



## ***NEWS FOR IMMEDIATE RELEASE***

### **LYDIAN PROVIDES FINANCIAL UPDATE**

TORONTO, Ontario, January 3, 2012 - Lydian International Limited (TSX: LYD) ("Lydian" or "the Company"), a gold-focused mineral exploration and development company, today announced that it has notified Newmont Overseas Exploration Limited ("Newmont") of its intention to defer making a payment of USD\$5 million that is owing to Newmont until no later than December 31, 2012. The deferred payment amount was scheduled to be paid by the Company to Newmont on December 31, 2011 in accordance with the terms of the purchase agreement dated February 26, 2010 between the Company and Newmont, pursuant to which the Company purchased all of Newmont's interest in the joint venture formerly operated by them relating to the Company's Amulsar gold property in Armenia. In accordance with the terms of the purchase agreement, the deferred payment amount will bear interest at the rate of 10% per annum commencing on December 31, 2011 until paid.

"Our decision to defer making this payment strengthens the Company's cash position and ensures that the Company has sufficient funds to meet all of its budgeted operational needs for a period extending beyond April 2012 when delivery of a bankable feasibility study for Amulsar is expected" said Tim Coughlin, Lydian's President and CEO. "This decision gives us added flexibility to properly assess our production financing options for the Amulsar project and continue our progress toward planned production" he added.

#### **About Lydian International**

Lydian is a gold-focused mineral exploration and development company with expertise employing "first mover" strategies in emerging exploration environments. Currently Lydian is focused on Eastern Europe and on developing its flagship Amulsar gold project in Armenia. The Amulsar group of licenses is wholly owned by Lydian's Armenian subsidiary (Geoteam CJSC). Lydian also has a pipeline of promising early-stage gold and base metal exploration projects in the 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 significant shareholders include the International Finance Corporation (IFC) which is a member of the World Bank Group 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).

#### **FORWARD-LOOKING STATEMENTS**

This news release may contain certain information that constitutes forward-looking statements. Forward-looking statements are frequently characterized by words such as "plan," "expect,"

“project,” “intend,” “believe,” “anticipate” and other similar words, or statements that certain events or conditions “may” or “will” occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include the inherent risks involved in the financing, exploration and development of mineral properties, the uncertainties involved in interpreting drilling results and other geological data, fluctuating metal prices and other factors described above and in the Company’s most recent annual information form under the heading “Risk Factors” which has been filed electronically by means of the Canadian Securities Administrators’ website located at [www.sedar.com](http://www.sedar.com). The Company disclaims any obligation to update or revise any forward-looking statements if circumstances or management’s estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.

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