluntary and the cost measures presented may or may not be comparable to other similarly titled measures from other gold companies. Total cash costs for Lydian were calculated and defined to include the addition of mining costs, processing costs, general and administrative costs, off site refining and transportation of bullion costs, the Newmont royalty, and the Armenian mining royalty tax on gross revenues. The sum of these components are reduced by the estimate of by-product credits. This sum is then divided by tonnes of ore or ounces of gold to attain Total Cash Costs on a per tonne ore or per ounce of gold basis. These measures are considered to be key indicators of a company's ability to generate operating earnings and cash flow from its mining operations. This data is furnished to provide additional information and is a non-GAAP measure specific to the gold mining industry. It should not be considered in isolation as a substitute for other measures of performance and it is not necessarily indicative of operating costs presented under GAAP.

"All-in Sustaining Costs" were determined using guidance announced in 2013 from the World Gold Council. Reported values were calculated by Lydian as the sum of the Total Cash Costs, corporate general and administrative costs (estimated to be approximately $5 million per year) and sustaining capital. This sum is then divided by tonnes of ore or ounces of gold to attain All-in Sustaining Costs on a per tonne ore or per ounce of gold basis. This non-GAAP measure provides further transparency into costs associated with producing gold and will assist analysts, investors and other stakeholders of the company in assessing the Amulsar Gold Project expected operating performance, ability to generate free cash flow and its overall value. This data is furnished to provide additional information and is a non-GAAP measure. All-in sustaining costs do not have standardized definitions under GAAP and may not be comparable to other measures. It should not be considered in isolation or as a substitute for other GAAP conforming measures.

Glossary of Abbreviations	
$/oz	Dollar per ounce
$/t	Dollar per tonne
ADR	Adsorption-Desorption-Regeneration plant
Ag	Silver

Au	Gold
BLS	Barren leach solution
Company	Lydian International Ltd.
EIA	Environmental Impact Statement
ESIA	Environmental and Social Impact Assessment
FS	Feasibility Study
g/t	Grams per tonne
GRE	Global Resource Engineering
IRR	Internal rate of return (after tax, unleveraged)
Kg/t	Kilograms per tonne
Km	Kilometre
Koz	Thousand ounces
l/hr/m^2	Litre per hour per meter squared (application rate)
LOM	Life of Mine
Lydian	Lydian International Ltd.
m	Meters
M	Millions
mm	Millimetres
Mt	Million tonnes
Mtpy	Million tonnes per year
Newmont	Newmont Overseas Exploration Limited
NPV	Net present value
SGS	SGS Metcon/KD Engineering
W:O	Waste to ore stripping ratio

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