



***NEWS FOR IMMEDIATE RELEASE***

**LYDIAN COMPLETES PRIVATE PLACEMENT**

TORONTO, Ontario, May 22, 2009 – Lydian International Ltd. (TSX:LYD) (“Lydian” or “the Company”), a diversified mineral exploration and development company, today announced that it has completed its previously announced non-brokered strategic investment of CAD \$2,990,938 from the International Finance Corporation (IFC), a member of the World Bank Group, and from the European Bank of Reconstruction and Development (“EBRD”).

In exchange for the investment proceeds, the Company issued to IFC and EBRD an aggregate of: (i) 7,121,282 ordinary shares at a price of CAD \$0.42 per ordinary share; (ii) 5,216,520 warrants exercisable at a price of CAD \$0.59 for a period of 5 years (the “Five Year Warrants”); and (iii) 1,904,762 warrants exercisable at CAD \$0.53 for a period of 3 years (the “Three Year Warrants”).

Proceeds of the private placement with respect to securities issued to IFC will be used for continued exploration of the Company’s gold project at Amulsar in Armenia and general working capital purposes. Proceeds derived from securities issued to EBRD will be used for exploration in the Western Balkans and in particular the continued exploration of the Company’s zinc, lead, silver and gold project at Drazhnje in Kosovo (under UNSCR 1244).

As part of EBRD’s strategic investment, EBRD is entitled to nominate one director to the Company’s board of directors for such period as EBRD retains shares in the Company representing 5% or more of the Company’s capital. In this regard, Chris Irwin resigned as director of the Company and was replaced by Huw Williams, EBRD’s nominee.

Pursuant to the private placement, IFC, an insider of the Company, acquired 3,311,758 ordinary shares at a price of CAD \$0.42 per ordinary share and 3,311,758 warrants exercisable at a price of CAD \$0.59 for a period of 5 years. IFC now holds 8,461,757 ordinary shares and 7,961,757 ordinary share purchase warrants, representing approximately 18% on a non diluted basis and 24% on a fully diluted basis of the ordinary shares currently outstanding. IFC acquired the above-noted securities of the Company for investment purposes and it may, depending on market and other conditions, increase its beneficial ownership, control or direction over the ordinary shares or other securities of the Company, through market transactions, private agreements, treasury issuances, exercise of convertible securities or otherwise.

The securities were distributed to IFC pursuant to the exemption from prospectus requirements as set out in Section 2.10 of National Instrument 45-106 Prospectus and Registration Exemptions.

The rules of the Toronto Stock Exchange require that shareholder approval is obtained for private placements which (i) result in the issuance to insiders of listed securities representing more than 10% of the number of securities of the Company which are outstanding on a non-diluted basis;

and (ii) materially affect control of the Company. Disinterested shareholders approved the private placement at the annual and special meeting of shareholders of the Company on May 1, 2009.

With the completion of the subscription, EBRD now has ownership of 3,809,524 ordinary shares representing 8.09% of the current issued and outstanding ordinary shares and 1,904,762 Three Year Warrants and 1,904,762 Five Year Warrants. If all the warrants are exercised, EBRD would acquire an additional 3,809,524 ordinary shares, for a total of 7,619,048 ordinary shares, representing approximately 10.92% of the issued and outstanding ordinary shares, based on a total of 69,742,639 Lydian shares issued and outstanding on a fully diluted basis. The 69,742,639 value has been calculated to include the 3,809,524 ordinary shares issued under the EBRD subscription, the 3,311,758 ordinary shares issued to the IFC pursuant to the concurrent financing, the 22,638,428 ordinary shares that would be issued if all of the warrants of Lydian were exercised (including the 3,809,524 and 7,961,757 warrants held by EBRD and IFC, respectively) and added to the 39,982,929 ordinary shares currently issued and outstanding.

The ordinary shares were acquired by EBRD by way of a private placement for investment purposes. The consideration paid for the 3,809,524 Shares was CAD \$0.42 per share. The securities were distributed to EBRD pursuant to the exemption from prospectus requirements as set out in Section 2.10 of National Instrument 45-106 Prospectus and Registration Exemptions. EBRD may, from time to time acquire additional securities of Lydian, dispose of some or all of the existing or additional securities, or may continue to hold the current position.

EBRD and IFC are not joint actors and the issuance of this news release is not an admission that EBRD and IFC are joint actors.

### **About Lydian International**

Lydian is a diversified mineral exploration and development company incorporated in Jersey, with expertise employing “first mover” strategies in emerging exploration environments. Currently the Company is focused on Eastern Europe developing advanced precious and base metal assets in Armenia and in Kosovo (under UNSCR 1244). The two main projects are gold at Amulsar in Armenia, and zinc, lead, silver and gold at Drazhnje in Kosovo (under UNSCR 1244). Lydian also has a pipeline of promising gold and base metal exploration projects in the Balkans region, and operates a 50/50 gold and copper exploration joint venture with Newmont Overseas Exploration Limited, a subsidiary of Newmont Mining Corporation in the south Caucasus region. Lydian’s management team has a track record of success in grassroots discovery, in acquiring and developing undervalued assets, and in building companies. Lydian has a strong social agenda and a unique understanding of the complex social and political issues that characterise emerging environments. The Company’s two largest shareholders are Newmont Mineral Holdings B.V. (owned by Newmont Mining Corporation), and the International Finance Corporation (IFC), a member of the World Bank.

### **For more information on Lydian, please contact:**

Tim Coughlin

President and CEO

+44 7717 204300

[tim.coughlin@lydianinternational.co.uk](mailto:tim.coughlin@lydianinternational.co.uk)

### **About IFC**

IFC, a member of the World Bank Group, creates opportunity for people to escape poverty and improve their lives. IFC fosters sustainable economic growth in developing countries by

supporting private sector development, mobilizing private capital, and providing advisory and risk mitigation services to businesses and governments. IFC's new investments totaled USD \$16.2 billion in fiscal 2008, a 34 percent increase over the previous year. For more information, visit [www.ifc.org](http://www.ifc.org). IFC's address is: 2121 Pennsylvania Avenue, NW, Washington DC 20433 USA.

### **About EBRD**

The EBRD, owned by 61 countries and two intergovernmental institutions, is supporting the development of market economies and democracies in countries from central Europe to central Asia. [www.ebrd.com](http://www.ebrd.com).

Contact details: Bojana Todorovska, Tel: +44 20 7338 6940, Email: [TodorovB@ebrd.com](mailto:TodorovB@ebrd.com)