



Lydian International Limited

Code of Conduct

Approved: 17 August 2016

Corporate Values

Form the basis for the

Code of Conduct

“how we conduct ourselves”

In the Workplace	In the Marketplace	In the Community and Environment
<p align="center">Corporate Policies</p> <p>Human Resources Occupational Safety & Health Whistleblower</p> <p>Disclosure & Confidentiality Anti-Corruption Insider Trading</p> <p>Social Environment</p>		
<p align="center">Sections of the Code</p>		
<ul style="list-style-type: none"> • Occupational Safety & Health • Substance Abuse • Workplace Violence • Weapons • Discrimination • Harassment • Privacy and Personal Information • Employment of Family Members • Property, Destruction and Theft • Records Retention • IT and Security • Confidential Information • Intellectual Property • Whistleblower 	<ul style="list-style-type: none"> • Anti-Corruption Practices • Dealing with Public Officials • Political Process • Conflict of Interest • Competitive Practices • Business Partner Relationships • Gifts and Entertainment • External Investigations • Company Records & Reporting • Disclosures & Communications • Insider Trading 	<ul style="list-style-type: none"> • Stakeholder Engagement • Cultural Heritage • Human Rights • Community Development • Water • Pollution • Biodiversity

Certification and Compliance

I. PURPOSE OF THE CODE

The Code of Conduct provides guidance in translating our core values into how the Company, Company Personnel and its Business Partners conduct themselves in the workplace, marketplace, and in communities and environments and in which we operate. See Appendix A for defined terms in this document.

Our core values include:

- *Honest and ethical conduct in everything we do;*
- *All individuals are treated with respect and dignity, free from coercion, discrimination, harassment and violence;*
- *Compliance with applicable laws, regulations, and standards;*
- *Ethical handling of conflicts of interest, including declaration of and, if appropriate, acceptance by the Company to establish a permitted conflict of interest;*
- *Understandable, accurate and timely public disclosure of information;*
- *Mutual respect and understanding of our commitment to sustainable development*

Lydian expects Company Personnel and its Business Partners to comply with and act in accordance with the values stated above, the provisions of this Code of Conduct; and as outlined in the Company's policies.

Violations may result in disciplinary action by the Company up to and including termination of employment for cause and other ramifications under legal and regulatory standards which could result in civil and/or criminal charges under law.

II. CONDUCT IN THE WORKPLACE

Our workforce is a valuable resource. The Company recognizes that the pursuit of economic growth through employment creation and income generation should be accompanied by the protection of fundamental rights of workers. This section of the Code describes a safe and healthy workplace where all individuals are treated with respect and dignity, free from coercion, discrimination, harassment and violence.

Occupational Safety and Health

Lydian aims to achieve zero harm through effective management of health and safety through the implementation of programs and metrics. Our commitment includes managing disease-related risks, including HIV/AIDS, through training, counselling and non-discriminatory practices.

Lydian requires Company Personnel to recognize their own responsibility regarding occupational health and safety, and to comply with all health and safety requirements relevant to their activities. See the Occupational Safety and Health Corporate policy for details.

Substance Abuse

Lydian is committed to maintaining a safe and healthy workplace free of substance abuse. Company Personnel must not be under the influence of, sell, distribute or possess alcohol, narcotics, depressants, stimulants, hallucinogens, marijuana or any other mind altering drugs, when reporting for work, while working on company property, and while operating any company equipment including motorized vehicles.

Workplace Violence

Workplace violence is illegal and is defined as the threatened, attempted or actual exercise of any physical force that causes or may cause physical injury to a person, and includes any threats which give a person reasonable grounds to believe he or she is at risk of physical injury. The Company will not tolerate violence in the workplace.

Weapons

No weapons of any kind will be tolerated on or in Company property unless required for the security of Company property or Company Personnel, and then only after authorization by the Chief Executive Officer and subject to ongoing compliance with applicable laws and standards, including the Voluntary Principles on Security and Human Rights.

Discrimination and Harassment

Employment will be based on the principle of fair treatment, free from discrimination. Lydian prohibits discrimination on the basis of race, religion, gender, sexual orientation, nationality, age, disability, any other category protected by the United Nations Declarations on Human Rights, and all applicable laws and regulations in the jurisdiction where Company Personnel operate.

The Company will not tolerate harassment. Harassment includes any conduct or comment which is known or ought reasonably to be known to be unwelcome or offensive, or to create an intimidating or hostile work environment. Harassment can be a one-time occurrence or can be ongoing. Harassment includes, but is not limited to, sexual harassment and harassment on the basis of any other category protected by applicable human rights legislation or similar local law in the jurisdiction where Company Personnel operate.

Privacy and Personal Information

Lydian will endeavor to limit the collection of personal information to that which is necessary or appropriate for business, legal, security, and contractual purposes. The Company will only

collect, use or disclose personal information, including medical information, as described in and in accordance with this Code, other applicable Company policies, applicable laws in jurisdictions where Lydian operates and consent requirements.

Company Personnel may be assigned duties that expose them to personal information about identifiable individuals. Company Personnel acknowledge and agree that, as a condition of employment, they shall not use or disclose such personal information to others, except in the performance of their duties for the Company and in accordance with applicable laws. Company Personnel shall undertake all reasonable precautions to safeguard such personal information.

Employment of Family Members

Employment or other contractual engagement by the Company of more than one family member at a Company mine, project site or office is permissible, but conflicts of interest are to be avoided. The direct supervision of one family member by another is not permitted unless otherwise authorized by the supervisor (unrelated) of the higher ranking of the family members.

Use of Lydian Property / Destruction and Theft

The use of Company property for personal profit (or that of any family member) or any unlawful or unauthorized personal or unethical purpose is prohibited. Property includes but is not limited to information technology, intellectual property, all work products, buildings, land, equipment, vehicles, machines, salable products, cash, debit cards, and credit cards.

Company Personnel shall not intentionally damage or destroy Company property or commit theft of such property.

Records Retention

Records must be maintained and retained in accordance with the laws and regulations of the jurisdictions Lydian entities are domiciled. The term “business records” covers a broad range of files, reports, business plans, invoices, receipts, purchase orders, agreements, Lydian policies and communications, including hard copy, electronic, audio recording, microfiche and microfilm files whether maintained at work or at home.

Information Technology

Lydian’s information technology systems, including but not limited to computers, servers, applications, tablets, mobile devices (including all text and instant messages sent from or received by such devices), e-mail programs and accounts (including all Lydian email addresses and email sent from or received by such accounts), intranet and internet access, telephones and voicemail are the Company’s property and are to be used primarily for business purposes. Company Personnel may use Lydian’s Information Technology for permitted minor or incidental personal use provided that such use is in compliance with this Code and other applicable Lydian

policies. Company Personnel who choose to use his/her personal electronic device, rather than a Company issued electronic device, to access Information Technology, are subject to this Code.

Confidential and Proprietary Information

Company Personnel may be exposed to information that is considered confidential by Lydian.

Documents containing sensitive data should be handled carefully at all times and, when not in use, must be properly secured. Discarded documents containing potentially sensitive data should be shredded. Particular attention must be paid to the security of data stored on computers and other electronic media. Company Personnel must maintain the secrecy of their passwords and secure sensitive or valuable equipment when not in use. In addition, Company Personnel must promptly report the loss or theft of a device through which Lydian Information Technology or confidential information has been or may be accessed.

Intellectual Property

Intellectual property, including, but not limited to all creative materials, programs, designs, inventions, developments, processes, strategies developed by Company Personnel during the course of his/her relationship with Lydian belong to the Company. All such intellectual property shall remain with the Company following termination of the relationship with the employee.

Whistleblower

The Company is committed to maintaining high standards of integrity and accountability in its business affairs while enhancing shareholder value. The Whistleblower Policy provides a vehicle for Company Personnel and others doing business with the Company to disclose good faith concerns regarding Financial Matters and violations of the Code of Conduct. See the Corporate Whistleblower policy for further details.

III. CONDUCT IN THE MARKETPLACE

The Company is committed to operating in a manner that avoids conflicts of interest, ensures competitive practices, transparency in public reporting, and compliance with applicable laws, regulations and standards. This section of the Code discusses how Lydian and Company Personnel shall conduct themselves when engaging in business and commerce.

Dealing with Public Officials and Anti-Corruption Practices

Lydian and Company Personnel shall operate pursuant to recommendations of the Organization for Economic Co-operation and Development, contractual commitments, and applicable laws when dealing with Public Officials and in regard to anti-corruption practices.

Dealings with Public Officials by Lydian or any Company Personnel are to be conducted in a manner that will not compromise the integrity or damage the reputation of any government, Public Official or the Company. Direct or indirect participation in corrupt, fraudulent, coercive, collusive or obstructionist practices are prohibited. Furthermore, facilitation payments are not permitted.

Government Relations and Participation in the Political Process

The Company maintains neutrality among political parties and candidates. However, Company Personnel may participate in the political process as private citizens. It is important to separate personal political activity from Company activities, if any, in order to comply with the appropriate rules and regulations relating to lobbying or attempting to influence government officials. Government relations should be handled in a manner that does not create risk or liabilities for the Company.

Conflict of Interest

Company Personnel are required to act with honesty and integrity and to avoid any relationship or activity that might create, or appear to create, a conflict between personal interests and those of Lydian. Company Personnel shall perform the responsibilities of their positions on the basis of what is in the best interests of Lydian and free from the influence of personal considerations and relationships.

Company Personnel should discuss any potential conflicts of interest with their immediate supervisor or an officer of the Company. A conflict of interest may be permitted if it is declared in a timely manner and accepted by the Company.

Competitive Practices

The Company complies with and supports laws which prohibit restraints of trade, unfair practices, or abuse of economic power. The Company will not enter into arrangements that unlawfully restrict its ability to compete with other businesses, or the ability of any other business organizations to compete freely with the Company. Company Personnel are prohibited from entering into or discussing any unlawful arrangement or understanding that may result in unfair business practices or anti-competitive behavior.

Business Partner Relationships

It is the Company's policy to treat all prospective Business Partners on a merit basis while seeking to maximize local recruitment. The Company will select its Business Partners in a non-discriminatory manner based on the quality, price, service, delivery and supply of goods and services. Selection of Business Partners must never be based on personal interests of Company Personnel or the interests of their family members or friends.

In all dealings with Business Partners, Company Personnel shall comply with these provisions of the Code and any other Lydian policies regarding supply chain and procurement.

Suppliers - Gifts and Entertainment

Company Personnel shall not use his/her position with Lydian, to solicit any cash, gifts or free services from any Business Partner for their or their personal benefit. Gifts or entertainment should not be accepted if they could be reasonably considered to be extravagant based on the person's respective role, or otherwise detrimentally influence Lydian's business relationship with a Business Partner. If there is any doubt as to whether a gift is acceptable, contact your immediate supervisor or an Officer of the Company.

External Investigations

Lydian and Company Personnel will cooperate, within the context of advice provided by the Company's legal counsel, with investigations by governmental bodies, regulatory agencies, international financial institutions (such as IFC and the EBRD). Responses to formal investigations will be handled by the Company's legal counsel, thus Company Personnel should not respond directly unless specifically authorized to do so. Company Personnel must notify and consult with the Company's chief financial officer regarding any inquiries regarding potential investigations.

Company Records and Reporting

Lydian requires that its records be accurate and complete. Records serve as a basis for managing our business and are crucial for meeting obligations to stakeholders, as well as for compliance with regulatory, tax, financial reporting, legal, and other requirements. Company Personnel who make entries into business records or who contribute information used to produce reports, have a responsibility to fairly present all information in a truthful, accurate and timely manner. Company Personnel shall not exert influence over, coerce, mislead or in any way manipulate or attempt to manipulate the accumulation, retention and reporting of Company information.

Company Personnel should cooperate fully with the independent auditors in their audits and in assisting in the preparation of financial disclosure.

Disclosures and Communications

Unless you are specifically authorized under the Corporate Disclosure and Confidentiality policy to represent the Company, you shall not respond to inquiries or requests for information. This includes shareholders, industry analysts, newspapers, magazines, trade publications, radio and television as well as any all other external sources requesting information about the Company. If you are contacted by a third-party about any topic, immediately refer the inquirer to one of the individuals authorized to respond under the Disclosure and Confidentiality Policy.

Insider Trading

Company Personnel and others are prohibited from trading in the Company's Securities if they have knowledge of undisclosed Material Information. Undisclosed material information means any information, event or circumstance (including a change in previous information or facts) relating to the business and affairs of the Company that would have a reasonable likelihood to have a significant effect on the market price of the Company's Securities or be considered important to an investor in making an investment decision regarding the purchase or sale of the Company's Securities.

Additionally, Material Information shall not be disclosed to others, including but not limited to family members, before it is communicated to the public. Such action would be considered "tipping" and is prohibited under securities laws. See the Insider Trading policy for further details.

IV. CONDUCT IN THE COMMUNITY AND ENVIRONMENT

The Company recognizes good management of environmental and social considerations as a corporate priority and is committed to the establishment of sustainable relationships with its stakeholders, in particular the communities surrounding its projects. The Company seeks to support community-based projects that can make a difference in a sustainable way without creating dependency. See the Corporate Social Policy and the Environment Policy for further details

Stakeholder Engagement

As an organization that is committed to sustainable development, the Company seeks to establish relationships with its stakeholders, in particular with those communities surrounding its projects and operations. The Company is committed to managing stakeholder relationships based on respect, full transparency and open communication. The Company seeks to support community based projects that can make a difference in a sustainable manner without creating dependency. For each project, a stakeholder engagement plan is to be developed and implemented.

Human Rights

It is the Company's policy that all Lydian Company Personnel and Business Partners respect the human rights of all stakeholders and local communities in which Lydian conducts business. No human rights violations by any Lydian entity, Company Personnel or Business Partner will be tolerated. In countries where Lydian conducts business there may be relevant local laws that overlap with our international human rights requirements, including criminal laws and laws regarding child labor, freedom of association, equality of economic opportunity, accessibility and accommodation, and compensation. All Lydian employees must adhere to such applicable local laws and international requirements, in particular the Voluntary Principles on Security and Human Rights.

Cultural Heritage

The Company seeks to avoid and/or minimize impact to cultural heritage and will manage its efforts in consultation with the relevant communities and national cultural specialists.

Environment

The Company is committed to sound environmental management. It is the intent of Lydian to identify, minimize and mitigate adverse environmental impacts based on international best practice. The Company is further committed to providing adequate resources to meet its environmental management obligations throughout the design, development, operation and closure of its operations.

Water

The Company recognizes the importance of responsible water management and conservation as a key business, environmental and societal issue. Each project aims to not degrade water resources and their dependent ecosystems.

Pollution

Lydian aims to integrate pollution controls and to minimize its impact on the environment by implementing a number of environment management plans throughout the design, development, operation and closure of its projects. Company Personnel are expected to perform work at all times within such environmental management plans.

Biodiversity

The importance of conservation and responsible management of biological diversity is a key societal concern. Lydian aims to develop projects which do not degrade ecosystems, either those on which they depend for operational success or those on which others depend for their well-being or livelihood. The Company aims to achieve “No Net Loss” of biodiversity or of priority ecosystem services as a result of its operations.

V. USING THIS CODE OF CONDUCT AND COMMUNICATING CONCERNS

Responsibilities of Company Personnel

It is the responsibility of all Company Personnel to understand and comply with this Code of Conduct. Company Personnel are required to sign an acknowledgement in the form attached as Exhibit “A” to this Code at the time of employment. Thereafter, Company Personnel are required to provide an annual acknowledgement in the form attached as Exhibit “B” to this Code.

Responsibility of Business Partners

Business Partners are expected to understand and comply with this Code of Conduct in the course of providing goods and services to the Company. Business Partners are required to sign an acknowledgement in the form attached as Exhibit "C" to this Code.

Execution of these acknowledgments by Company Personnel is a representation that he/she has read, understands, and will act in good faith at all times to comply in all respects with this Code, and has sought and obtained any required clarifications.

Reporting Compliance Violations and Improper Conduct

Lydian is committed to providing an atmosphere of open communication for compliance issues and to ensure that Company Personnel, acting in good faith, have the means to report possible violations without fear of retaliation.

All Company Personnel are encouraged to communicate good faith concerns that may represent violations. Several channels for communicating are available, depending on the level of confidentiality desired by the reporting individual. Concerns may be voiced to a supervisor, officer of the Company, or through the Company's whistleblower process.

**Exhibit
"A"**

**Acknowledgement of Receipt and Understanding for
NEW Lydian Employees**

I, _____ hereby acknowledge having read the Lydian Code of Conduct and understand its provisions and will comply with the Code of Conduct at all times and in all respects.

Signature

Date

Exhibit "B"

Acknowledgement of Receipt and Understanding for

EXISTING Lydian Employees

I, _____ hereby acknowledge having read the Lydian Code of Conduct and I fully understand its provisions. I have not violated the provisions of the Code and I will comply with the Code at all times and in all respects.

Signature

Date

Exhibit "C"

Acknowledgement of Receipt and Understanding for

Business Partners

_____ (Insert name of Business Partner) hereby acknowledge having read the Lydian Code of Conduct and fully understand its provisions.

In connection with providing goods and/or services to the Company (select all that apply):

- I (we) have not violated the provisions of Lydian's Code and I (we) will comply with the Code at all times and in all respects during the course of providing goods or services to Lydian.

- I (we) are subject to an acceptable alternative code of conduct and shall comply with such code of conduct. A copy of our code of conduct has been made available to Lydian.

Signature

Date

Print Name

Appendix A – Defined Terms

“Business Partners” mean agents, sub-agents, consultants, representatives, contractors and suppliers.

“Company” means Lydian International Limited and its subsidiaries.

“Code of Conduct” or **“Code”** means the Company’s explicit statement of values and guiding principles as adopted by its board of directors.

“Company Personnel” means all Directors, Officers and Employees of the Company.

“Compliance Officer” means one or more members of management approved by the Company’s audit committee to receive and respond to matters under the Code.

“Director” means a member of the board of directors of Lydian International Limited or any of its subsidiaries.

“EBRD” means the European Bank for Reconstruction and Development

“Employees” means full-time, part-time, fixed-term contract or seconded employees.

“IFC” means the International Finance Corporation

“Public Official” means

- 1) A person who holds a legislative, administrative or judicial position of a state;
- 2) A person who performs public duties or functions for a state, including a person employed by a board, commission, corporation or other body or authority that is established to perform a duty or function on behalf of the state, or is performing such a duty or function; and
- 3) An official or agent of a public international organization that is formed by two or more states or governments, or by two or more such public international organizations.

The definition includes an elected representative, government official, or judge in a state as well as a representative of a public international organization, such as the United Nations. This definition is consistent with the definition of a “foreign public official” in Article 1.4 of the OECD Convention.

“Financial Matters” means the Company’s accounting, internal controls, and auditing processes.

“Information Technology” means computers, and servers, applications, tablets, mobile devices (including all text and instant messages sent from or received by such devices), e-mail programs and accounts (including all Lydian email addresses and email sent from or received by such accounts), intranet and internet access, telephones and voicemail.

“Lydian” means Lydian International Limited and its subsidiaries.

“Material Information” means any information, event or circumstance (including a change in previous information or facts) relating to the business and affairs of the Company that would have a reasonable likelihood to have a significant effect on the market price of the Company’s securities or be considered important to an investor in making an investment decision regarding the purchase or sale of the Company’s Securities. The determination of whether information is “material” is subjective and requires judgment.

“Officer” means an officer of the Company.

“Securities” means (a) ordinary shares, stock options, and any other securities that the Company may issue from time to time and (b) put or call options or other derivative securities, the value and characteristics of which, depend, in part or whole, on the value and characteristics of the Company’s Securities.

“Workplace” means the Company’s offices, mine and project sites as well as any other Company-related place or event.