

TORONTO, ONTARIO--(Marketwired - Feb. 27, 2017) - [Lydian International Ltd.](#) (TSX:LYD) ("Lydian" or "the Company") is pleased to announce a positive update to its mineral resource and mineral reserve estimates resulting from the Company's 2016 drilling program at its 100%-owned Amulsar Gold Project in Armenia. The objectives of the program were to target conversion of inferred mineral resource within the currently designed pit boundaries and increase drill density in certain areas for mine planning purposes.

Highlights

- Increased the measured and indicated mineral resource estimate by 19.8 million tonnes to 142.2 million tonnes, an increase of 16% while maintaining approximately the same gold grade;
- Increased the mineral reserve estimate by 184,000 contained gold ounces to 2,606,000 contained gold ounces, an increase of 8%;
- Improved the mine plan within the currently designed pit boundaries to reduce the waste to ore strip ratio from 2.4 to 2.2 and increase contained gold ounces scheduled in the initial five years of production by 8% to 1.5 million contained gold ounces; and
- Confirmed through tightly spaced drilling the previously estimated mineral resources for an early-phase mining area. There are no significant changes in the mineral resource and reserve estimates that will affect the mining plan for this area.

2017 Update to Mineral Resource Estimate

The mineral resource statement was prepared by G. David Keller, P.Geo. (APGO#1235), of AMC Consultants (UK) Limited ("AMC"), an "independent Qualified Person" as this term is defined in National Instrument 43-101 - Standards for Disclosure for Mineral Projects ("NI 43-101"). Mineral resources 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).

This update incorporates the results of the Company's 2016 drill program. The program covered the Tigranes-Arshak-Artavasdes (TAA) area and included 95 reverse circulation and diamond drill holes for a total of 9,058 drilled metres. This included a tight spaced drilling program on an approximate line spacing of 20 metres with 20 metre spacing of drill holes along each line. In addition, AMC incorporated updated topographic data for the entire project.

The program was successful in converting targeted inferred mineral resources to measured and indicated mineral resources. Measured and indicated resources now total 3.5 million contained gold ounces (142.2 million tonnes grading 0.76 grams per tonne ("g/t") gold at a cut-off grade of 0.24 g/t gold), an increase of 15% compared to AMC's August 29, 2014 Amulsar estimate of measured and indicated resources of 3.0 million contained gold ounces (122.4 million tonnes grading 0.77 g/t gold at a cut-off grade of 0.20 g/t gold).

Modeling of the tightly spaced drilling area indicated that the resource model contained the same tonnage and grade of material estimated previously at a larger drill hole spacing within the limits of a change in mining selectivity and modeling accuracy for a precious metal deposit of the style seen at Amulsar. Based on these results AMC considers that tightly spaced drilling will increase the confidence level of measured and indicated resources.

Mineral Resource Statement

AMC Consultants (UK) Limited, February 27, 2017

Classification	Quantity Tonnes (000s)	Gold Grade (g/t)	Silver Grade (g/t)	Contained Gold (Koz)	Contained Silver (Koz)
Measured	51,500	0.83	4.7	1,370	7,700
Indicated	90,700	0.73	3.4	2,130	9,800
Total Measured and Indicated	142,200	0.76	3.8	3,470	17,500
Total Inferred	72,200	0.55	3.3	1,280	7,600

1. The effective date of the mineral resource statement is February 27, 2017.
2. A cut-off grade of 0.24 g/t gold, based on a conceptual optimized open-pit shell, using a gold price of US\$1,500/oz and assuming an open-pit mining scenario.
3. Figures have been rounded to the appropriate level of precision for the reporting of measured, indicated, and inferred resources.
4. Due to rounding, some columns or rows may not compute exactly as shown.
5. Mineral resources are reported inclusive of mineral reserves.
6. Mineral resources in this statement are not mineral reserves and have not 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 reserves have been previously reported for this project using a prior mineral resource statement.

7. The resource model block size was increased from the previous 10 m × 10 m × 5 m blocks to 10 m × 10 m × 10 m blocks to reflect physical and economic mining parameters. To accommodate this change, the estimation strategy for gold and silver is based on ordinary kriging ("OK") by estimating directly into 10 m × 10 m × 10 m blocks. This procedure is based on making successive OK estimates and changing estimation parameters so that the OK estimate approaches the global change of support tonnage and grade plot for gold and silver.
8. The resource estimate is appropriate for a mining selectivity of 10 m x 10 m x 10 m blocks only.
9. The August 29, 2014 mineral resource model was estimated using Localized Multiple Indicator Kriging.

2017 Update to Mineral Reserve Estimate

The update to the independent mineral reserve estimate was prepared by Neil Prenn of Mine Development Associates ("MDA"), an "independent Qualified Person" as this term is defined in NI 43-101. MDA classifies reserves in order of increasing confidence into probable and proven categories in accordance with the "CIM Definition Standards-For Mineral Resources and Mineral Reserves" (2014) and NI 43-101.

The mineral reserve estimate is based on the February 27, 2017 AMC mineral resource model within the currently designed pit boundaries established by MDA in the 2015 technical report (see Lydian's NI 43-101 Technical Report, Amulsar Value Engineering and Optimization, Armenia, report dated November 20, 2015, which is available at www.sedar.com). The pit design was not changed for this estimate due to the similarities of the economic pit shells used to design the pits to those estimated for the prior pit design.

The program was successful in increasing mineral reserves by 184,000 contained gold ounces to 2,606,000 contained gold ounces, an increase of approximately 8% compared to the previous mineral reserve statement prepared by MDA effective October 23, 2015. The updated mine plan also reflects an 8% increase in contained gold ounces scheduled in the initial five years of production, which now includes 1.5 million contained gold ounces. Additionally, the mine plan improves within the currently designed pit boundaries by reducing the waste to ore strip ratio from 2.4 to 2.2.

Mineral Reserve Statement (0.24 g/t gold cutoff)

Mine Development Associates, February 27, 2017

Item	Quantity Tonnes (000s)	Gold Grade (g/t)	Contained Gold (Koz)	Silver Grade (g/t)	Contained Silver (Koz)
Proven Reserves	44,709	0.84	1,202	4.58	6,587
Probable Reserves	57,944	0.75	1,404	3.29	6,132

Total Proven & Probable Reserves	102,653	0.79	2,606	3.85	12,719
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Waste	223,553
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1. The effective date of this mineral reserve estimate is February 27, 2017.
2. The pit design for this mineral reserve estimate was the same as the pit design used for the MDA mineral reserve statement dated October 23, 2015, which was based on an optimization shell generated on gold only at a gold price of \$912/oz.
3. The economic evaluations were based on a gold price of \$1150/oz and a silver price of \$16.00/oz.
4. A diluted gold cut-off grade of 0.24 g/t was used for processing.

Scientific and Technical Disclosure

The technical information contained in the news release is included herein with the consent and prior review of the above noted "independent qualified persons". These "independent qualified persons" have verified the data disclosed and underlying information contained in this news release.

A technical report prepared in accordance with NI 43-101 will be filed on SEDAR within 45 days. For further information with respect to the key assumptions, parameters, risks, the mineral resource statement, the mineral reserve estimate and other technical information with respect to the Amulsar Gold Project, please refer to the technical report when available at www.sedar.com.

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 3.7 million measured and indicated gold ounces and 1.5 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.

Cautionary Note 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", "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 updated mineral resource statement and mineral reserve statement for the Amulsar Gold Project, and include, among others, statements with respect to: the tonnages and grades of mineral reserves and resources and the estimation of mineral reserves and resources; improvements to mine plan; reductions in waste to ore strip ratio; 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.

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. 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: 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; the speculative nature of mineral exploration and development; diminishing quantities or grades of reserves and resources. 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.

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 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.

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