

Why is TSX delisting Lydian?

If an issuer commences CCAA proceedings the TSX always suspends trading and commences an expedited delisting review.

Will the company be able to apply for re-listing?

Only if the Company successfully emerges from CCAA proceedings and can satisfy all the conditions usually required by the TSX for listing. That is unlikely at this time.

What was the reason for Lydian not being able to meet TSX listing requirements?

The illegal blockades and government inaction have resulted in Lydian being unable to raise additional financing to meet the resulting unanticipated costs. As a result, the Company had to seek CCAA protection that led to delisting.

How does this impact Lydian shareholders?

The Company's shares are not able to be traded on the TSX. However, shareholders who are otherwise able to trade may do so outside of the TSX. Shareholders who are insiders or who have material non-public information relating to Lydian, are not able to trade.

Are Lydian shares still worth anything?

The shares are worth what a willing buyer would pay for them.

Will the shareholders be entitled to seek their share of compensation if Lydian starts and wins arbitration?

If Lydian is awarded damages in arbitration and recovers significant damages from the Government of Armenia, Lydian could make distributions to its shareholders after it pays all of its debts and costs. However, any arbitration award may take years to be paid and may not be sufficient to pay all debts and costs.

What will shareholders get if Lydian sells the Amulsar project?

It depends on what the purchase price is on any sale and how the sale is structured. Any sale price will be significantly impacted by the blockades and shareholders are likely to be negatively affected if a sale occurs while the project is blockaded. Further, any sale may not result in any value remaining for payments to shareholders.

What happens to shareholders if Lydian continues the project?

For Lydian to continue the project it will have to raise significant additional capital. That capital should be expected to require repayment prior to current shareholders. Also, the current equity may be restructured under the CCAA proceedings which may result in the equity being significantly diluted or eliminated.

Why did Lydian seek Court Protection?

Forbearance Agreements with Lydian's lenders expired on December 20th and were not extended. As a result, the Company lost access to liquidity from its existing credit facilities and the lenders could have taken steps to enforce their claims. Court protection prohibits collection proceedings against the Company and permits it to access previously restricted cash amounts.

The court proceedings are also intended to permit the Company to revise its capital structure and finances as they are not sustainable because of the effects of 18 months of illegal blockades.

Why were Court Proceedings taken in Canada?

Lydian International is a public company listed on the Toronto Stock Exchange. The Company is subject to the TSX rules and the jurisdiction of the Ontario Securities Commission.

Canada also has a flexible restructuring regime that allows for more possible outcomes for the Company in a court supervised restructuring than anywhere else in the world.

The Canadian court granted a stay of proceedings to protect the entire Lydian enterprise including Lydian Armenia, and asked courts in a number of jurisdictions, including the US, the UK, Jersey and Armenia, to assist it in that regard.

Does this mean the Company is Bankrupt?

No. Bankruptcy is a liquidation state. While court protection is in place, the Company can continue to operate, pay its employees and service its stakeholders under supervision, with the goal of emerging from protection as a viable business. The Company will be working to restructure its business, debts and other liabilities in a manner that maximizes the best available results for the Company's stakeholders.

When will the Company return to Court?

There will be a short return to court for procedural purposes on January 2, 2020 but it is anticipated that any substantive discussion of the next phase for the Company will be addressed in the Canadian court on January 23, 2020.

What are the options after January 23?

Lydian continues to work diligently on several options that may develop including a sale, refinancing, and / or the pursuit of arbitration claims against the Government of Armenia. Ultimately, the option chosen is likely to be governed by seeking the highest possible value currently available for the Company's stakeholders.

How long can the Company survive in this mode?

The cash flow models that have been filed with the Canadian court provide for enough liquidity to keep the entire enterprise solvent for several months. Lydian Armenia has enough liquidity to operate through the Spring and discussions are underway on several fronts to provide additional sources of liquidity.

What will the Company do during this period?

As was done under the previous Forbearance Agreements, Lydian will continue its engagement with the Government of Armenia to address the illegality of the blockades and its discussions with its lenders to address outstanding issues.

Lydian continues to focus on implementing three possible outcomes: a sale, refinancing and / or the potential pursuit of an arbitration case. The Company has planned work streams in the cash flow model which focus on balancing the rights and interests of all relevant stakeholders.

Will the Company de-list from the TSX and what does that mean?

Yes, the Company announced that the TSX has started de-listing proceedings. This is a typical part of the restructuring process for public companies listed on the TSX. It will have no effect on the day-to-day operation of Lydian Armenia or the Company's broader restructuring efforts.

Will the Company still be able to restart if the Government restores the Rule of Law

There has been a significant loss of trust in Armenia among the Company's lenders and investors. Completing a sale or refinancing for the project will require a significant effort in rebuilding trust and confidence.

Does Lydian still hold the Rights for the Amulsar Project? Is the Project still viable?

Yes, Amulsar is a world-class gold deposit and Lydian has full rights over the project whether or not it is listed on the TSX. The Company will work on all options as previously mentioned, including a sale, refinancing or arbitration, or a combination of those, with the main focus to deliver the best available results for the Company's stakeholders.