

March 31, 2015

IMPORTANT TAX NOTICE: 2014 PFIC STATUS

Attention: U.S. SHAREHOLDERS

This statement is provided for shareholders of Lydian International Limited) who are United States persons for purposes of the U.S. Internal Revenue Code of 1986, as amended ("IRC") and the regulations thereunder. It is not relevant to other shareholders.

Lydian International Limited and its non-U.S. subsidiaries ("Lydian") with the exception of Georgian Resource Company LLC ("GRC") should not be considered a passive foreign investment company ("PFIC") under §1297(a) of the United States Internal Revenue Code (the "Code") for the taxable year ended December 31, 2014. GRC more likely than not would be considered a passive foreign investment company ("PFIC") under §1297(a) of the United States Internal Revenue Code (the "Code") for the taxable year ended December 31, 2014. The determination as to whether any corporation was, or will be, a PFIC for a particular year end depends, in part on the application of complex U.S. federal income tax statutes, regulations and the interpretation thereof. In addition, whether any corporation will be a PFIC for any tax year depends on its assets and income over the course of such tax year and as a result, the PFIC status of Lydian and any of the Lydian Entities for 2014 and any future tax year is subject to a complex analysis and therefore cannot be predicated with certainty. For shareholders of Lydian that are subject to U.S. federal income tax ("U.S. Shareholders"), certain significant and potentially adverse United States federal income tax consequences result from this designation. These consequences may be generally mitigated by making a timely and effective election to treat Lydian's GRC subsidiary as a Qualified Electing Fund under §1295 of the Code (a "QEF Election").

Pursuant to the requirements of Treasury Regulation §1.1295-1(g)(1), the attached PFIC Annual Information Statement is being made available to U.S. Shareholders who have made or intend to make a QEF Election. The attached PFIC Annual Information Statement contains information to enable you or your tax advisor to prepare your tax return if you make the QEF Election.

A U.S. Shareholder who makes a QEF Election is required to annually include in income the pro rata share of the ordinary earnings and net capital gains of GRC. The QEF Election is made by completing and attaching Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund (Form 8621) to your federal income tax return filed by the due date of the return.

THIS INFORMATION IS PROVIDED IN ORDER TO ASSIST U.S. SHAREHOLDERS IN MAKING CALCULATIONS AND DOES NOT CONSTITUTE TAX ADVICE. WE STRONGLY URGE U.S. SHAREHOLDERS TO CONSULT WITH THEIR OWN TAX ADVISOR TO DETERMINE WHETHER THEY ARE SUBJECT TO U.S. FEDERAL INCOME TAX, AND IF SO, WHETHER THEY ARE ELIGIBLE TO MAKE ANY APPLICABLE ELECTIONS PERTAINING TO THE COMPANY'S STATUS AS A PFIC. ANY DECISION TO MAKE OR NOT MAKE ANY ELECTION THAT MAY BE AVAILABLE WILL DEPEND UPON A U.S. SHAREHOLDER'S PARTICULAR TAX SITUATION AND MAY HAVE SIGNIFICANT AND CONTINUING U.S. TAX CONSEQUENCES. LYDIAN IS UNABLE TO GIVE ADVICE IN THIS REGARD.

Further information on PFIC rules and the QEF election is available from the Internal Revenue Service, including the following website pages: www.irs.gov/instructions/i8621/ch01.html Instructions to complete Form 8621: www.irs.gov/irs-pdf/i8621.pdf Form 8621: www.irs.gov/pub/irs-pdf/f8621.pdf

For further information, U.S. Shareholders should consult their tax advisor or seek additional information at www.irs.gov

PFIC ANNUAL INFORMATION STATEMENT

1. The first and last days of the fiscal year of Lydian International Limited subsidiary Georgian Resource Company LLC ("GRC") to which this information applies:

First Day: January 1, 2014

Last Day: December 31, 2014

2. Ordinary earnings and net capital gains of GRC for the taxable year specified in item 1 are:

Total for GRC:

Ordinary Earnings: Nil

Net Capital Gains: Nil

Each Shareholder's Pro-Rata Share:

Ordinary Earnings: Nil

Net Capital Gains: Nil

3. Cash and fair market value of other property distributed or deemed distributed by GRC for the taxable year specified in item 1 are:

Cash: Nil

Fair Market Value of Property: Nil

Lydian will permit any shareholder subject to U.S. federal income tax to inspect and copy its permanent books of account, records, and other documents that may be necessary to establish GRC's ordinary earnings and net capital gains, as computed for U.S. tax purposes, and to verify the computation of the shareholder's pro-rata share of GRC's ordinary earnings and net capital gains.

Lydian International Limited



Douglas Tobler
Chief Financial Officer