

Lydian Provides Corporate Update

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TORONTO, Aug. 02, 2018 -- [Lydian International Ltd.](#) (TSX:LYD) (“Lydian” or the “Company”) today announced that the previously reported illegal road blockades near its 100%-owned Amulsar Gold Project are ongoing and continue to impact construction activities. The Company also reported that its senior lenders have agreed to extend the initial repayment date and availability period from July 31, 2018 to August 15, 2018 while the parties seek to complete comprehensive revisions to several key funding instruments.

Construction Update

Illegal blockades have prevented Lydian and its contractors from entering the Amulsar site since late June. Prime Minister Pashinyan’s appeal instructing the protestors to discontinue the road blockades has shown limited results. Lydian and other stakeholders continue to petition local and national government officials to enforce the law by removing the illegal blockades and allowing Lydian to resume construction activities. To date, the government has not acted on these requests.

Lydian advised the government in July that it would not sustain the ongoing costs associated with the suspension of construction activities. In response to the lack of action by the government, Lydian has issued termination notices to 100 employees, representing approximately 30% of its workforce. Staged employee reductions are expected to continue until a permanent resolution is achieved. In addition, all construction contractors have been idled. This affects approximately 1,000 contractor employees. The Company is in constructive discussions with its contractors to mitigate costs and best support a resumption of construction once the illegal blockades are removed.

João Carrêlo, President and Chief Executive Officer of Lydian, stated, “Lydian remains firmly committed to its principles of responsible mining and transparency. Amulsar is an important economic contributor to the country of Armenia. It is unfortunate that the current unlawful situation is continuing unnecessarily and negatively impacting host communities and the livelihood of more than 1,300 employees and contractors. We and other stakeholders continue to seek an appropriate and swift resolution by the government. Stakeholders at many levels have been affected, and a number of initiatives are underway to mitigate the financial burden this delay has caused. We remain hopeful that a prompt resolution is possible.”

Credit Revisions

Lydian is seeking a comprehensive restructuring of its existing funding instruments in connection with its financing plan to complete construction and commissioning of its Amulsar Gold Project. Discussions are well advanced with key stakeholders and Lydian expects a solution in the near-term. In the interim, the senior lenders have agreed to extend the initial repayment date and availability period from July 31, 2018 to August 15, 2018. Also, AB Svensk Exportkredit and Cat Financial extended the availability periods under their credit agreements to September 30, 2018 and September 30, 2019, respectively.

Mr. Carrêlo added, “Orion, Resource Capital Funds, Osisko, AB Svensk Exportkredit, and Cat Financial have demonstrated exceptional support for Lydian’s financing requirements. We believe the amendments can be completed soon, but the inter-relationships are complex and require more time to finalize. We appreciate the extensions provided by AB Svensk Exportkredit and Cat Financial, as well as the most recent extension from the senior lenders while we bring the revisions to conclusion.”

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 will be a large-scale, low-cost operation with gold production targeted to average approximately 225,000 ounces annually over an initial 10-year mine life. Open pit mining and conventional heap leach processing contribute to excellent scale and economics. Estimated mineral resources contain 3.5 million measured and indicated gold ounces and 1.3 million inferred gold ounces as outlined in the Q1 2017 Technical Report. Existing mineral resources beyond current reserves and open extensions provide opportunities to improve average annual production and extend the mine life. Lydian 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.

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Caution regarding forward-looking information

There can be no assurances as to the timing, magnitude or impact of future protests or blockades affecting Amulsar, if any, or the success of the Company's ongoing attempts to mitigate such risks. The Company does not intend to comment further upon protests, blockades or similar disruptions unless required by law, it deems further disclosure is appropriate, or where appropriate in the context of its normal course disclosure on construction, operational and financial matters. The Company makes reference to the risk factors outlined in section 4.2 of its most recent Annual Information Form, dated March 28, 2018, including risk factor disclosure under the headings "Single Property Focus", "Community and Social", and "Foreign Operations".

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 Company's assessment of alternatives for dealing with the blockades, the Company's ability to carry out comprehensive revisions to its senior credit, stream, and offtake agreements, potential future employee reductions, the realization of mineral resource estimates and the timing of development of the Amulsar Gold Project, including the expected start date of gold production; the expected and estimated cost of operations and capital costs at the Amulsar Gold Project; the current Amulsar Gold Project construction schedule, 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 formation of the Armenian Government; the impact of management in relation to the Company's strategic growth objectives; the magnitude or impact of historical and future (if any) protests or blockades affecting Amulsar and the success of the Company's ongoing attempts to mitigate such risks; the response of the Armenian government to future (if any) protests or blockades affecting Amulsar; the impact of protests, blockades or similar disruptions on the Company's construction, operations and financial performance; and the expected mining methods 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, political, market or business conditions; unwillingness of the Company's creditor's to amend the senior credit, stream, and offtake agreements; 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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