LYDIAN INTERNATIONAL LIMITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three months ended March 31, 2017

May 10, 2017

Contents

ABOUT THIS MANAGEMENT'S DISCUSSION AND ANALYSIS

This MD&A of the consolidated financial condition and results of operations of Lydian International Limited ("Lydian" or the "Company") was prepared as of May 10, 2017. It is intended to supplement and complement the Company's unaudited condensed consolidated financial statements and related notes as of and for the three-month period ended March 31, 2017. Financial information was prepared in accordance with IFRS as issued by the IASB. All monetary figures are expressed in thousands of U.S. Dollars, unless otherwise indicated. Refer to the Glossary of Defined Terms for definitions of capitalized terms and acronyms used in this MD&A.

Lydian's business is subject to numerous risks and uncertainties that should be considered when reading this MD&A and other disclosures of the Company. Certain forward-looking statements are included in the MD&A. In addition, measured, indicated and inferred mineral resources are based on terms recognized by Canadian regulations. Therefore, readers are encouraged to read the Risk Factors and Cautionary Statements section of this MD&A.

Additional information about Lydian is included in the AIF available at www.lydianinternational.co.uk and the SEDAR website at www.sedar.com.

Q1 2017 HIGHLIGHTS

Construction at Lydian's Amulsar Gold Project in Armenia continued to progress throughout Q1 2017. Priorities included completing the financing package, ordering key equipment, starting fabrication, expanding earthworks as Spring conditions opened working faces, constructing worker accommodations, and advancing major bid packages for contracts to be awarded during Q2 2017. Field activities were somewhat limited during the early part of the quarter, but ramped up as planned during March 2017. Work is now advancing to higher elevations with project activities expected to peak during Q2 and Q3 2017. Winter conditions and minor delays in completing several contracts slightly impacted the project schedule. As of March 31, 2017, project commitments totaled 44% of estimated total project costs. First gold production is targeted for mid-2018. Key accomplishments during Q1 2017 included:

- *Project Financing Completed* – Lydian completed its comprehensive financing plan with the closing of the $50 million ING Term Facility. The financing plan provides $370 million for project construction costs and other estimated interest costs, financing fees, and corporate expenditures during construction.

- *Equipment Supply Contracts* – The Company signed key equipment supply contracts covering all significant components of the mining fleet, materials handling system, gold-recovery plant, electrical systems, and worker accommodations. Associated detailed design, fabrication, and delivery schedules are all advancing.

- *Major Earthworks Underway* – With the onset of Spring conditions, earthworks on key structures started at lower elevations. This included the ADR platform, other associated roads and structures, and topsoil removal in the heap leach facility. Roadwork is now progressing toward the crushing plant site, where work on that platform is expected to begin during Q2 2017.

- *Worker Accommodations* – Establishing appropriate worker accommodations has been a high priority leading into the Summer season. Renovation of a local hotel in Jermuk is now complete. The camp at site is scheduled for completion during Q2 2017 and will provide space for an additional 680 workers.

- *Implementing International Standards* – Lydian continued to implement its commitment to good international industry practices by forming a voluntary, independent advisory panel to monitor and advise on environmental and social activities at Amulsar.

- *Resources and Reserves Growth* – The 2016 drilling program at Amulsar successfully converted a portion of the inferred gold resource within the currently designed pit boundaries. Measured and indicated gold resources increased 16% while contain gold reserves increased 8%. As a second objective, tightly spaced drilling in certain areas of the mine plan provided positive confirmation of the block model.

ABOUT LYDIAN

Lydian is a gold developer focusing on construction at its 100%-owned Amulsar Gold Project, located in south-central Armenia. Amulsar presents an opportunity for a large-scale, low-cost operation with production expected to begin in mid-2018. Open pit mining and conventional heap leach processing contribute to excellent scale and economic potential. Amulsar will be Armenia's largest gold mine, with estimated mineral resources containing 3.5 million measured and indicated gold ounces and 1.3 million inferred gold ounces. Gold production is targeted to average approximately 225,000 ounces annually over an initial 10-year mine life as outlined in the Q1 2017 Technical Report. Existing mineral resources and open extensions provide opportunities to improve average annual production and extend the mine life. Lydian is committed to good international industry practices in all aspects of its operations including production, sustainability, and corporate social responsibility.

The Company's Ordinary Shares began trading under the symbol LYD on January 10, 2008, and the Warrants began trading under the symbol LYD.WT on May 26, 2016.

FIRST QUARTER AND RECENT DEVELOPMENTS

Key developments occurring during Q1 2017 and more recently through the date of this MD&A include:

Amulsar Financing Plan

On February 8, 2017, Lydian Armenia signed the ING Term Facility for up to $50 million. Proceeds will be used to purchase crushing, conveying and electrical equipment. This facility represents the final component of the Company's $437 million financing plan. This plan provides $370 million for project construction costs, with the balance available for interest expense, financing fees, corporate expenditures, and working capital during construction. To date, Lydian has received $188 million from various components of this plan. The balance of the Amulsar project financing is expected to be provided from the $160 million Term Loan; the equipment financing facilities with ING, Cat Financial and Ameriabank; and the COF, if required. All advances under these credit agreements will be subject to satisfaction or waiver of certain conditions.

Equipment Supply Contracts

During February 2017, Lydian announced that Lydian Armenia had signed key equipment supply contracts for the Amulsar Gold Project. These contracts, signed ahead of the 2017 construction season, will provide all significant components of the mining fleet, materials handling system, gold-recovery plant, electrical systems, and worker accommodations. A summary of these contracts and the status includes:

- Zepplin International AG was contracted to supply Cat® mobile mining equipment, including haul trucks, shovels, tractors, loaders, dozers and other units of mining support equipment. Fabrication of the initial order, which includes a shovel and haul trucks, is progressing as planned; initial deliveries are on schedule to begin during Q3 2017.

- The materials handling system will be supplied by two divisions of Sandvik. Major components include the crushing and screening plant, overland conveyor, stockpile reclaim, and truck loadout feeding system. Fabrication of components has started and initial deliveries are expected during Q2 2017.

- AZMET Technology & Projects (PTY) Ltd has been contracted for design and supply of the gold-recovery plant. Work is progressing as planned with fabrication underway.

- Two ABB subsidiaries are under contract for design and supply of equipment and materials for complete plant electrification. Detailed design is complete for some components and nearing completion for most others. Manufacturing has begun for most items where design is complete and delivery timing is being established.

- Renco SpA and Renco Armestate were contracted to design, supply, construct and assemble a 680-bed residence camp immediately adjacent to Amulsar. As discussed below, construction is well advanced and initial occupancy is expected during Q2 2017.

Earthworks

Earthworks are the primary focus of the initial phases of construction. Greater productivity could be achieved at lower elevations during Winter months, therefore, activities were concentrated at Site 28. This is the location of the future processing plant and heap leach facility. The main access road to this location was completed during Q1 2017. Earthworks then commenced on the ADR platform, several adjacent roads, and topsoil removal in the heap leach facility area. As Spring advanced, earthwork activities moved to higher elevations, with work commencing on the access road along the conveyor corridor leading to the crushing plant site.

Worker Accommodations

Accommodations are being developed in advance of the construction peak, anticipated to occur during Q2 and Q3 2017. The accommodation plan calls for more than 1,000 beds. The primary facility will be the 680-bed camp adjacent to Amulsar, which is being constructed by Renco as discussed above. Occupancy will begin during Q2 2017. Recently completed renovations of a local hotel in Jermuk provide additional beds and offsite offices. Remaining accommodation planning is being finalized, and will include additional facilities at the site location and, as potential capacity during the construction peak, use of existing local hotels.

Implementing International Standards

Lydian Armenia has formed an Independent Advisory Panel comprised of Armenian and international environmental and social experts to monitor activities at Amulsar. This voluntary initiative of the Company was part of our ESIA commitment enabling broader stakeholder engagement. The panel will be Chaired by Dr. John Harker, a leading international expert on responsible mining, multi-stakeholder processes, and conflict prevention. The Panel members will convene regularly to monitor progress and to provide objective and authoritative advice on a range of sustainable development issues including environmental management, social management and public health, water management, biodiversity, waste and cyanide management, socio-economic development, governance, and human rights.

Mineral Resource and Reserve Update

During February 2017, the Company announced a positive update to its mineral resource and mineral reserve estimates resulting from the 2016 drilling program at Amulsar. The objectives of the program were the conversion of inferred mineral resource within the currently designed pit boundaries and an increase in drill density in certain areas for mine planning purposes. The measured and indicated mineral resource estimate increased by 19.8 million tonnes to 142.2 million tonnes while the gold grade decreased from 0.77 g/t to 0.76 g/t. The mineral reserve estimate increased by 184,000 contained gold ounces to 2,606,000 contained gold ounces with an increase in the gold grade from 0.78 g/t to 0.79 g/t. The associated Q1 2017 Technical Report is available on the SEDAR website at www.sedar.com.

SELECTED FINANCIAL INFORMATION

Results of Operations

	For the three months ended March 31,	
	2017	2016
Interest income	$ 166	$ 2
Salaries, general and administrative expense	1,871	1,550
Loss on financial instruments at fair value	10,321	-
Other income	(125)	(127)
Total expenses	12,067	1,423
Net loss	(11,901)	(1,421)
Net loss per share (basic and diluted)	$ (0.02)	$ (0.01)

The Company had no revenues other than interest income from bank deposits for the quarters ended March 31, 2017 and 2016. The increase in interest income for the three months ended March 31, 2017 is due to interest on funds received in connection with the Financing Transactions, the Offering and the EBRD Private Placement throughout 2016.

Salaries, general and administrative expenses for the three months ended March 31, 2017 increased over the same period in 2016 largely because of increased headcount, increased share-based compensation related to the restricted stock unit plan, effective July 1, 2016, and increased professional fees incurred in connection with the increased activities of the business. These increases were partially offset by the capitalization of Lydian Armenia costs once the construction decision was made in May 2016.

Financial instruments include derivative assets and derivative liabilities recorded at fair value, with changes in fair value being recorded as a loss (gain) on financial instruments at fair value in the statement of loss. Such derivatives were first recognized on May 26, 2016 (inception), therefore, no comparable amounts existed for Q1 2016. The table below summarizes the sources of loss on financial instruments at fair value for the three months ended March 31, 2017:

Summary of Derivative Assets/(Liabilities	Derivative Assets (Liabilities): Stream Prepayment Option	Offtake Agreement	Stream Commodity Linked Repayment	Warrants, Public Offering	Warrants, Loan Fee	Gain (Loss)
Fair Value Hierarchy Level	3	3	3	2	2	
Fair value at December 31, 2016	$ 1,308	$ (21,178)	$ 6,284	$ (4,261)	$ (512)	
Change in fair value	983	(2,627)	(8,413)	(323)	59	$ (10,321)
Fair value at March 31, 2017:	$ 2,291	$ (23,805)	$ (2,129)	$ (4,584)	$ (453)	

The stream prepayment option is a derivative asset associated with Lydian's right to reduce its delivery obligation by up to 50% under the Stream Agreement upon payment of up to $55 million on various anniversary dates. Exercise of this option is more likely to occur as the gold or silver price trends higher, which would be recognized as an increase in fair value. The gold price increased from $1,150 at December 31, 2016 to $1,247 at March 31, 2017 resulting in an increase in the fair value of the prepayment option in the amount of $1.0 million to $2.3 million as of March 31, 2017.

The Offtake Agreement derivative is a liability associated with the quotational period pricing mechanism. Gold price and volatility are the key variables that effect fair value. The increase in gold price was the primary cause of the $2.6 million loss recognized during Q1 2017, as volatility remained stable.

The stream commodity linked repayment is a derivative associated with Lydian's obligation to deliver gold and silver under the Stream Agreement. This derivative was deemed to be a swap, which had a zero fair value at inception as the strike price was deemed to be equal to the market price. Therefore, the carrying value of this derivative was nil at its inception on May 26, 2016. An increase in the gold or silver price above the inception gold price of $1,220 causes the fair value to increase resulting in a derivative liability, while a decrease in the gold or silver price below the inception price of $1,220 causes the fair value to decrease resulting in a derivative asset. At December 31, 2016, the gold price was at $1,150, resulting in a $6.3 million asset for the Company. At March, 31 2017 the gold price rose to $1,247 resulting in a $8.4 million loss in the quarter.

The outstanding Warrants represent derivative liabilities that are linked, in part, to Lydian's share price relative to the strike price of the Warrants. The fair value of this derivative liability generally increases as Lydian's share price increases. Losses in fair value of $0.3 million were recognized in Q1 2017 as Lydian's share price increased from C$0.33 at December 31, 2016 to C$0.37 at March 31, 2017. The loss was partially offset by reductions in the remaining terms of the Warrants and expected volatility.

There was no income tax expense, no extraordinary transactions, nor any significant end of reporting period adjustments during the periods presented.

Summary of Balance Sheet Data

The following table summarises the Company's financial position:

	As of March 31, 2017	As of December 31, 2016
Cash & cash equivalents	$ 84,043	$ 137,196
Restricted cash	8,778	9,078
Other current assets	1,194	1,058
Mineral property, plant & equipment, net	165,504	111,648
Derivative assets	2,291	7,592
Deferred financing costs	20,363	18,955
Other non-current assets	6,332	5,952
Total assets	$ 288,505	$ 291,479
Current liabilities	$ 7,245	$ 5,905
Stream liability	62,523	60,269
Debt	10,695	10,981
Derivative liabilities	30,971	25,951
Provisions	557	452
Total equity	176,514	187,921
Total liabilities and equity	$ 288,505	$ 291,479

Cash and cash equivalents decreased by $53.2 million since December 31, 2016. Expenditures for Amulsar were $49.5 million, operating activities consumed $2.3 million, and $1.4 million was spent on equipment financing arrangements. See Summary of Cash Flows for additional detail.

The cost of the Amulsar Gold Project is estimated at $369.9 million. During Q1 2017, the Company incurred $54.0 million of expenditures for Amulsar. The activities for the quarter related to advances for the crushing and screening facility, conveyor, ADR Plant, worker accommodations, electrical equipment, mine fleet, and construction management fees. Details for the three months ended March 31, 2017 are as follows:

	For the three months ended March 31, 2017
General Project Costs	$ 2.2
Infrastructure	0.4
Material Handling Systems	24.4
Heap Leach, ADR and Process Facilities	3.6
Site Services & Utilities	3.1
Indirect Costs	7.7
Owner's Costs	2.8
Mine Fleet	7.1
Other	2.7
	$ 54.0

Financing costs increased by a net amount of $1.4 million during three-month period ended March 31, 2017 in support of closing the equipment financing agreements.

The increase in current liabilities of $1.3 million is due to increased construction activities at Amulsar and a portion of the equipment financing that is due within one year.

The increase of $2.3 million of the stream liability is related to accrued interest for the three-month period ending March 31, 2017.

Total equity decreased by $11.4 million since December 31, 2016 as a result of an $11.9 million comprehensive loss recognized in the period. This was offset by the Company recognizing $0.5 million of share-based compensation in the period.

Summary of Cash Flows

The following table is a summary of cash flows:

	For the three months period ended March 31, 2017	2016
Cash and cash equivalents, beginning of period	$ 137,196	$ 28,554
Cash used in operations	(2,331)	(1,196)
Cash used in investing activities	(49,445)	(1,663)
Cash used in financing activities	(1,375)	(589)
Foreign exchange effect on cash	(2)	(149)
Cash and cash equivalents, end of period	$ 84,043	$ 24,957

Cash used in operations during three months ended March 31, 2017 increased from the same period in 2016 by $1.1 million due to payments for the 2016 short-term incentive plan, increased headcount and increased general and administrative costs.

Cash used in investing activities increased $47.8 million over the same period in 2016. The activities for the quarter related to advance payments to vendors for the crushing and screening facility, conveyor, ADR Plant, worker accommodations, electrical equipment, mine fleet, and construction management fees.

Cash used in financing activities increased $0.8 million over the same period in 2016. The increase is related to expenditures for the equipment financing facilities.

SUMMARY OF QUARTERLY RESULTS

A summary of the Company's results of operations for the eight most recently completed quarters is:

	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Net sales	$ -	$ -	$ -	$ -
Net income (loss)	$ (11,901)	$ 21,536	$ (3,947)	$ (13,906)
Net income (loss) per share (basic and diluted)	$ (0.02)	$ 0.03	$ (0.01)	$ (0.04)

	Q1 2016	Q4 2015	Q3 2015	Q2 2015
Net sales	$ -	$ -	$ -	$ -
Net income (loss)	$ (1,421)	$ (1,771)	$ (757)	$ (2,113)
Net income (loss) per share (basic and diluted)	$ (0.01)	$ (0.01)	$ -	$ (0.01)

The Company's financial results are not significantly impacted by seasonality.

OUTSTANDING SHARE DATA

A summary of the Company's share capital is:

	As of May 10, 2017	As of March 31, 2017	As of December 31, 2016
Ordinary shares	699,449,253	699,449,253	699,449,253
Warrants	104,187,500	104,187,500	104,187,500
Stock options	5,760,000	5,760,000	5,760,000
Restricted stock units	13,112,472	13,112,472	5,428,972

LIQUIDITY AND CAPITAL RESOURCES

Working capital as of March 31, 2017 was $86.7 million compared to $141.4 million as of December 31, 2016. This decrease of $54.7 million resulted from Amulsar construction expenditures.

The current level of working capital is sufficient to advance all anticipated work programs until approximately mid-2017. However, funding from the balance of the financing plan discussed below is necessary to meet all project and corporate requirements through completion of Amulsar's construction. Management's financing plan is intended to provide up to $437.4 million for the initial estimated Amulsar capital costs of $370 million, with the balance available for interest expense, financing fees, corporate expenditures, and working capital during construction. Currently, the Company's ability to draw under the equipment financing agreements is capped at $85 million. The balance of funds required is for corporate expenses, financing transaction costs, and interest payable on various credit facilities once drawn.

The Company has arranged the following sources of funds in connection with its financing plan:

	In Millions
Gross proceeds received to date:	
Deposits under the Stream Agreement	$ 60.0
Private Placements to RCF and Orion	80.0
Public offering	29.6
EBRD private placement[1]	8.8
Ameriabank equipment financing	10.0
Sub-total: Gross proceeds received to date	$ 188.4
Other arranged Financing Transactions[3]	
Term Loan	$ 160.0
COF	14.0
Equipment financing (limited to $85m):[2]	75.0
Sub-total: Other arranged Financing Transactions	$ 249.0
Total financing plan	$ 437.4

[1] The terms of the EBRD Private Placement designate the use the net proceeds to be for the financing of environmental and social mitigation measures and related activities in connection with development of Amulsar.

[2] The Company has arranged secured equipment financing facilities for up to $116 million with ING, Cat Financial, and Ameriabank. However, provisions of the Term Loan limit equipment borrowings to $85 million. There can be no assurance that the Company will be able to access funds from these facilities in excess of $85 million. Advances under the equipment financing facilities are subject to satisfaction or waiver of applicable conditions.

[3] Advances under the Term Loan, COF and equipment financings are subject to satisfaction or waiver of applicable conditions. In addition, use of proceeds under the COF are limited to, if any, project cost overruns in excess of the $38 million contingency included as part of the initial capital cost estimate.

In addition to the amounts set out in the financing plan, the Company may receive additional equity proceeds in the event outstanding Warrants are exercised prior to expiration. While there can be no assurances such Warrants will be exercised, in part or in full, the table below summarizes the gross proceeds receivable by the Company in the event of full exercise of the respective classes of Warrants:

	Expiration Date	Exercise Price	Warrants Outstanding	Gross Proceeds (in Millions)
Public Offering - Warrants	November 25, 2017	C$0.36	99,187,500	C$35,707,500
Loan Fee - Warrants	May 25, 2019	C$0.39	5,000,000	C$1,950,000

In addition to project financing requirements for Amulsar, the Company will require additional sources of working capital for near-term exploration opportunities, corporate purposes, and other contractual obligations when due. The Company is subject to certain reimbursement limitations under the terms of the Financing Transactions. While the Company has provided for an estimate of such costs, actual costs may exceed these estimates. As a result, the financing plan may be insufficient and require the Company to issue additional Ordinary Shares or seek other funding sources to meet its construction and non-Amulsar related expenditures.

The ability to and satisfactorily fulfill the conditions of the Financing Transactions and other potential financing arrangements, draw upon such sources when needed, and meet other obligations of the Company when due is uncertain.

The time periods and the Company’s costs relating to the construction-related milestones for Amulsar and other estimates contained in studies or estimates prepared by or for the Company may differ significantly from those currently expected by the Company. There can be no assurance that the actual time periods, access to sufficient funding and the Company’s actual costs with respect to these objectives will not be higher than currently expected.

While the Company believes it can accomplish its stated business objectives, exploration for and development of mineral properties has a number of inherent risks. See Risk Factors in the Company’s AIF for factors that may impact the timing and success of the Company’s planned activities in connection with Amulsar.

The Company has made certain expenditure, performance and timing commitments to the licensing authorities for the Company's projects. Should these expenditure targets not be met or amended, the applicable licenses are not expected to automatically be forfeited, but any shortfall will be considered by the applicable regulatory authority as a factor in whether to renew such licenses.

Use of Proceeds

The following table presents the anticipated use of proceeds from the Financing Transactions, the equipment financing facilities with Ameriabank, Cat Financial, ING Bank and EBRD Private Placement.

In Millions	Assumed	Actual use of proceeds for through March 31, 2017
Direct costs	$ 161.8	$ 41.8
Construction indirect costs	32.5	9.2
Engineering, procurement, construction management	32.9	13.9
Owner's Cost	35.2	7.5
Pre-production working capital	10.0	0.1
Mine fleet and mobile equipment	49.8	7.1
Freight	8.3	-
Contingency	37.6	-
Drilling	1.8	1.8
Total construction costs	$ 369.9	$ 81.4

Any other funds available to the Company from the Financing Transactions or otherwise will be used for working capital purposes and possible cost overruns. Overall project expenditures are generally in line with the scheduled construction activities in 2017.

TAXES PAID IN ARMENIA

Summary of payments to the Armenian State Budgets and local community governments

The following information is provided as part of an initiative by Publish What You Pay (a global civil society coalition) to achieve transparency of oil, gas and mining Company payments to agencies and representatives of those governments as a first step towards a more accountable system for the management of natural resources.

	For the three months ended March 31, 2017	2016
State duty on mining and exploration license	$ 21	$ 20
Income tax paid on behalf of employees	437	100
Land rentals in local communities	211	155
Other taxes and duties	502	1
Land status change	3	-
	$ 1,174	$ 276

The amounts above were paid in Armenian drams, and converted to US$ using the annual average exchange rate for this report period.

FINANCIAL AND OTHER INSTRUMENTS

Financial instruments (assets)

The Company's financial assets include cash and cash equivalents, restricted cash, and derivative assets which are carried at fair value.

Financial instruments (liabilities)

The Company's financial liabilities include accounts payable and accrued liabilities, stream liability and debt that are carried at amortized costs, and derivative liabilities that are carried at fair value.

Derivatives are adjusted to fair value as of the financial statement date, with the amount of adjustment being recognized currently as a gain or loss in the statement of loss. Fair values for derivative instruments are determined using valuation techniques, with assumptions based on market conditions existing at the reporting date.

Capital Management

The Amulsar Gold Project is in the development stage, as such, the Company is dependent on external financing to fund its activities. The Company manages its capital structure and makes adjustments based on changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, incur, repay or restructure debt, and acquire or dispose of assets to facilitate the management of its capital requirements. The Company prepares annual expenditure budgets that are updated as necessary depending upon various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the board of directors. The board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Financial Risk Management

The Company has exposure to a variety of financial risks: market risk (including currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk from its use of financial instruments. This discussion presents information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk.

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages its exposure to financial risks by operating in a manner that minimizes its exposure to the extent practical. The main financial risks affecting the Company are discussed below.

(a) Market risk

Market risk is the risk that changes in market factors, such as foreign exchange rates, interest rates or commodity prices, will affect the value of the Company's financial instruments.

(i) Currency Risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's functional currency is the United States dollar and its primary operations are in Armenia.

The Company primarily has exposure to three currencies: Armenian drams, Canadian dollars and the Euro. Any impact from changes in currency values, to the US dollar are recognized as foreign currency gains or losses in the consolidated statement of loss. The Company's currency risk policy is to hold funds primarily in the US Dollar, with funds held in the Armenian dram, the Canadian Dollar and the Euro roughly in proportion to expected future expenditure over the next quarter.

(ii) Interest rate risk

Interest rate risk is the impact that changes in interest rates could have on the Company's earnings and assets. The Company's exposure to interest rate fluctuations is due primarily to its long-term debt which have interest rates based on LIBOR. The Company has not entered into any agreements to hedge against unfavorable changes in the LIBOR rate. Currently the Company's risk exposure is limited to the drawn portion of the Ameriabank Term Facility. Fluctuations in the LIBOR rate impacts capitalized interest in Mineral Properties. The Company evaluates, on an ongoing basis, opportunities to hedge its interest rate exposure on long-term debt.

Advances from the Term Loan bear interest at LIBOR plus 6.5% (subject to a minimum of 1%) and advances from Ameriabank Term Facility bear interest at LIBOR plus 8.75%. Advances under the ING Term Facility bear interest at LIBOR plus 2.85% and advances under the Cat Term Facility bear interest at LIBOR plus 4.5%.

The Company deposits cash into fully liquid bank business accounts. As such, the Company does not consider its interest rate risk exposure to be significant as of March 31, 2017 with respect to its cash and cash equivalent and restricted cash positions. Fluctuations in interest rates on cash impact interest income.

Sensitivity to a plus or minus 1% change in interest rates with all other variables held constant as at March 31, 2017, would affect the consolidated statements of profit and loss by a de minimus amount in both 2017 and 2016.

(iii) Commodity price risk

The Company is subject to commodity price risk from fluctuations in the market prices for gold and silver. Commodity price risks are affected by many factors that are outside the Company's control including global or regional consumption patterns, the supply of and demand for metals, speculative activities, the availability and costs of metal substitutes, inflation and political and economic conditions. There is no assurance that a profitable market will exist for gold and silver produced by the Company. The Company has not hedged the price of any commodity at this time.

The financial instruments impacted by commodity prices are the embedded derivatives related to the Stream Agreement and the Offtake Agreement, see Note 10 – Financial Instruments of the Company's unaudited condensed consolidated financial statements.

As of March 31, 2017, no ounces had been delivered under these contacts. See Note 10 – Financial Instruments of the Company's unaudited condensed consolidated financial statements for the impact of a 10% appreciation or depreciation of gold prices on the embedded derivatives.

(b) Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company's credit risk is primarily liquid financial assets including cash and restricted cash. The Company limits its exposure to credit risk on financial assets by investing cash with financial institutions of high credit quality.

As the Company has no revenue or trade receivables, management considers credit risk as low. Advances are on occasion paid to major suppliers primarily relating to construction. Payment of these deposits is considered by the management on a case by case basis. The VAT receivable and rehabilitation payments are with the Republic of Armenia.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due, to the extent the Company does not believe it has sufficient liquidity to meet obligations, it will consider securing additional equity or debt funding. The Company's liquidity may be adversely affected if its access to the capital and debt markets are hindered, whether as a result of a downturn in market conditions generally, or as a result of conditions specific to the company. To date, the Company has relied on shareholder and debt funding to finance its operations and development of the Amulsar Gold Project. The Company's ability to settle borrowings and other long term liabilities when due is dependent upon future liquidity from capital sources or positive cash flows from commercial operations.

Though the Company currently has financing arrangements in place to meet its development obligations, access to these funds is subject to meeting certain conditions. There is no assurance that the Company will be able to meet the conditions at the time funds are required, therefore, liquidity risk is present until such a time as the conditions are satisfied.

(d) Fair value of financial assets and liabilities

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). See Note 10 – Financial Instruments of the Company's unaudited condensed consolidated financial statements.

SIGNIFICANT TRANSACTIONS, CONTRACTS AND OFF-BALANCE SHEET ARRANGEMENTS

Significant Transactions and Contracts

Significant transactions and contracts for the three-month periods ended March 31, 2017:

- $50 million equipment financing arrangement with ING on February 8th, 2017, of which no amounts have been drawn.

Off-Balance Sheet Arrangements

Newmont Transaction

On April 23, 2010, the Company purchased all of Newmont's interests in the Company's joint venture which included Newmont's interests in the Amulsar gold property. A portion of the consideration included a 3% net smelter royalty. However, between April 23, 2010 and the date that is 20 days following commencement of commercial production, Lydian may, at its option, elect to buy out the 3% NSR and instead pay to Newmont the aggregate sum of $20 million, without interest, in 20 equal quarterly installments of $1 million commencing on the first day of the third calendar month following the start of commercial production. Alternatively, the Company has a one-time option prior to the commencement of commercial production to prepay these quarterly installments in a single cash payment using an annual discount rate of 10%. This equates to a single payment of approximately $15.7 million.

These potential post-production payments do not meet the definition of an obligation or a constructive obligation as the triggering event, commencement of commercial production, has not occurred. These potential payments are therefore not recognized in the condensed consolidated Statement of Financial Position as of March 31, 2017.

The Company does not have any other significant or off-balance sheet arrangements.

COMMITMENTS

Leases

The Company leases office space, accommodations, and lands associated with the Amulsar Gold Project. Inclusive of certain cancelable land leases, rental obligations include:

	As of March 31, 2017	As of March 31, 2016
Up to one year	$ 2,100	$ 757
More than one year and not later than five years	6,335	2,676
More than five years	8,189	6,507
	$ 16,624	$ 9,940

Construction Contracts

The Company has entered into key supply contracts for the mining fleet, material handling systems, gold-recovery plant electrical systems, and worker accommodations. The aggregate value of these contracts is $107 million during the construction period. The contracts provide for termination provisions common to the industry. The provisions generally provide payment for i) the reasonable, direct, documented costs incurred as a result of such early termination, ii) if the contract paid on a cost reimbursable basis, the amount owed for work performed to the termination date; or iii) if the contract is on a unit price or lump sum basis, an amount that is proportionate to the number of units completed or to the percentage of the work that has been completed as of the termination date as compared to the total work that was to have been completed. At March 31, 2017, $36.1 million was spent related to these contracts.

RELATED PARTY TRANSACTIONS

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. Intercompany transactions have been eliminated in consolidation. Compensation awarded to related parties is as follows:

	For the three months ended March 31,	
	2017	2016
Salaries and other compensation	$ 274	$ 358
Share-based compensation	217	37
	$ 491	$ 395

CRITICAL JUDGEMENTS, ESTIMATES AND ACCOUNTING POLICIES

In applying the Company's accounting policies, management is required to make judgments, estimates and assumptions that affect the application of accounting principles and reported amounts of certain assets, liabilities, equity, income and expenses in instances when valuation is not readily apparent from other sources. These judgments, estimates and assumptions are based on historical experience and other factors considered relevant. Actual results may differ from these estimates. In management's opinion, all adjustments considered necessary for fair presentation have been included in these financial statements.

Significant judgments made by management and applied in preparing these financial statements were consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2016. In addition, certain events and transactions occurring during the three months period ended March 31, 2017 required management to apply the following significant judgments:

Impairment of development assets – The review of impairment indicators included consideration of external and internal sources of information, including factors such as market, geopolitical and economic conditions, metal prices and forecasts, commercial viability, technical feasibility, and availability of permits. Management has assessed impairment indicators of the Company's development assets and found that no impairment indicators exist at March 31, 2017.

Fair value of financial instruments – The fair value of financial instruments that are not traded on an active market or do not have sufficient trading volumes and embedded derivatives are determined using alternative valuation techniques. Management uses its judgment to select from a variety of valuation methods and utilizes assumptions deemed to be reflective of conditions at the end of each reporting period.

Recent Accounting Pronouncements

Management anticipates that those standards and interpretations deemed applicable to the Company's business will be adopted in the Company's financial statements of future periods as they become effective and that the adoption will have no material impact on the financial statements of the Company in the periods of initial application other than for additional disclosures. Standards that management believes are or will be applicable include:

IFRS 9, Financial Instruments – The IASB published IFRS 9 in July 2014, effective for annual periods beginning on or after January 1, 2018. IFRS 9 replaces IAS 39, Financial Instruments: Recognition and Measurement, and includes a logical model for classification and measurement, a single, forward-looking 'expected loss' impairment model, and a substantially reformed approach to hedge accounting. The treatment of financial liabilities was little changed relative to IAS 39.

IFRS 15, Revenue from Contracts with Customers – The IASB published IFRS 9 in July 2014, effective for annual periods beginning on or after January 1, 2018. IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities.

IFRS 16, Leases – The IASB published IFRS 16 in January 13, 2016 effective for annual periods beginning on or after January 1, 2019, though a company can choose to apply IFRS 16 before that date but only in conjunction with IFRS 15 Revenue from Contracts with Customers. The standard establishes the principles that an entity should use to determine the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 replaces the previous leases Standard, IAS 17, Leases, and related Interpretations.

DISCLOSURES AND INTERNAL CONTROLS

The Company prepares its financial reports in accordance with International Financial Accounting Standards ("IFRS"). Financial reports and other disclosures by the Company are subject to Management's systems for maintaining internal controls over financial reporting and disclosure controls as defined in National Instrument 52-109, *Certification of Disclosure in Issuers' Annual and Interim Filings*. In preparing disclosures, Management makes certain interpretations and relies on assumptions and estimates. There is no assurance that Management's internal controls, interpretations, assumptions and estimates, or other precautions will completely ensure reliable and timely disclosures are made.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management is responsible for the design of disclosure controls and procedures ("DC&P") to provide reasonable assurance that all relevant information required to be disclosed by the Company is accumulated and communicated to senior management as appropriate to allow timely decisions regarding required disclosure. Management is also responsible for the design of internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Company's Chief Executive Officer and Chief Financial Officer have used the COSO 2013 framework to design the Company's DC&P and ICFR as of March 31, 2017. The Company's Chief Executive Officer and Chief Financial Officer have each evaluated the design of the Company's DC&P and ICFR as of March 31, 2017 and have concluded that these controls and procedures are adequately designed to provide reasonable assurance that material information relating to the Company is made known to them by others within the Company, and to provide reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

Management of the Company was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. The result of the inherent limitations in all control systems means no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. There have been no other significant changes in the Company's ICFR that occurred during the year ended March 31, 2017 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the consolidated financial statements, is the responsibility of Management. In preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates are based on careful judgments and have been properly reflected in the Company's consolidated financial statements.

Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

RISK FACTORS

The Company faces significant risks and uncertainties causing the mineral resource sector to be highly speculative in nature. Many of these can have material and adverse effects on the valuation of the Company's securities, cash flows, financial condition, results of operations, rights and interests, existing business activities, plans and prospects. Risk factors and additional information relating to the Company are discussed in the Company's most recent AIF and other filings available on SEDAR at www.sedar.com.

CAUTIONARY STATEMENTS

Forward-Looking Statements

Certain statements contained in this MD&A constitute forward-looking statements, as such term is defined under applicable securities laws. These statements relate to future events or future performance and reflect Management's expectations and assumptions regarding the growth, results of operations, performances and business prospects and opportunities of the Company. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "intend", "will", "would", "project", "budget", "scheduled", "forecast", "could", "believe", "predict", "potential", "should", "might", "occur", "achieve" or the negative of these terms or other similar expressions are intended to identify forward-looking statements. In particular, information regarding: the Company's future operating results and economic performance; the anticipated funding of the equipment financing and the Financing Transactions; the expected use of proceeds from the Offering, the equipment financing , the EBRD Private Placement and the Financing Transactions; the Company's ability to meet its gold and silver delivery obligations under the Stream Agreement; the impact of the Offering, the equipment financing and the Financing Transactions on the Company's operations, infrastructure, opportunities, financial condition, access to capital and overall strategy; the anticipated economic and feasibility parameters of Amulsar; the expected cost and timing of construction and development of Amulsar, including the related key milestone dates and expected timing of first gold production; the expected mine life, scale, construction, mining operations and plan, processing methods and rate, grades, recovery rates, total recovery, stripping ratio, average annual tonnes mined/processed, production and other attributes of Amulsar; the anticipated timing for the receipt of permits; the expected timing of delivery of key equipment; and the anticipated key design features for the mining operations at Amulsar is forward-looking information.

These statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance, achievements or events to differ materially from those anticipated, discussed or implied in such forward-looking statements. The Company believes the expectations reflected in such forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should be considered carefully and investors should not place undue reliance on them as the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These statements speak only as of the date of this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- the supply and demand for, deliveries of, and the level and volatility of prices of gold and other precious metals;
- the exchange rate between the Canadian dollar, the Armenian dram, the British pound, and the U.S. dollar;
- the timing of the receipt of any outstanding regulatory and governmental approvals for the Company's projects;
- the availability of financing for the Company's development of its properties on reasonable terms;
- the ability to procure equipment and operating supplies in sufficient quantities, on a timely basis and on reasonable terms;
- there being no significant disruptions affecting the development and operation of Amulsar;
- the receipt of all environmental approvals, required permits, licenses and authorizations and timing thereof;
- tax rates, including the allocation of certain tax attributed to Amulsar;
- mine life, total tonnes mined and processed, and mining operations;
- the operation and economic viability of the development of Amulsar;
- that the 5% discount rate used to complete the Q1 2017 Technical Report is sufficient;
- labour and materials cost increases;
- permitting and arrangements with landholders;
- the ability to attract and retain skilled staff;
- exploration and development timetables;
- market competition;
- the accuracy of the Company's resource and reserve estimates (including, with respect to size, grade and recoverability) and the geological, operational and price assumptions on which they are based;
- the satisfaction or waiver of all conditions to the completion, effectiveness or availability, as the case may require, of each of the Financing Transactions;
- the receipt of funds under each of the Financing Transactions; and
- the Company's ability to meet its gold and silver delivery obligations under the Stream Agreement.

These forward-looking statements involve risks and uncertainties relating to, among other things, significant capital requirements and availability of capital resources to fund such requirements; price volatility in the spot and forward markets for commodities; fluctuations in the international currency markets and in the rates of exchange of the currencies of Canada, Armenia, Great Britain and the United States; discrepancies between actual and estimated production, between actual and estimated reserves and resources and between actual and estimated metallurgical recoveries; changes in national and local government legislation in Armenia; taxation; changes to the Company's mine plan or profitability or to the Company's asset profile that might alter the allocation of tax attributes to Amulsar; controls, regulations and political or economic developments in Jersey, Canada or Armenia; the speculative nature of mineral exploration and development; risks associated with obtaining and maintaining the necessary licenses and permits and complying with permitting requirements, including, without limitation, approval of the Armenian Government and receipt of all related permits, authorizations or other rights; the uncertainties inherent to current and future legal challenges the Company is or may become a party to; diminishing quantities or grades of reserves and resources; competition; loss of key employees; adverse general economic, market or business conditions; additional funding requirements; rising costs of labour, supplies, fuel, electricity and equipment; actual results of current exploration activities; uncertainties inherent to mining economic studies such as Q1 2017 Technical Report, including the risk that the assumptions underlying the Q1 2017 Technical Report and its economic parameters will not be realized; changes in project parameters as plans continue to be refined; accidents; labor disputes; defective title to mineral claims or property or contests over claims to mineral properties; delays and costs inherent to consulting and accommodating local stakeholders; and uncertainties with respect to obtaining all necessary surface rights, land use rights and other tenure from the Armenian government and private landowners required for Amulsar. In addition, there are risks and hazards associated with the business of mineral exploration, development and mining, including environmental events and hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion losses (and the risk of inadequate insurance or inability to obtain insurance to cover these risks). Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors referenced in this MD&A. Investors should not place undue reliance on forward-looking statements as the plans, assumptions, intentions or expectations upon which they are based might change or not occur. The Company cautions that the foregoing list of important factors is not exhaustive. The forward looking statements contained in this MD&A are expressly qualified by this cautionary statement. The Company does not undertake any obligation to publicly update or revise any forward-looking statements except as expressly required by applicable securities law. See “Forward-Looking Statements” in the AIF and other filings available on SEDAR at www.sedar.com.

Estimates of Measured, Indicated and Inferred Resources

This MD&A uses the terms “Measured”, “Indicated” and “Inferred” Resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the SEC does not recognize them. “Inferred Mineral Resources” have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. United States investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists, or is economically or legally mineable.

GLOSSARY OF DEFINED TERMS

"*ADR Plant*" means the adsorption, desorption and recovery plant;

"*AIF*" means the annual information form of the Company dated March 30, 2017 for the year ended December 31, 2016;

"*Ameriabank*" means Ameriabank CJSC;

"*Ameriabank Term Facility*" means the Term Facility with Ameriabank in the amount of $24 million;

"Amulsar" or "*Amulsar Gold Project*" means Lydian's 100% owned gold project at Amulsar, located in south-central Armenia;

"C$" means Canadian dollar;

"Cat Financial" means Caterpillar Financial Services (UK);

"Cat Term Facility" means the secured credit facility dated December 22, 2016 between Lydian Armenia and Caterpillar Financial Services for a maximum principal of $42 million;

"*Company*" or "*Lydian*" or "*we*" or "*us*" or "*our*" means Lydian International Limited and its affiliates;

"*COSO*" means the Committee of Sponsoring Organizations of the Treadway Commission;

"*Cost Overrun Facility*" or *"COF"* means the $25 million cost overrun facility, which was subsequently amended to $14 million;

"*DC&P*" means disclosure controls and procedures;

"*EBRD*" means the European Bank for Reconstruction and Development;

"EBRD Private Placement" means the $8.8 million private placements of Ordinary Shares to the EBRD, which closed August 15, 2016;

"*ESIA*" means the Environmental and Social Impact Assessment developed in 2014, as amended in 2016, for Amulsar to conform to the requirements of the 2012 International Finance Company Performance Standards and the 2008 European Bank for Reconstruction and Development Performance Requirements and other financial institutions that may be signatories to the Equator Principles;

"*Financing Transactions*" means, collectively, the series of financing transactions in an aggregate amount of approximately US$325 million, as subsequently amended to $314 million, entered into between the Company, Orion and RCF, to finance the engineering, design and construction of the plant, the acquisition of equipment, mine development and start-up costs, interest during construction, fees and expenses related to the financing transactions, other development costs, working capital requirements of Amulsar, and for corporate and working capital purposes;

"*IASB*" means the International Accounting Standards Board;

"*ICFR*" means internal controls over financial reporting;

"*IFRS*" means the International Financial Reporting Standards as issued by the International Accounting Standards Board;

"*ING Bank*" means ING Bank N.V.;

"*Loan Fee - Warrants*" means the 5,000,000 Ordinary Share purchase warrants of the Company issuable to Orion and RCF upon the closing of the Private Placements;

"*ING Term Facility*" means the secured credit facility entered into by Lydian Armenia on February 8, 2017 in the amount of up to $50 million;

"*Lydian Armenia*" means Lydian Armenia CJSC, formerly Geoteam CJSC, the Company's wholly owned subsidiary which holds Amulsar;

"*Management*" means the management of the Company;

"*MD&A*" means this Management's Discussion and Analysis;

"*Mining Right*" means the mining right for Amulsar as approval by the Armenian Ministry of Energy and Natural Resources;

"*Newmont*" means Newmont Overseas Exploration Limited;

"*NI 43-101*" means National Instrument 43-101 – Standards of Disclosure for Mineral Projects;

"*NSR*" means net smelter royalty;

"*Offering*" means the distribution and offering of the Subscription Receipts by the Company pursuant to the Short Form Prospectus and the Ordinary Shares and Public Offering - Warrants issued pursuant to the terms of the Subscription Receipts;

"*Offtake Agreement*" means the offtake agreement dated November 30, 2015 among Lydian Armenia, the Company, Lydian International Holdings Limited, Lydian Resources Armenia Limited, Orion and RCF;

"*Ordinary Shares*" means the ordinary shares of no par value in the capital of the Company;

"*Orion*" means both or either Orion Co IV (ED) Limited and Orion Co IV (SO) Limited;

"*Private Placements*" means the private placements of Ordinary Shares to each of Orion and RCF;

"*Public Offering – Warrants*" means the Ordinary Share purchase warrants issued pursuant to the terms of the Subscription Receipts;

"*Q1 2017 Technical Report*" means the "NI 43-101 Technical Report, Amulsar Updated Resources and Reserves, Armenia, dated March 30, 2017";

“Q2 2016” means the three-month period ended June 30, 2016;

“*Q3 2016*” means the three-month period ended September 30, 2016;

“Q1 2017” means the three-month period ended March 31, 2017;

“Q1 2017 Technical Report” means the report titled “NI 43-101 Technical Report, Amulsar Value Engineering and Optimization, Armenia” dated March 30, 2017;

“*RCF*” means Resource Capital Fund VI L.P.;

“*SEC*” means the U.S. Securities and Exchange Commission;

“*SEDAR*” means the System for Electronic Document Analysis and Retrieval administered by the Canadian Securities Administrators;

“*Stream Agreement*” means the purchase and sale agreement dated November 30, 2015 among the Company, Lydian Armenia, Orion and RCF, as amended;

“*Subscription Receipts*” means the subscription receipts of the Company offered pursuant to the Short Form Prospectus, including, for greater certainty, the Over-Allotment Option;

“*Term Loan*” means the $160 million non-revolving credit agreement dated November 30, 2015 among Lydian Armenia, the Company, Orion and RCF, as amended; and

“Warrants” means the collective warrants issued in connection with the Term Loan (“Loan Fee – Warrants”) and the Offering (“Public Offering – Warrants”) defined above;