

Lydian International Ltd.

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Lydian International starts construction at Amulsar mine

Lydian International Ltd (TSE:LYD) told investors it has begun construction at its huge gold mine in Armenia - a milestone moment.

The firm has finally kicked off site earth works at the Amulsar project and early work is now under way on key roads, camp platforms (to house 680 people) and construction facilities.

It is also removing top soil in the Tigranes pit area.

Engineering for the mine haul road and the HLF (heap leach facility) are essentially complete.

Tendering and beginning earthworks in the HLF is one of the next major priorities.

Preparation of tender packages for pre-engineered metal buildings is also well advanced and will be released for tender in the fourth quarter, it said.

Negotiations with a prospective seller for an initial mining fleet and certain other mobile equipment are nearing completion and orders will be placed before the end of 2016.

Expecting gold in around 18 months

President and chief executive Howard Stevenson summed up: "In less than three years, we have taken the Amulsar Gold Project through feasibility, permitting, financing, and now to the start of construction."

"Our funding is in place to proceed, and we expect to be pouring gold in about 18 months. Amulsar will be a large-scale, conventional operation.

"We expect it to deliver excellent cash flows and already see opportunities for growth."

The firm earlier received an amended mining right from the Republic of Armenia, and has completed a \$38.3-million public offering and US\$80mln in private placements.

In late 2015, the group agreed a comprehensive US\$325mln financing package in a milestone deal, and construction capital is estimated at US\$370million.

The financing for more than 80% of this is in place, with equipment financing is expected to fill in the remainder, the group said.

In August this year, the firm told Proactive it had \$123mln in the bank, which will see it through all activity this year.

Price: 0.075

Market Cap: \$57 m

1 Year Share Price Graph



Share Information

Code: LYD

Listing: TSX

52 week High Low
0.24 0.06

Sector: Gold & silver

Website: www.lydianinternational.co.uk

Company Synopsis:

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 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 economic potential.

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What is Amulsar?

Amulsar was discovered by Lydian a decade ago on a geology road trip and lies 170km south of Armenia's capital Yerevan on the border between the provinces of Vayots Dzor and Sunnik.

The Amulsar licenses cover an area of 65 sq km.

Local infrastructure is good. There is a paved highway some 4km to the south of the project available to the town of Jermuk and high tension power lines pass along the main road and electricity is charged at \$0.06/kWh

Water is available from the Vorotan River and the Spandaryan reservoir, 3km east and 8km south east respectively.

Set to become Armenia's largest gold mine

The project has an estimated mineral resource containing 3mln measured and indicated ounces of gold and 2 million inferred.

Gold production beginning in 2018 is targeted to average greater than 200,000 ounces per year over an initial 10 year mine life.

It is a large scale, low cost, technically simple open pit project, where the all-in-sustaining-costs are US\$585 an ounce and the recovery on the leach pad is put at 87%.

And that's just for the first ten years. There are resources in the ground to go beyond that.

Lydian shares last closed in Toronto at C\$0.42.

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