



NEWS FOR IMMEDIATE RELEASE

## **LYDIAN TO PURCHASE NEWMONT'S INTEREST IN AMULSAR GOLD PROJECT**

### **Inferred Resource at Amulsar grows to 1.4 Moz gold (NI-43101 compliant), open and untested in all directions, 16000m drill program planned for 2010 to extend resource and drill out new areas**

TORONTO, Ontario, March 1<sup>st</sup> 2010 – Lydian International Ltd. (TSX:LYD) (“Lydian” or “the Company”), a diversified mineral exploration and development company, today announced that it has entered into an agreement (the “Purchase Agreement”) with Newmont Overseas Exploration Limited, a subsidiary of Newmont Mining Corporation (NYSE:NEM) (“Newmont”) pursuant to which Lydian’s 95% owned subsidiary, Geoteam C.J.S.C. (“Geoteam”), will purchase all of Newmont's interest in the joint venture known as the Caucasus Venture (the “Venture”) between Lydian and Newmont, including all of Newmont’s interest in the Lydian discovered Amulsar gold property in Armenia. In accordance with the Purchase Agreement, the Venture will terminate, Geoteam will own 100% of the Amulsar gold discovery, and Lydian and Newmont will jointly own all regional prospecting data collected by the Venture across Armenia during the last four years. The closing (the “Closing”) of the transactions under the Purchase Agreement is expected to occur within 60 days following the date of the Purchase Agreement, subject to Lydian’s receipt of all required approvals of the Toronto Stock Exchange.

In consideration for the purchase of Newmont’s interest in the Venture and the related termination of the Venture, Lydian will; (i) issue Newmont three million ordinary shares and (ii) make certain pre-production and then post-production payments to Newmont. The post production payments are dependent on production occurring and this allows Lydian to fund the required payments out of direct revenue from the Amulsar gold project or through alternate available funds. Prior to production, Lydian will pay Newmont USD\$15 million in three USD\$5 million instalments, the first on the Closing, the second on or before December 31, 2011 and the third on or before the earlier of December 31, 2012 and the date that is 90 days after a bankable feasibility on any portion of the Amulsar property is complete and Lydian has received all the necessary material permits to move into production. Following the start of commercial production, Lydian has three options: (i) Pay a 3% net smelter royalty, or; (ii) pay twenty quarterly instalment payments each of USD\$1 million over the first five years of commercial production, or (iii) buy out Newmont’s remaining interest in the quarterly payments for an amount equal to the present value of such unpaid amounts calculated using a 10 percent discount rate, or approximately USD\$16 million. This deal amounts to a present value cash payment of USD\$13.7 million for Newmont’s share of the exploration ounces at Amulsar and has a total aggregate purchasable present value of approximately USD\$25 million (using a 10% discount rate).

Results from the last two years of drilling and exploration work at Amulsar have revealed a significant gold bearing system with potential to grow both in the vicinity of the current resource and at other prospect areas nearby. Drilling in 2008 was focussed on defining a resource sufficient enough for the Armenian authorities to award a Mining License (awarded in April 2009) whilst the aim of the 2009 drilling program was to step away from the resource and identify new gold-bearing prospect areas. Very little exploratory drilling was conducted in 2008 and very little resource definition and extension work was completed last year. Despite the principal aim of the 2009 programme, drilling conducted around the southern periphery of the previously reported resource envelope was sufficient enough to be incorporated into the resource and resulted in an increased (NI-43101 compliant) Inferred Resource of 1.4Moz at 0.9g/t gold (using a 0.4g/t cut-off comparable to the previous resource). This new resource remains open with further extensions likely immediately along-strike, across strike and at depth (20% of drill holes remain open at depth). Lydian now has all its concession agreements in place and has entered into contracts to have three drill rigs on site for some 16000m of extension work, exploratory drilling in new areas and resource upgrade drilling. Drill rigs are scheduled to be on site and operating by June 1<sup>st</sup>.

“The purchase of Newmont’s interest in Amulsar marks the most significant juncture in the Company’s history since its discovery of the project in 2005” said Tim Coughlin, Lydian’s President and CEO. “This deal reflects Lydian’s ambition to put the Amulsar gold project into production by 2013 and the structure of the deal allows Lydian to elect either the royalty or one of the payment options, whichever is the most economic at the time”. He added that “The current resource remains open and totally new prospects, including Erato - where we drilled 229m @ 1.0 g/t gold in our last hole of the season last year – and other prospect areas have added further excitement. Metallurgical test work is confirming the highly positive results of previous work suggesting that this project will be economic at grades of lower than 0.9g/t gold. This year we have arranged to have three drill rigs on site for some 16000m of extension work, exploratory drilling at new prospects and resource upgrade drilling”.

The Company contracted CSA Global Pty Ltd to conduct an independent resource calculation for the Tigranes-Artavasdes area. Wireframes were constructed based on the latest geological model and a block model focusing on a 0.2 ppm gold resource shell was generated with a parent cell size of 20m (x) by 20m (y) by 5m (z). Reliable variograms were generated honoring the data density and the observed continuity of the mineralized zones in an overall shallow dipping domal geometry. The resulting output model estimates a current inferred resource at a 0.4 g/t cut-off as:

Cut off	Tonnage	Grade	Contained Gold
0.4 g/t	49.6 Mt	0.9 g/t	1.4 Moz gold

Table 1. Inferred Resource for the Tigranes-Artavasdes area in Amulsar

### **About Lydian International**

Lydian is a diversified mineral exploration and development company with expertise employing “first mover” strategies in emerging exploration environments. Currently Lydian is focused on Eastern Europe developing advanced precious and base metal assets in Armenia and in Kosovo (under UNSCR 1244). The two main projects are gold at Amulsar in Armenia, and zinc, lead, silver and gold at Drazhnje in Kosovo. Lydian also has a pipeline of promising gold and base metal exploration projects in the Balkans and Caucasus regions.

Lydian's management team has a track record of success in grassroots discovery, in acquiring and developing undervalued assets, and in building companies. Lydian has a strong social agenda and a unique understanding of the complex social and political issues that characterize emerging environments. The Company's three largest shareholders are the International Finance Corporation (IFC), a member of the World Bank Group, Newmont Mineral Holdings B.V. (owned by Newmont Mining Corporation), and the European Bank for Reconstruction and Development (EBRD). More information can be found on Lydian's web site at [www.lydianinternational.co.uk](http://www.lydianinternational.co.uk).

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Dr Tim Coughlin, MAusIMM; is the Qualified Person overseeing Lydian's exploration programmes. Dr. Coughlin has supervised the preparation of the technical information contained in this press release.

Lydian employees are instructed to follow standard operating and quality assurance procedures intended to ensure that all sampling techniques and sample results meet international reporting standards. All assay work for the released results was carried out by ALS Chemex analytical laboratory in Rosia Montana, Romania, in Perth Australia, or in Vancouver, BC. Please see Lydian's web site for more information.

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