

Lydian Announces Another Favorable Court Ruling in Armenia

27.02.2020 | [GlobeNewswire](#)

TORONTO, Feb. 27, 2020 - [Lydian International Ltd.](#) (“Lydian” or the “Company”) announced today that on February 26, 2020, the Administrative Court of the Republic of Armenia (the “Administrative Court”) ruled in favor of Lydian Armenia (the Company’s principal operating subsidiary) and invalidated eight out of ten findings made by the Environmental and Mining Inspection Body of Armenia (the “Inspection Body”) under Act 30 in August 2018.

At that time, the Inspection Body completed its investigation at the Amulsar Project and declared that Lydian Armenia was in breach of ten Armenian legislative requirements, including that Lydian Armenia had engaged in illegal mining activities during the construction phase of the Amulsar Project. Lydian vigorously disputed the findings and alleged that the Head of the Inspection Body was biased.

The Investigative Committee of Armenia commenced a criminal case against Lydian Armenia in August 2018 based on the Inspection Body’s findings. The Administrative Court decision establishes that Lydian Armenia’s construction activities at the Amulsar Project did not constitute illegal mining. Lydian has always maintained that there was never any proper basis for commencing the criminal investigation.

The Administrative Court also invalidated decision #8470/30/1 of the former Head of Inspection, Artur Grigoryan, who rejected an administrative appeal brought by Lydian Armenia before the Inspection Body. The Court found that Mr. Grigoryan had been actively engaged in anti-Amulsar activities prior to his appointment to the Inspection Body, which raised reasonable doubts on his objectivity when rejecting Lydian’s administrative appeal.

Other findings invalidated by the Administrative Court included allegations of newly found “red listed” plant and animal species, illegal disturbance of agricultural land and non-permitted atmospheric emissions. Those findings were determined to be baseless. The remaining two findings the Administrative Court did not invalidate were recommendations to improve documentation and annual statistical reporting.

The Inspection Body has 30 days to appeal the ruling of the Administrative Court.

Edward Sellers, Lydian’s Interim President and CEO commented on the Administrative Court decision: “Lydian welcomes the impartial decision of the Administrative Court of Armenia. This is yet another instance where the Judiciary in Armenia have recognized Lydian’s legal compliance. In several previous rulings, Armenian Courts have found that Lydian’s legal rights to operate have been unlawfully impeded.

Lydian has suffered serious financial losses as a result of illegal activities that the Government of Armenia has not curtailed. The actions and inactions of the Government continue to negatively impact all of Lydian’s stakeholders, including hundreds of employees, contractors and suppliers, as well as thousands of shareholders and investors. We call on the Government of Armenia to abide by the Administrative Court’s ruling and restore Lydian’s legal right to operate.”

All inquiries regarding the *Companies’ Creditors Arrangement Act* (the “CCAA”) proceedings should be directed to the court-appointed monitor, Alvarez & Marsal Canada Inc. (email: lydian@alvarezandmarsal.com or telephone: +1 416-847-5158). Information about the Company’s CCAA proceedings, including all court orders made and the monitor’s reports, are available on the monitor’s website, at: <http://www.alvarezandmarsal.com/Lydian>.

