



ENVIRONMENT POLICY

Lydian's Commitment to Sustainable Development

Lydian International Limited and its controlled affiliates (the "Company" or "Lydian") aims for sustainable development¹ outcomes and is committed to the integration of environmental, health, safety, social and security considerations into its procedures for project development and operation at all stages.

As part of its commitment, Lydian has therefore developed policies that protect our stakeholders and the environment wherever we do business.

Lydian Environment Policy

Lydian recognizes that the very nature of its business is intrusive on the environment and therefore commits to mitigating adverse impacts by operating in accordance with international best practice. The publication of the Environmental Policy establishes this commitment.

Lydian will work with regulatory agencies, stakeholders and specifically local communities to address environmental priorities and concerns in a transparent, participatory and constructive manner.

As part of its commitment to sustainable development outcomes, Lydian will provide adequate resources to manage its environmental obligations during the design, development, operation and closure of each of its operations. This will include an adaptive management process to benefit from continuous environmental monitoring as well as the application of a mitigation hierarchy which emphasizes elimination at source.

Associated with this Environment Policy, the Company has developed an Environmental Management System and associated plans and procedures to provide instructional guidance to meet key commitments. These include Environmental Design Criteria, Biodiversity and Water Management.

Environmental Design Criteria

Specific design objectives have been developed to promote:

- The hierarchy of risk control principles is considered.
- The introduction of new processes, infrastructure or substances which will reduce impact

¹ "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

- Change Management will be mandatory for all components of the Project, including completion of a Risk/Hazard Checklist.

Water Management

Lydian recognizes the importance of conservation and responsible management of water as a key business, environmental and societal issue. It therefore aims to develop projects which do not degrade water resources and their dependent ecosystems. Lydian will minimize the use of water during the exploration, construction, operation, closure and reclamation of each new project at the design stage.

Biodiversity Management

Lydian's approach to biodiversity management is one of responsible stewardship. Specifically, Lydian aims to achieve "No Net Loss" of biodiversity or of priority ecosystem services as a result of its operations. Lydian is committed integrating biodiversity conservation into all project development considerations.

Compliance

The company will design and manage its activities to comply with all applicable local and national laws and regulations and will adhere to the requirements of the World Bank Group/International Finance Corporation (IFC) and European Bank for Reconstruction and Development (EBRD). Lydian requires its consultants, contractors, suppliers and subsidiaries to adopt the principles of this Environmental Policy.

Communication and awareness

The Company will communicate the Policy to its employees, contractors and suppliers to ensure that they are aware of the Company's commitments and their responsibilities. The Company will provide staff training to promote good practice as well as awareness of the policy's requirements. The Company expects all its contractors to take similar action.

Continuous Improvement

The Company will review its Environment Policy on a periodic basis and update it as necessary. It will also regularly update or improve its Environmental, Social Health and Safety Management System by performing periodic, systematic, internal environmental audits. It will use the results as a basis for continuous improvement in environmental performance through an adaptive management process.

This policy was approved by the Board of Directors on 14 August 2018.

¹ "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs".