

LYDIAN INTERNATIONAL LIMITED
INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
June 30, 2014
(Unaudited)

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COMPANY PARTICULARS

DIRECTORS

Mr Gordon Wylie, Non-Executive Director and Chairman of the Board
Mr Howard Stevenson, Director
Mr Bill Abel, Non-Executive Director
Mr Timothy Read, Non-Executive Director
Mr Stephen J. Altmann, Non-Executive Director
Mr Vahan Kololian, Non-Executive Director

OFFICERS

Mr Howard Stevenson, President and Chief Executive Officer
Mr. Douglas Tobler, Chief Financial Officer
Mr Marc Leduc, Chief Operating Officer
Mr Eric Lowy, Company Secretary

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LYDIAN INTERNATIONAL LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2014

Lydian International Limited
Interim Condensed Consolidated Income Statements (Unaudited)
For three and six month periods ended June 30, 2014 and 2013
(Presented in United States Dollars, except where indicated)

	Notes	Three month period ended June 30,		Six month period ended June 30,	
		2014	2013	2014	2013
		\$	\$	\$	\$
Interest income		23,886	44,920	58,889	83,001
Total income		23,886	44,920	58,889	83,001
Employee salaries and benefits expenses	6	(1,575,369)	(1,207,234)	(2,480,150)	(2,887,836)
Services and consumables used		(121,561)	(236,997)	(439,250)	(535,283)
Administrative and other expenses		(645,212)	(1,092,089)	(1,286,782)	(1,726,220)
Depreciation and amortisation expenses		(30,186)	(41,945)	(61,418)	(82,315)
Interest expense		-	(128,043)	-	(252,257)
Other (losses) gains	7	(487,162)	155,166	(275,467)	320,150
Total expenses		(2,859,490)	(2,551,142)	(4,543,067)	(5,163,761)
Loss before tax		(2,835,604)	(2,506,222)	(4,484,178)	(5,080,760)
Income taxes		-	-	-	-
Loss for the period		(2,835,604)	(2,506,222)	(4,484,178)	(5,080,760)
Loss per share (basic and diluted)	8	(0.02)	(0.02)	(0.03)	(0.04)

The accompanying notes are an integral part of these interim condensed consolidated financial statements

LYDIAN INTERNATIONAL LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2014

Lydian International Limited
Interim Condensed Consolidated Statements of Comprehensive Loss (Unaudited)
For three and six month periods ended June 30, 2014 and 2013
(Presented in United States Dollars, except where indicated)

	Three month period ended		Six month period ended	
	June 30,		June 30,	
	2014	2013	2014	2013
	\$	\$	\$	\$
Loss for the period	(2,835,604)	(2,506,222)	(4,484,178)	(5,080,760)
Other comprehensive income (loss):				
Exchange differences arising on translation of foreign operations	1,760,825	459,730	112,646	(1,996,113)
Total comprehensive loss for the period	(1,074,779)	(2,046,492)	(4,371,532)	(7,076,873)

The accompanying notes are an integral part of these interim condensed consolidated financial statements

LYDIAN INTERNATIONAL LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2014

Lydian International Limited
Interim Condensed Consolidated Statements of Financial Position (Unaudited)
As of June 30, 2014 and December 31, 2013
(Presented in United States Dollars, except where indicated)

	Notes	June 30, 2014	December 31, 2013
		\$	\$
ASSETS			
Non-current assets			
Property and equipment	9	3,180,003	3,652,596
Intangible assets		108,486	127,873
Exploration and evaluation assets	10	62,580,227	58,731,741
VAT recoverable		3,962,660	3,932,492
Total non-current assets		69,831,376	66,444,702
Current assets			
Cash and cash equivalents		20,647,301	8,549,127
Other current assets		893,786	804,538
Total current assets		21,541,087	9,353,665
TOTAL ASSETS		91,372,463	75,798,367
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	11	148,148,407	128,388,124
Employee share option plan reserve	12	4,723,085	4,709,655
Translation of foreign operations		(6,332,665)	(6,445,311)
Accumulated deficit		(56,939,571)	(52,455,393)
Total equity		89,599,256	74,197,075
Non-current liabilities			
Non-current accrued liabilities		584,045	586,407
Provisions		66,679	66,949
Total non-current liabilities		650,724	653,356
Current liabilities			
Accrued liabilities and other payables	13	1,122,483	947,936
Total current liabilities		1,122,483	947,936
TOTAL EQUITY AND LIABILITIES		91,372,463	75,798,367

Subsequent Events (Note 15)

The accompanying notes are an integral part of these interim condensed consolidated financial statements

Lydian International Limited
Interim Condensed Consolidated Statements of Changes in Equity (Unaudited)
For six month periods ended June 30, 2014 and 2013
(Presented in United States Dollars, except where indicated)

	<i>Share capital</i>	<i>Warrants</i>	<i>Employee share option plan reserve</i>	<i>Translation of foreign operations</i>	<i>Accumulated deficit</i>	<i>Total</i>
	\$	\$	\$	\$	\$	\$
Balance at January 1, 2013	125,315,924	549,706	3,822,613	(5,063,935)	(42,934,674)	81,689,634
Proceeds from exercised warrants	1,907,629	-	-	-	-	1,907,629
Attributable to exercised warrants	549,706	(549,706)	-	-	-	-
Attributable to expired options	372,399	-	(372,399)	-	-	-
Employee share options vested during the period	-	-	1,072,542	-	-	1,072,542
Total comprehensive loss for the period	-	-	-	(1,996,113)	(5,080,760)	(7,076,873)
Balance at June 30, 2013	128,145,658	-	4,522,756	(7,060,048)	(48,015,434)	77,592,932

The accompanying notes are an integral part of these interim condensed consolidated financial statements

Lydian International Limited
Interim Condensed Consolidated Statements of Changes in Equity (Unaudited)
For six month periods ended June 30, 2014 and 2013
(Presented in United States Dollars, except where indicated)

	<i>Share capital</i> \$	<i>Warrants</i> \$	<i>Employee share option plan reserve</i> \$	<i>Translation of foreign operations</i> \$	<i>Accumulated deficit</i> \$	<i>Total</i> \$
Balance at January 1, 2014	128,388,124	-	4,709,655	(6,445,311)	(52,455,393)	74,197,075
New share issue	20,037,208	-	-	-	-	20,037,208
Cost of share issue	(1,162,387)	-	-	-	-	(1,162,387)
Attributable to expired options	885,462	-	(885,462)	-	-	-
Employee share options vested during the period	-	-	898,892	-	-	898,892
Total comprehensive loss for the period	-	-	-	112,646	(4,484,178)	(4,371,532)
Balance at June 30, 2014	148,148,407	-	4,723,085	(6,332,665)	(56,939,571)	89,599,256

The accompanying notes are an integral part of these interim condensed consolidated financial statements

Lydian International Limited
Interim Condensed Consolidated Statements of Cash Flows (Unaudited)
For six month periods ended June 30, 2014 and 2013
(Presented in United States Dollars, except where indicated)

	Six month period ended	
	June 30, 2014	June 30, 2013
	\$	\$
Cash flows for operating activities		
Payments to suppliers and employees	(3,029,744)	(5,301,144)
Net cash used in operating activities	(3,029,744)	(5,301,144)
Cash flows for investing activities		
Interest received	46,657	83,001
Payments for property and equipment and intangible assets	(34,982)	(228,669)
Exploration and evaluation amounts paid	(3,612,757)	(5,104,413)
Proceeds from disposal of property and equipment	33,283	4,299
Refund from deposits	100,000	-
Net cash used in investing activities	(3,467,799)	(5,245,782)
Cash flows from financing activities		
Proceeds from issuance of share capital, net	18,874,821	1,907,629
Net cash generated from financing activities	18,874,821	1,907,629
Net increase (decrease) in cash and cash equivalents	12,377,278	(8,639,297)
Cash and cash equivalents, beginning of the period	8,549,127	32,705,731
Effects of exchange rate changes on the balance of cash held in foreign currencies	(279,104)	875,100
Cash and cash equivalents, end of the period	20,647,301	24,941,534

The accompanying notes are an integral part of these interim condensed consolidated financial statements

Lydian International Limited**Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)****For three and six month periods ended June 30, 2014 and 2013****(Presented in United States Dollars, except where indicated)****1. GENERAL INFORMATION**

Lydian International Limited (the “Company”) is a company continued under the laws of Jersey effective on December 12, 2007 (formerly existing under the laws of Alberta, Canada). The registered office address of the Company is Ground Floor, Charles House, Charles Street, St Helier, JE2 4SF Channel Islands. The Company’s ordinary shares (“Ordinary Shares”) began trading on the Toronto Stock Exchange (“TSX”) on January 10, 2008 under the symbol “LYD”.

The Company, together with its subsidiaries, (the “Group”) is a gold-focused mineral development company pursuing large, high-quality resources in emerging and transitional geopolitical regions. Currently, Lydian is focused on Eastern Europe, primarily in the Caucasus region. The Company’s main project is a gold development project (the “Amulsar Gold Project”) located in Armenia. In addition, the Company holds a license covering an early-stage gold prospect (the “Kela Project”) in the Guria region of Georgia. In conducting operations in Armenia and Georgia, the Company is subject to considerations and risks not typically associated with companies operating in Canada. These include risks such as political, economic and legal environments in an emerging market. The Company’s results may be adversely affected by changes in political and social conditions and by changes in governmental policies with respect to mining laws and regulations, currency conversion and remittance abroad and rates and methods of taxation.

The recovery of amounts capitalized as exploration and evaluation assets is dependent upon the Company’s ability to arrange appropriate financing and secure and maintain all rights required to complete development of the properties and achieve future profitable production or proceeds from disposition of these assets.

The interim condensed consolidated financial statements have been prepared in accordance with the accounting policies adopted in the Group’s most recent annual financial statements for the year ended December 31, 2013, except for those newly adopted as described in Note 2.

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS**Standards and Interpretations adopted during the current period****IFRIC 21 ‘Levies’**

IFRIC 21 clarifies that for levies the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by the government’s legislation. If this activity arises on a specific date within an accounting period then the entire obligation is recognised on that date.

The Group, through its wholly owned subsidiaries, are required to pay levies such as mine duties and property taxes payable and paid on an annual basis. Adoption of IFRIC 21 had no material effect on the interim or annual consolidated financial statements.

IAS 19 ‘Employee Benefits’ Defined Benefit Plans: Employee Contributions

The amendments to IAS 19 clarify the requirements of IAS 19 relating to contributions from employees or third parties and introduce a practical expedient such that contributions that are independent of the number of

years of service may be treated as a reduction in the service cost in the period in which the related service is rendered.

The Group has applied the practical expedient as its accounting policy. This treatment is consistent with the Group's previous practice before the Amendments to IAS 19. Therefore, the initial application of the amendments to IAS 19 has no effect on the Group's financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These interim condensed consolidated financial statements for the three and six month periods ended June 30, 2014 were prepared in accordance with IAS 34, "Interim Financial Reporting". The interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2013, which have been prepared in accordance with IFRS.

Basis of preparation

The interim condensed consolidated financial statements were prepared on the historical cost basis and presented in United States Dollars (US).

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

When preparing the interim financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. Actual results may differ from the judgments, estimates and assumptions made by management, and will seldom equal estimated results. Judgments, estimates, and assumptions applied in the interim condensed consolidated financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended December 31, 2013.

5. GEOGRAPHICAL SEGMENTS

The Group is engaged in one business activity, mineral exploration and development. The two key geographical segments for these activities are located in Armenia and Georgia. The Group's head office activities are conducted in Jersey (Channel Islands).

All transactions between segments are measured at fair value. All balances, income and expenses between segments are eliminated in full on consolidation.

The geographical segmented information on income statement and property, equipment and intangible assets and expenditure items are given below:

	For six month period ended	
	June 30, 2014	June 30, 2013
Interest income	\$	\$
Armenia	2,572	3,950
Georgia	21,399	-
Head office activities	34,918	79,051
	58,889	83,001
	58,889	83,001

LYDIAN INTERNATIONAL LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2014

	For six month period ended	
	June 30, 2014	June 30, 2013
	\$	\$
Loss for the period		
Armenia	799,687	1,027,414
Georgia	91,252	178,124
Head office activities	3,593,239	3,875,222
	4,484,178	5,080,760

Depreciation and amortisation

Armenia	15,928	21,978
Georgia	12,567	15,705
Head office activities	32,923	44,632
	61,418	82,315

Property, equipment and intangible asset expenditures

Armenia	19,007	205,704
Georgia	-	-
Head office activities	15,975	22,965
	34,982	228,669

The geographical segmented information on certain Statement of Financial Position items is given below:

	As of June 30, 2014	As of December 31, 2013
	\$	\$
Exploration and evaluation assets		
Armenia	62,005,491	58,146,148
Georgia	574,736	585,593
Head office activities	-	-
	62,580,227	58,731,741
Property and equipment		
Armenia	3,085,317	3,523,075
Georgia	58,330	72,142
Head office activities	36,356	57,379
	3,180,003	3,652,596
Intangible assets		
Armenia	73,583	84,987
Georgia	-	-
Head office activities	34,903	42,886
	108,486	127,873

LYDIAN INTERNATIONAL LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2014

June 30, 2014

	Armenia \$	Georgia \$	Head office activities \$	Eliminations \$	<i>Consolidated</i> \$
Total assets	70,298,294	759,625	91,410,198	(71,095,654)	91,372,463
Total liabilities	70,240,722	1,935,735	670,572	(71,073,822)	1,773,207

December 31, 2013

	Armenia \$	Georgia \$	Head office activities \$	Eliminations \$	<i>Consolidated</i> \$
Total assets	66,177,826	887,223	75,023,636	(66,290,318)	75,798,367
Total liabilities	65,124,572	1,969,740	789,317	(66,282,337)	1,601,292

6. EMPLOYEE SALARIES AND BENEFIT EXPENSES

	Three month period ended June 30,		Six month period ended June 30,	
	2014 \$	2013 \$	2014 \$	2013 \$
Salaries and other compensations	(928,575)	(767,357)	(1,581,258)	(1,815,294)
Share-based payments	(646,794)	(439,877)	(898,892)	(1,072,542)
	(1,575,369)	(1,207,234)	(2,480,150)	(2,887,836)

7. OTHER (LOSSES) GAINS

	Three month period ended June 30,		Six month period ended June 30,	
	2014 \$	2013 \$	2014 \$	2013 \$
Disposal of property and equipment	4,867	2,427	22,563	2,427
Foreign currency (losses) gain	(478,289)	161,103	(285,190)	291,916
Other (losses) gains	(13,740)	(8,364)	(12,840)	25,807
	(487,162)	155,166	(275,467)	320,150

8. LOSS PER SHARE

Loss per share of \$0.02 and \$0.03 for the three and six month periods ended June 30, 2014 were calculated on the basis of the net loss of \$2,835,604 and \$4,484,178, correspondingly, on 151,687,259 and 145,035,672 shares, being the weighted average number of shares in issue. Loss per share of \$0.02 and \$0.04 for the three

LYDIAN INTERNATIONAL LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2014

and six month periods ended June 30, 2013 were calculated on the basis of the net loss of \$2,506,222 and \$5,080,760, correspondingly, on 130,729,926 and 129,020,215 shares, being the weighted average number of shares in issue.

As a result of the losses incurred during the three and six month periods ended June 30, 2014 and 2013, the potential shares to be issued from the exercise of options and warrants are not included in the computation of diluted per share amounts since the result would be anti-dilutive. Accordingly, the diluted loss per share and the basic loss per share for all periods presented are the same.

9. PROPERTY AND EQUIPMENT

Cost	Machinery	Equipment	Vehicles	Lands and structures	Fixtures and fittings, other	Construction in progress	Total
	\$	\$	\$	\$	\$	\$	\$
At January 1, 2013	2,953,354	723,254	451,498	63,425	217,320	36,134	4,444,985
Additions	-	267,928	143,566	-	239,164	-	650,658
Disposal	-	(14,693)	(21,824)	-	(2,639)	-	(39,156)
Exchange difference	(14,995)	(10,661)	(4,538)	(322)	1,199	(183)	(29,500)
At December 31, 2013	2,938,359	965,828	568,702	63,103	455,044	35,951	5,026,987
Additions	-	25,517	-	-	2,312	-	27,829
Disposal	-	(24,021)	(38,220)	-	-	-	(62,241)
Exchange difference	(11,831)	(4,701)	(3,909)	(254)	(1,805)	(145)	(22,645)
At June 30, 2014	2,926,528	962,623	526,573	62,849	455,551	35,806	4,969,930
ACCUMULATED DEPRECIATION							
	\$	\$	\$	\$	\$	\$	\$
At January 1, 2013	25,670	293,143	183,278	3,796	140,012	-	645,899
Depreciation	427,916	194,904	84,023	2,808	55,099	-	764,750
Disposal	-	(12,991)	(19,939)	-	(1,228)	-	(34,158)
Exchange difference	4,038	(4,384)	(1,575)	8	(187)	-	(2,100)
At December 31, 2013	457,624	470,672	245,787	6,612	193,696	-	1,374,391
Depreciation	289,219	96,501	44,609	1,395	36,595	-	468,319
Disposal	-	(13,301)	(38,220)	-	-	-	(51,521)
Exchange difference	1,586	(1,056)	(1,436)	(10)	(346)	-	(1,262)
At June 30, 2014	748,429	552,816	250,740	7,997	229,945	-	1,789,927

CARRYING AMOUNT

	Machinery	Equipment	Vehicles	Lands and structures	Fixtures and fittings, other	Construction in progress	Total
	\$	\$	\$	\$	\$	\$	\$
At June 30, 2014	2,178,099	409,807	275,833	54,852	225,606	35,806	3,180,003
At December 31, 2013	2,480,735	495,156	322,915	56,491	261,348	35,951	3,652,596

During the six month period ended June 30, 2014, depreciation of \$431,214 was capitalized to exploration and evaluation costs (2013: \$216,367).

10. EXPLORATION AND EVALUATION ASSETS (“EEA”)

Cost	Armenia Project	Georgia Project	Total
	Amulsar	Kela	
	\$	\$	\$
At January 1, 2013	47,154,131	529,949	47,684,080
Additions	11,126,197	83,442	11,209,639
Exchange difference	(134,180)	(27,798)	(161,978)
At December 31, 2013	58,146,148	585,593	58,731,741
Additions	4,045,376	-	4,045,376
Exchange difference	(186,033)	(10,857)	(196,890)
At June 30, 2014	62,005,491	574,736	62,580,227

The net balance of exploration and evaluation assets at June 30, 2014 compared to December 31, 2013 increased by \$3,848,486. During the six month period ended June 30, 2014, \$4,045,376 was incurred at the Amulsar Gold Project for development activities, environmental and social impact studies, maintenance, lease payments, and other costs. There were no capitalized expenditures incurred at Kela Project during the six month period ended June 30, 2014.

Non-cash transactions that increased EEA are as follows:

	Six month period ended June 30, 2014	Year ended December 31, 2013
	\$	\$
Capitalised amortisation and depreciation	432,619	677,351
	432,619	677,351

11. SHARE CAPITAL

Share capital of the Company consists of fully paid ordinary shares. The Company has one class of shares, being Ordinary Shares. The Company is authorised to issue an unlimited number of Ordinary Shares. The Company’s Ordinary Shares have no par value. All shares are equally eligible to receive dividends and repayment of capital and represent one vote at the shareholders’ meeting of the Company.

	Number of shares	\$
Number of ordinary shares issued and fully paid:		
Total outstanding number of shares, January 1, 2013	126,861,168	125,315,924
Shares issued on exercise of warrants	3,311,758	2,457,335
Amount attributable to expired options	-	614,865
Total outstanding number of shares, December 31, 2013	130,172,926	128,388,124
Shares issued for cash, net of shares issue costs (i)	17,250,000	14,609,417
Shares issued for cash, net of shares issue costs (ii)	4,731,000	4,265,404
Amount attributable to expired options	-	885,462
Total outstanding number of shares, June 30, 2014	152,153,926	148,148,407

- i) On February 18, 2014, the Company completed a bought deal transaction with a syndicate of underwriters co-led by GMP Securities L.P. and Scotia Capital and including BMO Capital Markets and National Bank Financial (Underwriters) for 15,000,000 ordinary shares at a price CAD1.00 per ordinary share. The Underwriters also exercised their over-allotment option in full and purchased an additional 2,250,000 ordinary shares at the offering price. As a result, the Company issued 17,250,000 ordinary shares at a price CAD1.00 per ordinary share.
- ii) On March 21, 2014, the Company entered into agreements with two of its current strategic investors: International Finance Corporation (“IFC”), a member of the World Bank Group, and the European Bank for Reconstruction and Development (“EBRD”), pursuant to these agreements, EBRD subscribed for 3,000,000 ordinary shares and IFC subscribed for 1,731,000 ordinary shares of the Company, both at CAD1.00 per ordinary share. The agreement with IFC closed on March 26, 2014, in result the Company issued and sold to IFC 1,731,000 ordinary shares for gross proceeds CAD \$ 1,731,000. On April 16, 2014, the Company issued and sold to EBRD 3,000,000 ordinary shares at price of CAD1.00 per ordinary share.

12. SHARE BASED PAYMENTS – EMPLOYEE SHARE OPTION PLAN

	Number of options	Weighted average exercise price US Dollar
Balance at January 1, 2013	4,780,000	2.35
Granted	600,000	1.19
Expired	(825,000)	2.12
Balance at December 31, 2013	4,555,000	2.09
Granted	3,715,000	0.95
Expired	(1,000,000)	2.07
Balance at June 30, 2014	7,270,000	1.51

During the six month period ended June 30, 2014, 3,715,000 share options were granted to directors, officers and employees of the Company. The weighted average fair value per share options granted during the six month period ended June 30, 2014 was \$0.60. Options were priced using the Black Scholes Option Pricing Model using the following range of assumptions:

	<u>2014</u>
Expected volatility	80%-82%
Expected option life	5 years
Risk free rate	1.3%-1.6%
Dividend yield	0%
Forfeiture rate	0%

During the six month period ended June 30, 2014, \$898,892 (2013:\$1,072,742) was included in employee salaries and benefits expense in the consolidated income statement.

13. ACCRUED LIABILITIES AND OTHER PAYABLES

	June 30, 2014	December 31, 2013
	\$	\$
Accrued liabilities and trade payables	861,987	581,991
Wage accruals	260,496	365,945
	1,122,483	947,936

14. RELATED PARTY TRANSACTIONS

The parent and ultimate controlling party of the Group is Lydian International Limited. No individual party had overall control of the Company or Group during the periods being presented. Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Related parties include the Board of Directors, key management personnel, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions. The non-executive members of the Board of Directors do not have employment or service contracts with Lydian International Limited and neither are they entitled to any termination benefits. None of the directors are entitled to pension benefits.

Key management includes the Company's directors and officers. Compensation awarded to key management for the periods indicated below was:

	Six month period ended June 30, 2014	Six month period ended June 30, 2013
	\$	\$
Salaries and benefits	887,813	504,238
Share-based payments	787,529	676,133

15. SUBSEQUENT EVENTS

The interim condensed consolidated financial statements for the three and six month period ended June 30, 2014 were approved for issue by the Board of Directors on August 13, 2014 and subsequent events have been reviewed through the date of approval.