

TORONTO, ONTARIO--(Marketwired - Oct 20, 2016) - [Lydian International Ltd.](#) (TSX:LYD) ("Lydian" or "the Company") is pleased to announce that construction activities for site earthworks have started at its 100%-owned Amulsar Gold Project in Armenia. Work is underway on key roads, camp platforms, and construction facilities. Top-soil removal (pre-stripping) in the Tigranes pit area is also progressing.

Upgrading of the primary access road from the west side of the project ("RD-5") started several weeks ago and is advancing well. RD-5 will provide access along portions of the conveyor route and to the network of internal roads that interconnect permanent project offices and mine maintenance facilities. More recently, work on the mine haul road from the mine pits to the crusher location started. Other earthworks started recently include construction of platforms for a 680-person camp, project offices, contractor laydown area; and land clearance activities in preparation for opening of the initial phase of the barren rock storage facility.

The commencement of project site earthworks follows several months of preparatory early works and planning activities, including relocation of a major community irrigation pipeline and power line out of the footprint of the heap leach facility (the "HLF"); repair to a community water channel; renovations to a local hotel for accommodations, commissary and local offices; and other upgrades to provide year-round construction utilities.

Overall engineering progress continues to advance and is now greater than 50% complete. Engineering for the mine haul road and the HLF are essentially complete. Tendering and commencing earthworks in the HLF is one of the Company'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.

Engineering is sufficiently advanced to support finalization of key equipment packages for award later this quarter, 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 vendor for the initial mining fleet and certain auxiliary mobile equipment are nearing completion and orders will be placed before the end of 2016.

"Our team has accomplished a great deal. In less than three years, we have taken the Amulsar Gold Project through feasibility, permitting, financing, and now to the start of construction. Our funding is in place to proceed, and we expect to be pouring gold in about 18 months. Amulsar will be a large-scale, conventional operation. We expect it to deliver excellent cash flows and already see opportunities for growth," said Howard Stevenson, President and CEO of 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 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.

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", "intends", "anticipates", "proposed" or variations of such words and phrases or statements that certain actions, events or results "will", "may", "could", "would", "should", or "occur" or the negative connotation 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 expected timing of installation of primary HLF surface water sedimentation control structures and contractor laydown areas, primary earthworks, finalization of key equipment packages for award, preparation of tender packages for pre-engineered metal buildings, and orders for the initial mining fleet and certain auxiliary mobile equipment; the potential improvement of average annual production and extension of the Amulsar Gold Project mine life through the evaluation of currently defined inferred resources and from open extensions at depth; 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; the estimated cash cost per ounce of gold over the life of mine of the Amulsar Gold Project; and the expected cost of and cash flow from operations at the Amulsar Gold Project. Statements concerning mineral resource and mineral reserve 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; regulatory changes; failure to improve average annual production and extend the Amulsar Gold Project mine life through the evaluation of defined inferred resources and from open extensions at depth; the occurrence of events that may impact or delay the current construction schedule for the Amulsar Gold Project; 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

Howard Stevenson
President and CEO
+1 720-307-5080 (d) or +1 775-771-0739 (m)
Doug Tobler
CFO
+1 720-307-5087 (d) or +1 303-905-4442 (m)
moreinfo@Lydianinternational.co.uk