

TORONTO, ONTARIO--(Marketwired - Feb 23, 2017) - [Lydian International Ltd.](#) (TSX:LYD) ("Lydian" or "the Company") is pleased to announce that its wholly owned Armenian operating subsidiary has signed key equipment supply contracts for its 100%-owned Amulsar Gold Project in Armenia. These contracts, signed ahead of the 2017 construction season, will provide all significant components of the mining fleet, materials handling system, gold-recovery plant, electrical systems, and worker accommodations.

Zeppelin International AG ("Zeppelin") has been contracted to supply Cat® mobile mining equipment, including haul trucks, shovels, tractors, loaders, dozers and other units of mining support equipment. Zeppelin has committed to initial deliveries starting Q3 2017. Mine production is estimated at approximately 25 million total tonnes of material during the first year of operations. Later equipment additions will increase average mining capacity to approximately 35 million total tonnes of material per annum thereafter.

The materials handling system for Amulsar will be supplied by Sandvik. Major components to be supplied by Sandvik include the crushing and screening plant by Sandvik SRP AB Sweden, and the overland conveyor, storage reclaim and truck loadout feeding system by Sandvik Mining and Construction Oy Finland. The crushing and screening plant will include a vibrating feeder, a primary jaw crusher and three secondary cone crushers, with a nominal design capacity of 10.5 million tonnes per annum at a crush size of 80% passing 18 mm. The Sandvik overland conveyor will extend approximately 5.6 kilometres with an elevation drop of 700 meters from the crushing and screening plant to the truck loadout facility. The conveyor is designed to transport crushed ore at a nominal rate of 13.1 million tonnes per annum. Initial deliveries of components for the overland conveyor are expected to begin during Q2 2017, with other conveyor, crushing and screening deliveries to continue through Q3 2017.

AZMET Technology & Projects (PTY) Ltd ("AZMET") has been contracted for design and supply of the adsorption, desorption and recovery plant ("ADR Plant"). The ADR Plant is being designed to treat up to 1,100 m³/h of pregnant solution through a five-stage adsorption circuit. Four tonnes of loaded carbon will be eluted twice per day in a pressurized elution circuit, which will be followed by zinc precipitation. The gold and silver bearing precipitate will then be smelted in a gas fired furnace to produce doré bars.

ABB AB, Substations and ABB Switzerland Ltd. ("ABB") are under contract for design and supply of equipment and materials for complete plant electrification. This will include the main substation and distribution grid, integrated automation and process control by optimized solutions, motors and drive systems, as well as premanufactured electrical rooms to house the whole plant electrical infrastructure.

The Company also announced that contracts were entered into with Renco SpA and Renco ArmeState ("Renco") for design, supply, construction and assembly of a 680-bed residence camp immediately adjacent to Amulsar. Renco mobilized during Q1 2017, with initial occupation of the camp planned for Q2 2017. Renovation of a local-area hotel has also been completed and will be used for accommodations until supplemented by the Renco camp.

Howard Stevenson, Lydian's President and CEO, commented, "Execution of these key contracts is a major achievement in the development of Amulsar. We are very pleased to have partnered with Zeppelin, Sandvik, AZMET, ABB, and Renco. Each is a leading equipment supplier in the mining sector and have committed to supporting our development plan for Amulsar."

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 three million measured and indicated ounces and two 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 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 timing of equipment deliveries; the particulars of the equipment to be delivered; the operational impact of the equipment; 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;

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: delays in equipment deliveries; failure to meet the operational expectations of the equipment; 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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