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[Lydian International Ltd.](#) (TSX:LYD) ("Lydian" or "the Company") is pleased to announce it has entered into an amendment to extend and optimize components of its \$160 million term loan facility with Orion Mine Finance ("Orion") and Resource Capital Fund VI L.P. ("RCF"). All dollar amounts in this news release are presented in U.S. dollars unless otherwise noted.

The amendment aligns the availability periods under the term loan with the project schedule and anticipated cash flow requirements for construction of Lydian's 100%-owned Amulsar Gold Project in Armenia. The initial \$50 million tranche has been extended to June 30, 2017 and the second \$110 million tranche has been extended to March 31, 2018. Funding under each tranche of the term loan is subject to applicable conditions precedent, including satisfaction of the conditions of the initial tranche by December 31, 2016, and accrual of applicable fees associated with this amendment. The amendment to the term loan is subject to the Company receiving approval from the Toronto Stock Exchange ("TSX").

Other revisions include optimizing the availability of funds from other sources and adjustments to the draw and repayment terms. Refinements to the sources of funds was possible based upon the successful outcomes of the Company's Amulsar financing activities to date. The maximum amount of allowable third-party equipment financing has been increased by \$5 million to \$85 million. Concurrently, reliance on the cost overrun facility from Orion and RCF has been reduced by decreasing the amount of this facility to \$14 million. Flexibility for Lydian in drawing funds under the second tranche was improved by increasing the maximum allowable draw amount and repayment terms were adjusted during the initial year of operations to better align with anticipated cash flows.

"We are very pleased with these revisions to our \$160 million term loan with Orion and RCF. We have a better view of our path to first gold production now that construction has started. Extending and optimizing several components of this facility improves alignment with our project schedule and supports upcoming construction activities at the Amulsar Gold Project," said Howard Stevenson, Lydian's President and CEO.

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 timing and amount of funding under the Company's term loan agreement and the amendments thereto; satisfaction of conditions precedent to funding under the Company's term loan agreement and the amendments thereto; alignment and optimization of the Company's project financing with its project schedule; TSX approval for the amendment to the term loan agreement; the realization of mineral resource estimates and the timing of development of the Amulsar Gold Project, including the expected start date of production; results of future exploration and drilling; 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 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; 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; 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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