



## DISCLOSURE AND CONFIDENTIALITY POLICY

### I. PURPOSE

The purpose of this Policy is to establish standards for confidentiality of Material Information before its public disclosure and practices to be employed in making public disclosures and subsequent communications. Application of this Policy is intended to ensure compliance with applicable laws and regulations, establish equitable disclosure standards, and foster delivery of accurate, timely, and consistent information to the Company's stakeholders.

The Audit Committee has responsibility for oversight of compliance with this policy.

### II. APPLICABILITY

This Policy extends to all Company Personnel, the Disclosure Committee, and other persons authorized to speak on behalf of the Company.

The Policy applies to Material Information that has not been publicly disclosed and disclosures of Material Information made in documents filed with securities regulatory authorities and other written statements such as, but not limited to, annual and quarterly reports, news releases, letters to shareholders, presentations, media distributions, information contained on the Company's Internet Sites, and other electronic communications. It extends to oral statements such as, but not limited to, those made during meetings and telephone conversations, press conferences and conference calls, interviews with the media, and speaking engagements.

### III. DEFINITIONS

**"Company"** means Lydian International Limited and its subsidiaries.

**"Company Personnel"** means all Directors, officers and employees of the Company.

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

**"Disclosure Committee"** means the management representatives responsible for application of this Policy. Members of the Disclosure Committee shall include the Chief Executive Officer, Chief Financial Officer, and Corporate Secretary.

**"Disclosure Controls and Procedures"** means controls and other procedures of the Company that are designed to provide reasonable assurance that information required to

be disclosed in the annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed in the annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to management, including its certifying officers, as appropriate to allow timely decisions regarding required disclosure.

**“FLI”** means forward-looking information, including guidance and estimates, provided by the Company.

**“Internet Sites”** means websites and other social media sites, accounts or channels maintained or utilized by the Company.

**“IIROC”** means the Investment Industry Regulatory Organization of Canada. IIROC, among other duties, sets and enforces market integrity rules regarding trading activity on Canadian equity marketplaces.

**“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.

**“Selective Disclosure”** means an occurrence when Company Personnel or others with knowledge of undisclosed Material Information discloses this information without first ensuring appropriate public dissemination as provided in the Policy.

#### IV. POLICY

##### A. Confidentiality

Company Personnel and others privy to undisclosed Material Information are prohibited from communicating such information to anyone else, except in cases where such person has a “need to know” in the ordinary course of the Company’s business. Efforts should be made to limit access to undisclosed Material Information and any recipients should be advised that the undisclosed Material Information is to be kept confidential and may only be utilized for the benefit of the Company in connection with the business of the Company. Company Personnel obligations of confidentiality regarding Material Information shall continue after leaving Company.

Third parties privy to undisclosed Material Information should be informed that they must not divulge such information to anyone else, other than in the necessary and proper course of business, and that they may not trade in the Company’s securities until the information has been disseminated to the investing public in a broad, non-exclusionary manner in accordance with applicable laws and regulatory requirements. Such third parties may be required to confirm their commitment to this non-disclosure obligation by signing a written confidentiality agreement.

Company Personnel should secure all confidential information they may have at the end of each working day or during extended periods away from their workstations. This policy extends to off-site workspaces, such as home offices and hotel rooms. Care should also be taken to limit access to confidential information during travels and in other public settings.

In order to prevent inadvertent disclosure or misuse of undisclosed Material Information, Company Personnel should be cognizant of the sensitivity of this information and employ procedures such as:

1. Confidential matters should not be discussed in places where the discussion may be overheard, such as elevators, hallways, restaurants, airplanes, or taxis;
2. Confidential documents should not be read in public places and should not be discarded where others can retrieve the documents;
3. Transmission of documents by electronic means, such as by fax or from one computer to another, should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions;
4. Unnecessary copying of confidential documents should be avoided and documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded. Extra copies of confidential documents should be shredded or otherwise destroyed;
5. Documents and files containing confidential information should be kept in a safe place to which access is restricted to individuals who “need to know” that information in the necessary course of business.
6. All proprietary information, including computer programs and other records, remain the property of the Company and may not be removed, disclosed, copied or otherwise used except in the normal course of employment or with prior permission.
7. Computers should be password protected and configured to reset to the login screen after several minutes of inactivity; and
8. Internal documents containing Material Information should be designated as “confidential” where appropriate.

9. Oversee the content and presentation of the information presented on the websites of the Company and its affiliates.

B. Disclosure Committee

The Disclosure Committee shall have the responsibility to:

1. Oversee the design and implementation of Disclosure Controls and Procedures to provide reasonable assurance that public disclosure and subsequent communications of Material Information are timely, accurate, complete, and equally accessible;
2. Monitor the effectiveness of Disclosure Controls and Procedures;
3. Consider the materiality of information and events as they arise to determine the applicable disclosure obligations;
4. Ensure disclosures are prepared and reviewed by appropriate Company Personnel or external advisors;
5. Review and approve all applicable public disclosure documents as contemplated by this Policy; and
6. Serve as the primary contact for Company Personnel wishing to discuss questions relating to the disclosure of information concerning the Company.

The Disclosure Committee will meet as conditions dictate. It is essential that the Disclosure Committee be fully apprised of all material developments in order to evaluate and discuss those events to determine the appropriateness and timing for public release of information or whether the information should remain confidential.

C. General Disclosure Principles

1. Company Personnel should advise the Disclosure Committee if they become aware of information that may be considered Material Information;
2. The Chief Executive Officer shall be the primary spokesperson with regard to Material Information for the Company. The Chief Financial Officer and Vice President of Investor Relations are also designated as spokespersons regarding such information. Members of the Disclosure Committee may designate others to act as spokespersons from time to time or with regard to specialized topics. Company Personnel and others who are not authorized spokespersons should not respond to inquiries.
3. Selective Disclosure is prohibited during private or semi-private communications. If Selective Disclosure occurs, the Disclosure Committee shall be notified and the information shall be publicly disclosed as soon as practical through a news release.

4. Material Information should be disclosed publicly in a timely manner once the information is complete and has been verified. Any decisions to delay disclosure should only be made after consultation with legal counsel and in accordance with applicable securities laws and stock exchange rules.
5. Information disclosed should provide a balanced portrayal of the facts and circumstances. Favorable and unfavorable Material Information shall be disclosed with the same timeliness and prominence. Disclosure must include information, the omission of which, would make the rest of the disclosure misleading.
6. Disclosure shall be updated if earlier disclosure becomes materially misleading as a result of any intervening events or changes in available facts.
7. Notwithstanding other disclosure commitments, all Material Information shall first be disclosed through a news release. Thereafter, communications can be made to other stakeholders (e.g. surrounding communities/villages) as may be required to comply with applicable laws and regulations and to meet international performance standards.

D. News Releases

Material Information should be disclosed through a news release in a timely manner. In regard to financial results and management's discussion and analysis, public disclosure shall be made following Board approval. Unless specifically approved by the Company's legal counsel, all news releases should be cleared through IIROC prior to release.

News releases shall be:

1. Disseminated through an approved news wire service that provides simultaneous distribution;
2. Filed at SEDAR.com on a timely basis; and
3. Posted on the Company's corporate website and other corporate social media sites on a timely basis. Note that the news release page of the website shall include a notice that advises the reader that the information posted was accurate at the time of posting but may be superseded by subsequent press releases.

E. Conference Calls and Webcasts

Conference calls or webcasts may be held from time to time. Protocol for conference calls and webcasts shall be:

1. The Company shall provide advance notice of all conference calls and webcasts through a news release. The news release should include the date, time, subject matter, access information, and source of any supplemental materials. Posting supplemental materials to the Company's website prior to the start of conference calls or webcast is acceptable, provided the content does not include Material Information not previously disclosed.

2. Supplemental materials should include appropriate cautionary statements regarding FLI consistent with the news release that is the subject of the conference call or webcast. The spokesperson should highlight this cautionary statement at the outset of the conference call or webcast.
3. The Disclosure Committee or its designee(s) shall monitor conference calls and webcasts to determine whether selective disclosure of previously undisclosed Material Information occurred. If so, the Company shall immediately disclose any such Material Information via a news release.
4. A tape recording of a conference call or an archived webcast shall be made available on the Company's website for a minimum of 30 days following the event.

#### F. Internet Sites

The content of Internet Sites shall be subject to this Policy in the same manner as other disclosures and communications. Additionally, any links from Internet Sites to third party sites shall be approved by the Disclosure Committee. Such links shall include a notice that advises the reader that he or she is leaving the Company's site. Company Personnel shall not discuss or post any information relating to Company, including Company's name and logo, without the review and approval of the Disclosure Committee.

#### G. Non-Public Meetings and Communications

This Policy recognizes that meetings and other communications with shareholders, analysts and others are an important element of the Company's investor relations program. However, this Policy requires the content of such communications be limited to previously disclosed Material Information and other non-material information. Furthermore, care should be applied to ensure that communications do not provide a collection of indicators or smaller elements of otherwise Material Information that can be constructed into a mosaic that results in Selective Disclosure.

To the extent possible:

1. At least one other Company representative should attend meetings with designated spokespersons or be copied on written correspondences;
2. An outline or script should be used by the spokesperson to ensure that the discussions are controlled in a manner that avoids Selective Disclosure;
3. Notes of significant elements of a meeting should be documented and retained; and
4. After a meeting or other communication, consideration should be given to whether Selective Disclosure occurred by the Disclosure Committee.

#### H. Analyst Reports and Models

The Company regards analyst reports as proprietary information that belongs to and is the responsibility of analysts' firms. When reviewing analyst reports and models, the Company shall:

1. Review for historical, factual, and publicly disclosed content;
2. Advise the analyst of the extent and limitations of the Company's review;
3. Avoid confirming or unduly influencing an analyst's opinions or conclusions, unless deemed to represent a significant outlier. If so, the Company shall question the assumptions applied and direct the analyst to previously disclosed Company information;

Distribution of analyst reports may be viewed by others as an endorsement by the Company of the report. Accordingly, the Company shall not provide analyst reports to persons outside of the Company through any means. The Company may post a complete list of analysts covering the Company (regardless of the recommendations) to its Internet Sites. The list should be limited to the analysts' names and firms represented.

#### I. Chat Rooms, Social Media and Rumors

Company Personnel may monitor chat room and social media sites, but are prohibited in all instances from directly or indirectly participating or intervening. If Company Personnel become aware of postings that may be libelous or potentially require action by the Company, they should notify a member of the Disclosure Committee. Any action will only be taken by the Disclosure Committee after consultation with legal counsel.

Regardless of source, Company Personnel should not comment affirmatively or negatively on rumors. The Company's spokespersons should respond consistently to rumors saying, "It is our policy not to comment on rumors or speculation." If the Toronto Stock Exchange requests a public response by the Company to a market rumor, the Disclosure Committee will consider the matter and decide whether to make a policy exception.

#### J. Cautionary Statements Regarding Forward Looking Information

With regard to FLI, the following guidelines shall be observed:

1. FLI should be identified;
2. The Company should identify material factors or assumptions used in preparing FLI;
3. FLI should be accompanied by a statement that identifies, in reasonably specific terms, the risks and uncertainties that may cause the actual results to differ materially from those projected in the FLI including, if appropriate, a sensitivity

analysis to indicate the extent to which different business conditions from the underlying assumptions may affect the actual outcome; and,

4. FLI should be accompanied by a statement that disclaims the Company's intention or obligation to update or revise FLI, whether as a result of new information, future events or otherwise, except where deemed material departure from previous disclosure or as required by law.

K. Disclosure Records

A record of public information contributed to or issued by the Company shall be maintained. This record shall include, but is not limited to, continuous disclosure documents, presentations, analyst reports, transcripts, recordings of conference calls, webcasts, and media articles.

L. Communication and Enforcement

Company Personnel shall be directed to this Policy upon initial association with the Company. Company Personnel shall also be directed to review this Policy whenever amended and, in any event, not less than annually.

Company Personnel who violate this Policy may face 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.

This policy was approved by the Board of Directors on November 8, 2017.