

respectively. Capitalized terms not otherwise defined herein are as defined in the Comeback Affidavit. A copy of the Initial Affidavit is available, together with all other filings in the CCAA Proceedings, on the Monitor's website for these proceedings at <https://www.alvarezandmarsal.com/Lydian>.

6. The Applicants' business consists of the exploration and development of a gold mine located in south-central Armenia (the "**Amulsar Project**" or "**Amulsar**"). The Initial Order was granted on December 23, 2019, and the Stay Period was subsequently extended to January 23, 2020. At the Applicants' motion returnable on January 23, 2020 (the "**Comeback Motion**"), the Court issued an Amended and Restated Initial Order which, among other things, expanded the Applicants' restructuring capabilities within the CCAA Proceedings, granted additional protections to the Monitor and extended the Stay Period with respect to the Applicants and the Non-Applicant Stay Parties until March 2, 2020, which was subsequently extended to March 11, 2020. On March 11, 2020 (the "**March Stay Extension Motion**"), the Court issued an Order approving BMO's engagement as the Applicants' financial advisor, approving the DIP Agreement, and extending the stay of proceedings until April 30, 2020 (the "**March Stay Extension Order**"). Copies of the Amended and Restated Initial Order and the March Stay Extension Order are attached hereto as **Exhibit "C"** and **"D"**, respectively.

A. The Applicants' Activities Since the March Stay Extension Motion

7. Since the granting of the March Stay Extension Order, the Applicants, with the oversight and assistance of the Monitor, have been working diligently to maintain the stability of their business operations, continue discussions with their senior lenders and other stakeholders, and advance discussions regarding a potential sale involving the Lydian Group.

8. The Applicants' activities since the March Stay Extension Motion include the following:

- (a) attempting to engage in a further dialogue with the GOA with respect to regaining access to the Amulsar site, [REDACTED]
[REDACTED]
- (b) communicating and meeting with BMO and the Lydian Group's lenders regarding a variety of topics including the progress of negotiations with various

stakeholders, the lenders' position regarding a viable path forward to maximize stakeholder value for the Lydian Group, and the progress of the SISP;

- (c) [REDACTED]
[REDACTED]
[REDACTED]
- (d) continuing to advance discussions with respect to implementing a transaction with the SISP Party, as defined and further described below;
- (e) negotiating the DIP Amendment with the Applicants' senior lenders;
- (f) communicating with the Lydian Group's insurance broker regarding the availability of an extension of the Applicants' Third Party Liability and Political Violence insurance coverage. Following these discussions, the Applicants were able to obtain an extension of coverage until June 30, 2020;
- (g) making efforts to obtain an extension of the Applicants' Course of Construction insurance coverage for the equipment on the Amulsar site beyond March 31, 2020, or obtain substitute asset insurance coverage. However, these efforts were unsuccessful due to a combination of a hardening insurance market affecting all property risks globally, hesitancy to underwrite risks in Armenia and the fact the Project has been stalled for more than 18-months. The Applicants' Course of Construction insurance coverage lapsed on March 31, 2020. The Monitor and the Lydian Group's secured lenders were kept informed at material points through the attempted renewal process;
- (h) continuing a dialogue with the Lydian Group's insurance broker to understand the potential availability of any D&O insurance coverage beyond May 1, 2020. These discussions remain ongoing;
- (i) as contemplated in the March Stay Extension Affidavit, implementing certain governance changes with respect to Lydian International, Lydian Canada and Lydian UK, as further described below;

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- (j) prior to the hearing of the March Stay Extension Motion, Lydian International completed its audited year-end financial reporting and public markets disclosure as required by Reporting Issuers subject to Canadian securities laws. Due to the onset of the COVID-19 pandemic, the Ontario Securities Commissions (the “OSC”) has granted a 45 day extension for any annual or interim filings that are due before June 1, 2020. As a result of this extension, and due to Lydian International’s financial constraints, Lydian International has alerted the OSC that it is not able to continue with its public markets disclosure going forward. Lydian International and the Monitor will be keeping stakeholders and the public updated about the Applicant’s financial status through the CCAA proceedings;
- (k) closing the Denver office of the Lydian Group, transferring substantially all corporate functionality formerly performed in Denver to Lydian Armenia personnel and establishing virtual office connectivity for a continuing contract employee in Denver. This led to the departure of all remaining employees of the Lydian Group in Denver, including Lydian’s CFO and Corporate Controller prior to the end of March;
- (l) conducting a search with the assistance of a number of professional advisory firms to attract and retain on contract a consultant with advanced financial control, accounting, reporting and treasury skills, as well as significant experience working with mining sector issuers active in the Canadian public markets;
- (m) implementing a previously announced series of redundancies in March and April 2020 affecting 15 employees of Lydian Armenia (the “Redundancies”), and managing the re-allocation of their responsibilities to Lydian Armenia’s remaining employees;
- (n) as discussed in greater detail below, responding to the country-wide lockdown imposed in Armenia due to the COVID-19 pandemic;
- (o) continuing to review weekly site reports provided by security contactors who are able to access the Amulsar Project site in shifts, and monitoring asset status at the site;

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- (p) corresponding with the GOA, Armenian police and the Company's secured lenders, including Ameriabank, regarding significant leakage of water through the roof of the main camp buildings at the Amulsar site following a period of heavy rains in early April. Due to the Lydian Group's inability to gain access to the Amulsar site to complete winterization procedures last Fall, scheduled repairs to the camp roof could not take place, and significant damage occurred to the ceilings and floor of the camp buildings. The Lydian Group is unable to address this damage as access to the Amulsar site remains blocked;
- (q) providing information requested by the Monitor to assist the Monitor in fully considering the issues raised in the communications sent to the Court by AEF (as defined and described below); and
- (r) preparing a cash flow forecast for the period requested for the stay extension, and related financial information on potential scenarios under consideration as part of the path forward, in consultation with the Monitor.

9. On February 25, 2020, the Royal Court of Jersey issued an order (the "**Recognition Order**"), a copy of which was appended to the March Stay Extension Affidavit, recognizing the Amended and Restated Initial Order in Jersey and granting certain protections to Lydian International and the Monitor in Jersey. The Recognition Order further provided that reasons would be set out in a judgment to be delivered by the Deputy Bailiff at a later date. On March 17, 2020, the Royal Court published reasons to accompany the Recognition Order (the "**Recognition Reasons**"). A copy of the Recognition Reasons is attached hereto as **Exhibit "E"**.

10. As noted in the March Stay Extension Affidavit, effective February 21, 2020, the Applicants implemented certain governance changes with respect to the Applicants' subsidiaries in the British Virgin Islands, as well as Lydian Armenia. Following the March Stay Extension Motion, and as contemplated in the March Stay Extension Affidavit, the Applicants also implemented additional governance changes with respect to Lydian International, Lydian Canada and Lydian UK, as further outlined below.

11. The Applicants continue to engage in discussions with their lenders regarding a viable path forward to maximize stakeholder value, and have been advancing discussions with a potential purchaser who emerged through the SISP (the “**SISP Party**”).

12. As described in the March Stay Extension Affidavit, the Applicants and their counsel, in consultation with the Monitor, negotiated the DIP Agreement with the Applicants’ secured lenders, being Orion Co IV (ED) Limited, a division of Orion Capital Management (“**Orion**”) Resource Capital Fund VI L.P. (“**RCF**”) and Osisko Bermuda Limited (“**Osisko**”) (collectively, the “**DIP Lenders**”). The terms of the DIP Agreement were described in the March Stay Extension Affidavit.

13. Due to their inability to access additional liquidity generally, the Applicants will require additional interim financing in order to continue their efforts in pursuing a transactional outcome for the Lydian Group and pursue other steps beyond April 30, 2020. The Applicants and their counsel, in consultation with the Monitor, are in the process of negotiating the DIP Amendment with the DIP Lenders, which is expected to provide the Applicants with sufficient liquidity to pay for obligations incurred and scheduled to be paid through to the requested extension of the Stay Period.

(a) Impact of COVID-19 Pandemic on Armenian Operations

14. Due to the COVID-19 pandemic, on March 16, 2020, the GOA declared a State of Emergency until April 14, 2020, which was subsequently extended until May 14, 2020. On March 24, 2020, the GOA introduced stringent measures to contain the spread of the virus, which include the closure of schools and universities, prohibition of events with more than 20 persons in attendance, restrictions on movement within the country through a nationwide lockdown, screening and quarantine measures, and restriction of entry into the country.

15. In order to comply with the containment steps taken by the GOA, people in Armenia began or continued to work from home or remote locations. In late February, Lydian Armenia had established a remote working policy to permit persons in Armenia to work outside the office and remain connected electronically. As a result, Lydian Armenia’s office personnel have been able to respond to the measures introduced by the GOA with relatively minor adjustments. There are, however, some aspects of Lydian Armenia’s affairs which are not capable of being conducted

using remote access. For example, with the permission of the landlord and local authorities, arrangements need to be made on a regular basis for certain personnel to attend at Lydian Armenia's offices in shifts to complete tasks which cannot be done remotely.

16. Subsequent to the implementation of the Redundancies, Lydian Armenia's ability to conduct its affairs has been diminished materially but it continues to provide the level of support necessary to permit the Applicants to maintain their business and meet their information obligations to the Lydian Group's lenders.

(b) Communication to the Court by Members of the Armenian Environmental Front Civil Initiative

17. As noted in the March Stay Extension Affidavit, on February 28, 2020, the Monitor received an email from Arpine Galfayan, on behalf of the Armenian Environmental Front ("AEF") Civil Initiative. Attached to the email was a letter to the Court (the "AEF Letter") from certain individuals who identify themselves as Armenian citizens and members of the AEF Civil Initiative, which they describe as a volunteer environmental watchdog group. The email and AEF Letter were also emailed directly to the Court, without being served on the service list. A copy of the AEF Letter, with the enclosure referred to therein, is attached hereto as **Exhibit "F"**.

18. As outlined in my March Stay Extension Affidavit, the AEF Letter alleges that there were certain factual misrepresentations contained in my Initial Affidavit, including with respect to (i) the April 10, 2019 ruling issued by Armenia's Administrative Court concluding that the blockaders had trespassed on Lydian Armenia's property, and issuing an order directing the police to remove the trespassers and their property from Lydian Armenia's land (the "**Removal Order**"), and (ii) the findings contained in the August 7, 2019 report of Earth Link and Advanced Resources Development ("**ELARD**"), following the environmental audit conducted by ELARD in 2019. The AEF Letter also implies that Lydian Armenia inappropriately entered into a settlement agreement with the Jermuk Health Centre CJSC (the "**Jermuk Health Centre**") related to the termination of a long-term lease agreement.

19. On March 2, 2020, in its endorsement in connection with the Applicants' request for a short extension of the Stay Period from March 2, 2020 to March 11, 2020, the Court directed the Monitor to report to the Court on the matters raised in the AEF Letter. Ahead of the March Stay

Extension Motion, the Applicants provided extensive and detailed documentation to the Monitor addressing certain of the points raised in the AEF Letter, much of which is technically complex.

20. On March 10, 2020, the day before the hearing of the March Stay Extension Motion, the Monitor received another email from the AEF, enclosing a Memorandum authored by Ann Maest, who was represented as a scientist associated with an environmental consulting firm in Colorado, USA (the “**Maest Memo**”). In the Maest Memo, the author concludes that the September 2019 National Instrument 43-101 Report Technical Report, which was commissioned by the Lydian Group to address the full impact of the blockade on construction, and the resulting delay in the ramp up to full production, underestimated the risks, costs, and associated uncertainties for its Amulsar Project. A copy of this email and the Maest Memo are attached hereto as **Exhibit “G”**.

21. The AEF’s second email communication and the Maest Memo were brought to the Court’s attention at the commencement of the hearing of the March Stay Extension Motion. In this Court’s endorsement in connection with the March Stay Extension Motion, this Court requested that in the future, the AEF electronically serve on the service list and file all materials it wishes to be brought to the attention of the Court in accordance with the Ontario *Rules of Civil Procedure* (the “**Rules**”). On March 19, 2020, the Monitor wrote to Mr. Galfayan of the AEF setting this out, and noting that in order to raise issues or make submissions with the Court, the AEF must take certain procedural steps in accordance with the Rules, and is not permitted to communicate directly with the Court. A copy of this letter is attached hereto as **Exhibit “H”**.

22. Since the March Stay Extension Motion, the Applicants have worked with the Monitor to compile the necessary information and documentation to respond to the issues raised in the AEF Letter. I understand that the Monitor will be including a report on its consideration of these issues in its Fourth Report.

(c) Governance Changes

23. As described in the March Stay Extension Affidavit, effective February 21, 2020, the Applicants implemented certain governance changes with respect to the Applicants’ subsidiaries in the British Virgin Islands, as well as Lydian Armenia.

24. Further, as contemplated in the March Stay Extension affidavit, the Applicants implemented certain additional governance changes, as follows:

- a) the members of the existing Board of Directors of Lydian International, other than Victor Flores and I, resigned;
- b) the other directors and officers of Lydian Canada and Lydian UK, resigned. I have stayed on as director; and
- c) Victor Flores was appointed a director of 11910728 Canada Inc. ("**DirectorCo**"), a corporation incorporated under the laws of the *Canada Business Corporations Act*, which is a direct, wholly-owned subsidiary of Lydian Canada.

25. Additional directors have not yet been appointed to one or more of the boards of Lydian International, Lydian Canada, Lydian UK and DirectorCo following consultation with the Lydian Group's senior lenders.

(d) SISP

26. BMO and the Applicants, in consultation with their lenders, have continued to engage and advance discussions with the SISP Party, including through a term sheet for a potential transaction.

27. In addition, in early April, a party who was previously involved in the SISP approached the Applicants with renewed interest in a transaction through a related company. BMO granted this party access to the data room created for the SISP following the execution of a non-disclosure agreement. The party recently informed BMO it was no longer pursuing an interest in a transaction with the Applicants.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

■ [REDACTED]

■ [REDACTED]

[REDACTED]

PART 2 - RELIEF REQUESTED BY THE APPLICANTS

A. DIP Amendment Approval

32. As described in the March Stay Extension Affidavit, the Applicants and their counsel, in consultation with the Monitor, negotiated the DIP Agreement pursuant to which the Applicants obtained access to the DIP Facility in the amount of \$2.376 million plus an amount intended to address any trailing accounts payable aggregating up to \$490,000, which was provided for as additional draws under the Term Facility B. The terms of the DIP Agreement were described in the March Stay Extension Affidavit.

33. In connection with their request to extend the Stay Period to June 30, 2020, the Applicants and their counsel, in consultation with the Monitor, are in the process of negotiating the DIP Amendment, which is expected to provide the Applicants with sufficient liquidity to pay for obligations incurred and scheduled to be paid through to the requested extension of the Stay Period. The DIP Amendment will be provided to the Court when it is final.

34. This Court previously sealed the DIP Agreement, finding that it contained commercially sensitive information. It is anticipated that the DIP Amendment will similarly contain commercially sensitive information, and accordingly the Applicants will be seeking that the unredacted version of the within affidavit and, any relevant supplementary affidavit to be filed, and the unredacted version of the DIP Amendment, be sealed pending further Order of this Court.

B. Approval of Monitor's Fees and Activities

35. I understand that the Monitor will be filing the Fourth Report in connection with the within motion seeking approval of its activities, as detailed in the Third Report and the Fourth Report, as well as fees of the Monitor and its counsel from the period of March 1, 2020 to April 15, 2020.

C. Stay Extension

36. Since the March Stay Extension Motion, the Applicants, with the oversight and assistance of the Monitor, have been focused on maintaining operational stability of the Lydian Group while closing its Denver office and implementing the Redundancies, as it continued to engage with lenders and various stakeholders on a viable path forward. The Lydian Group has also advanced discussions with BMO, the SISP Party and its lenders relating to a potential transaction involving the Lydian Group, while implementing the first phase of the Arbitration Preservation Steps.

37. The Applicants are requesting an extension of the Stay Period until and including June 30, 2020 to provide stability to the Applicants and allow them to continue their efforts to achieve a viable path forward that will maximize recoveries for all stakeholders. During the extended Stay Period through to June 30, 2020, the Applicants will conduct the activities provided for in the DIP Amendment, and intend to continue to negotiate a transactional outcome with the SISP Party

and continue their dialogue with the GOA to see whether an agreement can be reached regarding access to the Amulsar Project.

38. It is anticipated that the DIP Amendment, when finalized, will provide the Applicants with sufficient funding to continue operations through the requested extension of the Stay Period, and this will be reflected in the Applicants' cash flows, to be filed by the Monitor.

39. Since the granting of the Amended and Restated Initial Order, the Applicants have continued to act diligently and in good faith in respect of all matters relating to the CCAA Proceedings, and will continue to do so during the proposed extension of the Stay Period.

SWORN BEFORE ME via Zoom in the
City of Toronto, Province of Ontario, on
April 27, 2020.

DocuSigned by:

Sanja Sopic

E820030A2731482...

Commissioner for Taking Affidavits

DocuSigned by:

Edward A. Sellers

8F33066161C145B...

Edward A. Sellers

[Exhibits intentionally omitted]

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS
AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF LYDIAN
INTERNATIONAL LIMITED, LYDIAN CANADA VENTURES CORPORATION AND LYDIAN U.K.
CORPORATION LIMITED

Court File No.: CV-19-00633392-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

AFFIDAVIT OF EDWARD A. SELLERS
Sworn April 27, 2020

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Lawyers for the Applicants

TAB D

EXHIBIT "D"

referred to in the Affidavit of

EDWARD A. SELLERS

Sworn June 15, 2020

DocuSigned by:

Sanja Sapic

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Commissioner for Taking Affidavits

Court File No. CV-19-00633392-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
LYDIAN INTERNATIONAL LIMITED, LYDIAN CANADA VENTURES CORPORATION
AND LYDIAN U.K. CORPORATION LIMITED

Applicants

AFFIDAVIT OF EDWARD A. SELLERS
(Sworn April 29, 2020)

I, Edward A. Sellers, of the Town of Rosseau, in the Province of Ontario, MAKE OATH AND SAY:

1. I am the Interim President and Chief Executive Officer of the Applicant Lydian International Limited ("Lydian International"). I have been the President and Chief Executive Officer of Lydian International since June 12, 2019. I am also a director of the other Applicants in this proceeding. I have been on the Board of Directors of the Applicant Lydian International since November 1, 2018, and went on the Board of Directors of the other Applicants in this proceeding after June 12, 2019.

2. I swear this affidavit further to my affidavit sworn April 27, 2020 (the "April Stay Extension Affidavit"), in connection with the relief sought by the Applicants at the Applicants' motion returnable on April 30, 2020. All capitalized terms not defined herein are as defined in the April Stay Extension Affidavit.

DIP Amendment Approval

3. As noted in the April Stay Extension Affidavit, in connection with their request to extend the Stay Period to June 30, 2020, the Applicants and their counsel, in consultation with the Monitor, negotiated the DIP Amendment. The DIP Amendment has now been finalized, and the execution copy is attached hereto as **Exhibit "A"**. The key terms of the DIP Amendment are as follows:

- a) **Facility Amount:** a non-revolving credit facility up to a maximum amount of [REDACTED]
[REDACTED]
- b) **Availability:** DIP Facility is available to be drawn until it matures;
- c) **Maturity:** DIP Facility matures at the earlier of (i) the occurrence of any Additional Event of Default (as described in the DIP Agreement), (ii) [REDACTED] and (iii) the date of a Change of Control (as defined in Term Facility B); and
- d) **Conditions:** Lydian Armenia and the Applicants are only permitted to use the funds from the DIP Facility to finance the activities that are itemized in the cash flow forecast (provided to the DIP Lenders) for the purpose of paying expenses in the ordinary course and advancing the Exit Plan Term Sheet (as defined below)
[REDACTED]
[REDACTED]
[REDACTED]. It is a condition of additional funding to be provided through the DIP Amendment that the Applicants provide a term sheet or memo to the DIP Lenders in a form acceptable to Orion and either Osisko or RCF, acting reasonably, by [REDACTED] that sets out the terms, transactions, steps and timelines for the proposed completion of the Applicants' restructuring and prospective conclusion of the CCAA proceedings, with a view to distributing the shares of Lydian Canada to or for the benefit of Lydian International's Lenders (the "**Exit Plan Term Sheet**"). The Applicants will use the extension of the Stay Period to work with the DIP Lenders on the terms of the Exit Plan Term Sheet.

4. Subsequent to the swearing of the April Stay Extension Affidavit, the Monitor filed the Fourth Report, which included information related to the Monitor's activities and the fees of the

Monitor and its counsel from the period of March 1, 2020 to April 15, 2020. The Applicants have reviewed the fees of the Monitor and its counsel and support the payment of the same.

5. I understand that the Monitor will be filing a supplementary report to the Fourth Report advising that, subject to the terms of the DIP Amendment, the further advances to be made thereunder will provide the Applicants with sufficient funding to continue operations through the requested extension of the Stay Period.

6. This Court previously sealed portions of the DIP Agreement, finding that it contained commercially sensitive information. The DIP Amendment similarly contains commercially sensitive information, including the terms pursuant to which the DIP Lenders have agreed to provide financing in order to enable the Applicants to advance the SISP and matters relating to the Treaty Arbitration, which the Applicants are concerned will be used by the SISP Party or the GOA to the Applicants' detriment in the future relating to the SISP and the advancement of the Treaty Arbitration. As a result, the Applicants are seeking that the commercially sensitive provisions of the unredacted DIP Amendment, and the unredacted version of the within affidavit, be sealed pending further Order of this Court.

SWORN BEFORE ME via Zoom in the
City of Toronto, Province of Ontario, on
April 29, 2020.

DocuSigned by:

Sanja Sopic

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Commissioner for Taking Affidavits

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[Exhibits intentionally omitted]

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Lawyers for the Applicants

TAB E

EXHIBIT "E"

referred to in the Affidavit of

EDWARD A. SELLERS

Sworn June 15, 2020

DocuSigned by:
Sanja Sopic
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Commissioner for Taking Affidavits



Lydian Reports Recent Illegal Road Blockages Near Amulsar

TORONTO, June 28, 2018 -- Lydian International Limited (TSX:LYD) ("Lydian" or the "Company") announced intermittent road blockages near its 100%-owned Amulsar Gold Project that have impacted recent construction activities.

Following the change in the government of Armenia last month, demonstrations and road blockades have occurred sporadically throughout the country. These protests primarily targeted the mining sector, including the Amulsar project. During the past five weeks, access to Amulsar has been blocked for a total of 14 days.

In a public response to the protests in May and June 2018, the government reiterated its support for responsible and environmentally compliant mining in the country and asked protestors to unblock access roads to the Amulsar project and other mining companies. The government also declared its commitment to undertake environmental compliance audits of the mining industry. Lydian welcomes this initiative and has encouraged the government to audit the Amulsar project at its earliest convenience.

More recently, Prime Minister Pashinyan made a public appeal, instructing the protestors to discontinue the road blockages, recognizing they were intended to discredit the government and not directed at Lydian. Management is in consultation with local and national government officials to resolve this issue.

João Carrêlo, President and Chief Executive Officer of Lydian, stated, "We are encouraged by the Prime Minister's responses and seek a prompt and permanent resolution. We continue our commitment to sustainable development and to the health and safety of our employees, communities, and the environment. We encourage open and transparent dialogue and will continue to foster respectful and productive relationships with all of our stakeholders."

Lydian is in ongoing communication with the government and acknowledges the government's commitment to the mining industry and the promotion of foreign investment in Armenia. Amulsar is an important economic contributor to the country of Armenia and to the livelihoods of our employees, contractors and host communities.

About Lydian International Limited

Lydian is a gold developer focusing on construction at its 100%-owned Amulsar Gold Project, located in south-central Armenia. Amulsar will be a large-scale, low-cost operation with production expected to commence in Q4 2018, with ramp-up continuing into 2019. Gold production is targeted to average approximately 225,000 ounces annually over an initial 10-year mine life, making Lydian one of the largest gold producers to emerge during 2018. Open pit mining and conventional heap leach processing contribute to excellent scale and economic potential. Estimated mineral resources contain 3.5 million measured and indicated gold ounces and 1.3 million inferred gold ounces as outlined in the Q1 2017 Technical Report. Existing mineral resources beyond current reserves 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. For more information and to directly contact us, please visit www.lydianinternational.co.uk.

For further information, please contact:

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Caution regarding forward-looking information

There can be no assurances as to the timing, magnitude or impact of future protests or blockades affecting Amulsar, if any, or the success of the Company's ongoing attempts to mitigate such risks. The Company does not intend to comment further upon protests, blockades or similar disruptions unless required by law, it deems further disclosure is appropriate, or where appropriate in the context of its normal course disclosure on construction, operational and financial matters. The Company makes reference to the risk factors outlined in section 4.2 of its most recent Annual Information Form, dated March 28, 2018, including risk factor disclosure under the headings "Single Property Focus", "Community and Social" and "Foreign Operations".

Certain information contained in this news release is "forward looking". All statements in this news release, other than statements of historical fact, that address events, results, outcomes or developments that the Company expects to occur are

"forward-looking statements". Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the use of forward-looking terminology such as "plans", "expects", "is expected", "intends", "anticipates" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "will", "would", "should", or "occur" or the negative or other variations of such terms. Forward-looking statements in this news release include, among others, statements with respect to: the realization of mineral resource estimates and the timing of development of the Amulsar Gold Project, including the expected start date of gold production; the expected and estimated cost of operations and capital costs at the Amulsar Gold Project; the current Amulsar Gold Project construction schedule, the commitment to and implementation of good international industry practices; the expected gold production from, and life of mine of, the Amulsar Gold Project; the formation of the Armenian Government; the impact of management in relation to the Company's strategic growth objectives; the magnitude or impact of historical and future (if any) protests or blockades affecting Amulsar and the success of the Company's ongoing attempts to mitigate such risks; the response of the Armenian government to future (if any) protests or blockades affecting Amulsar; the impact of protests, blockades or similar disruptions on the Company's construction, operations and financial performance; and the expected mining methods at the Amulsar Gold Project. Statements concerning mineral resource estimates may also be deemed to constitute forward-looking information to the extent that they involve estimates of the mineralization that will be encountered when the property is developed.

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TAB F

EXHIBIT "F"

referred to in the Affidavit of

EDWARD A. SELLERS

Sworn June 15, 2020

DocuSigned by:
Sanja Sopic
E820930A2731482...

Commissioner for Taking Affidavits



Lydian Announces Submission of Notices to Government of Armenia Under Bilateral Investment Protection Treaties

TORONTO, March 11, 2019 (GLOBE NEWSWIRE) -- Lydian International Limited (TSX:LYD) ("Lydian" or the "Company") today announced that, in connection with the ongoing blockades of road access to the Amulsar Gold Project, Lydian U.K. Corporation Limited ("Lydian UK") and Lydian Canada Ventures Corporation ("Lydian Canada"), subsidiaries of the Company, have formally notified the Government of the Republic of Armenia (the "Government of Armenia") of the existence of disputes with the Government of Armenia under the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Armenia for the Promotion and Protection of Investments, in force since July 11, 1996 (the "UK BIT") and the Agreement between the Government of Canada and the Government of Armenia for the Promotion and Protection of Investments, in force since March 29, 1999 (the "Canada BIT"), respectively.

Under the UK BIT, Lydian UK may submit the dispute to international arbitration three months after such formal notification, and under the Canada BIT, Lydian Canada can do so after six months. In the meantime, the Government of Armenia has an opportunity to continue amicable discussions with Lydian with a view to the prompt settlement of the disputes.

Whether or not Lydian UK or Lydian Canada will initiate arbitration proceedings will depend on the conduct of the Government of Armenia, and there can be no assurance that Lydian UK or Lydian Canada will initiate any arbitration claim or application to any international arbitration court or of the outcome of any such claim or application. The Company does not intend to make any further public comments relating to these matters unless required by law.

About Lydian International Limited

Lydian is a gold developer focused on construction at its 100%-owned Amulsar Gold Project, located in south-central Armenia. However, illegal blockades have prevented access to Amulsar since late June 2018. Amulsar is expected to be a large-scale, low-cost operation with production targeted to average approximately 225,000 ounces annually over an initial 10-year mine life. Estimated mineral resources contain 3.5 million measured and indicated gold ounces and 1.3 million inferred gold ounces as outlined in the Q1 2017 Technical Report. Existing mineral resources beyond current reserves 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. For more information and to directly contact us, please visit www.lydianinternational.co.uk.

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Criminal Court Rules Police to Initiate Criminal Investigation Against Protesters Blocking Amulsar Project Site

TORONTO, April 23, 2019 (GLOBE NEWSWIRE) – On July 24, 2018, Lydian Armenia CJSC, a subsidiary of Lydian International Limited (TSX:LYD) (“Lydian” or the “Company”), filed a complaint with the Jermuk Unit of the Vayots Dzor Police Department to initiate an investigation and file criminal charges against the protesters that had set up illegal blockades of roads accessing the Amulsar Project site. The Police denied this request, resulting in the Company applying for a reversal of the Police decision with the Ararat and Vayots Dzor Regions’ General Jurisdiction Court on September 30, 2018. The court ruled in Lydian’s favour on January 18, 2019, establishing that the Police failed to initiate a criminal case based on the alleged violations. The Vayots Dzor Prosecutor appealed the Court’s ruling.

On April 19, 2019 the Criminal Court of Appeal of the Republic of Armenia rejected the appeal filed by the Vayots Dzor Prosecutor requesting that the court’s ruling in favour of the Company be overturned.

The Prosecutor will have fifteen days from the official receipt of the judgment to appeal to the Cassation Court of Armenia (the highest Armenian court). If the Prosecutor does not appeal or if the appeal is rejected the original ruling will be sustained and the Prosecutor will be compelled to initiate a criminal investigation of the protesters under the articles of hooliganism and arrogation of the Armenian Criminal Code.

João Carrêlo, Lydian’s President and CEO stated “Lydian has suffered unlawful actions and inactions that have been in breach of both Armenian and international law. The recent rulings of the courts in Armenia support Lydian’s position with respect to the illegal road blockades that have deprived Lydian of its legal right to operate. We hope that the Armenian authorities will follow up promptly on the court rulings, and initiate criminal proceedings and remedy the damage caused to Lydian by the illegal road blockades. We strongly believe that the restoration of the rule of law is in the best interest not only of Lydian, its shareholders, lenders, employees and the surrounding communities, but also serves the interests of Armenia as a whole”.

Lydian fully reserves all rights and remedies to address any disputes under Armenian and international law.

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Lydian Provides Update on Criminal Investigations Against Illegal Blockaders

Toronto, Ontario, August 16, 2019 – Lydian International Limited (TSX: LYD) (“**Lydian**” or the “**Company**”) announced it was informed today that on July 18, 2019 the Republic of Armenia Cassation Court declined an appeal submitted by the Deputy Prosecutor General of the Republic of Armenia from court orders requiring authorities to initiate criminal investigations in respect of the actions of the protesters that had set up illegal blockades preventing access to Lydian’s Amulsar Project since June 2018.

Lydian was also informed today that the Prosecutor’s Office of the Republic of Armenia, Vayots Dzor Province, initiated criminal proceedings on August 14, 2019 in respect of the actions of the protesters that had set up the illegal blockades.

The procedural background of the case is as follows:

In June 2018, illegal blockades were set up by protesters preventing access to Lydian’s Amulsar Project. In July 2018, Lydian Armenia CJSC, a subsidiary of Lydian, filed a complaint with the Jermuk Unit of the Vayots Dzor Police Department to initiate a criminal investigation in respect of the protesters that had set up the illegal blockades.

The Police denied this request, resulting in Lydian applying to the Ararat and Vayots Dzor Region General Jurisdiction Court in September 2018 for a reversal of the Police decision. In January 2019, that Court ruled in Lydian’s favour, establishing that the Police had failed to initiate a criminal case based on the alleged violations.

The Vayots Dzor Prosecutor appealed the initial Court’s ruling. In April 2019, the Criminal Court of Appeal of the Republic of Armenia rejected that appeal, but the Deputy Prosecutor General appealed to the Cassation Court of Armenia (the highest Armenian court). The Cassation Court dismissed that appeal on July 18, 2019.

As a result of the Cassation Court’s ruling, the Prosecutor is compelled to initiate a criminal investigation under the articles of hooliganism and arrogation of the Armenian Criminal Code in respect of the actions of the protesters that had set up the illegal blockades, and has informed Lydian it has done so.

Lydian notes that in all three appeals, Armenian courts have supported Lydian’s position.

About Lydian International Limited

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TAB G

EXHIBIT "G"

referred to in the Affidavit of

EDWARD A. SELLERS

Sworn June 15, 2020

DocuSigned by:
Sanja Sapic
E820930A2731482

Commissioner for Taking Affidavits



Lydian Announces Updates for Hydrogeological Survey and Amulsar Project Audit

Toronto, Ontario, January 29, 2018 – Lydian International Limited (TSX:LYD) (“Lydian” or the “Company”) today announced the following updates.

Hydrogeological Survey

Lydian is pleased to announce the conclusion of an isotopic investigation of groundwater systems at the Company’s gold project at Amulsar (the “Amulsar Project”) and the Jermuk area (the “Hydrogeological Survey”).

In November 2018, work was commissioned in response to technical questions raised by interested parties. Twenty-five samples were collected from specific sampling points in the Amulsar and Jermuk areas. The samples were collected in the presence of agency representatives of the government of the Republic of Armenia. Lydian’s samples were analyzed by an internationally accredited laboratory (ALS (Czech Republic)) and the data was interpreted by Golder Associates’ (U.K.) principal hydrogeologist whose conclusion stated the following:

“the chemistry of the waters of the Jermuk thermal springs and minerals water boreholes are characteristic of hydrothermal waters based on their major and minor ion chemistry and environmental isotopic characteristics. The hydrothermal waters have an enriched $\delta^{13}\text{C}$ signature, along with clear differentiation with respect to $\delta^{18}\text{O}$ and $\delta^2\text{H}$, $\delta^{34}\text{S}$, $^{87}\text{Sr}/^{86}\text{Sr}$ and gross alpha and beta activity, which is clearly distinct from the surface water and shallow groundwater sampled and consistent with a separate flow regime of hydrothermal origin. This water type is not similar to groundwater encountered in the vicinity of Amulsar mountain and supports the conclusion that the groundwater system of Amulsar mountain is a distinct hydrogeological system to the Jermuk hydrothermal system. In summary, based on the data and analysis of the groundwater regime presented in the 2016 ESIA for the Amulsar Gold Project, combined with the major ion and isotope data presented in this memorandum it may be concluded that the Jermuk thermal mineral water system is not in hydraulic connection with shallow groundwater and surface water on the Amulsar mountain.”

The results of the Hydrogeological Survey confirmed the findings of Lydian’s previous work in 2013 and support the findings of the Amulsar Project’s Environmental Impact Assessment (“EIA”) and Environmental and Social Impact Assessment (“ESIA”), conclusively demonstrating that there is no hydraulic connection between the groundwater regimes at the Amulsar Project and Jermuk.

The investigation was designed to develop and expand the data collected for the project in 2013 as part of the then baseline studies and to determine whether there was any hydrogeological connection between Amulsar and Jermuk water systems. The analyses on representative water samples were performed by the Jones Environmental Laboratory (UK) in 2013 and interpreted by Golder Associates (UK).

Lydian reiterates that the Amulsar Project is designed and developed following industry best practices to ensure the mine would not have an adverse impact on any surrounding water systems. The Hydrogeological Survey clearly concludes that the Amulsar and Jermuk water systems are not connected.

Amulsar Project Audit Update

Lydian Armenia CJSC (“Lydian Armenia”) has received formal notification from the Investigative Committee of the Republic of Armenia that pursuant to the criminal investigation into alleged withholding of information by employees of the Ministry of Environmental Protection, an international consultancy group, Earth Link, and Advanced Resources Development (“ELARD”) has been selected to review all subject matter covered by Lydian’s EIA/ESIA, to determine the possibility of harmful impacts by the Amulsar Project and the validity of preventative

and mitigation measures. However the contract award to ELARD is subject to state funding and therefore the audit start date has not yet been announced. The audit is expected to take up to 12 weeks to complete.

The following terms of reference were given to ELARD:

1. Water resources impact assessment;
2. Geology impact assessment;
3. Biodiversity impact assessment;
4. Air quality impact assessment; and
5. Unprejudiced clarification of technical issues raised by the decision to commission a complex expert examination.

Lydian is confident that the audit will conclude that the EIA/ESIA documents are valid and could serve as a blueprint for future projects in Armenia.

In anticipation of this investigation, Lydian completed the Hydrogeological Survey, a study of regional water resources to expand on work carried out in 2013. The Hydrogeological Survey concluded there was no hydrogeological connectivity between the water regime at the Amulsar Project and the groundwater of Jermuk.

Illegal blockades have prevented Lydian from accessing the Amulsar Project site to perform construction and associated work since late June 2018. The newly elected government of the Republic of Armenia has recently publicly announced their intolerance of illegal road blockades and has committed to its application of the “rule of law” to remove such blockades. Under this announced commitment, Lydian expects the Armenian government to apply the rule of law by permanently removing the road blockades to the Amulsar Project and to allow Lydian to fully resume its work on the Amulsar Project site in accordance with the permits the Company holds. Until Lydian is able to resume construction and associated work at the Amulsar Project, the Company will continue to evaluate a range of financing, strategic and legal alternatives.

About Lydian International Limited

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Lydian Provides Update on Environmental Audit

Toronto, Ontario, August 8, 2019 – Lydian International Limited (TSX:LYD) (“**Lydian**” or the “**Company**”) announced today that the Government of Armenia has indicated during a regularly scheduled, televised Cabinet session, chaired by Prime Minister Nikol Pashinyan, that the current environmental audit of the Amulsar project has been concluded.

The Head of the Special Investigative Committee of the Republic of Armenia (the “**SIC**”), the body in charge of the Amulsar related investigation, Mr. Hayk Grigoryan announced to the Cabinet that the final conclusions from the environmental audit conducted by Earth Link & Advanced Resources Development (the “**Audit**”) were provided to the SIC on August 7. A full translation of the final conclusions of the Audit will be provided to the Government by the SIC early next week.

The Head of the SIC also announced that Lydian answered all questions and issues raised during the Audit, the exchange of information during the Audit was exhaustive, and there is no likelihood of any need for additional time or clarifications for the Audit to come to a final conclusion. Lydian provided over 300 documents composed of over 20,000 pages of information, and participated in extensive technical discussions during the Audit over the past four months. This is the third audit on environmental matters Lydian has been obliged to participate in.

Discussion during today’s Cabinet meeting around the timing for delivery of the final conclusions of the Audit by the SIC indicated that the Government of Armenia will be ready to come to a conclusion on the matter next week.

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respect to: the final outcome and conclusion of the Audit; likelihood of any need for additional time or clarifications for the Audit to come to a final conclusion; the timing of the final outcome or conclusion of the Audit; the ability of the Company to resume construction and/or gain access to the Amulsar Gold Project after the conclusion of the Audit, of which there can be no assurances; the realization of mineral resource estimates and the timing of development of the Amulsar Gold Project; the commitment to and implementation of good international industry practices; the expected gold production from, and life of mine of, the Amulsar Gold Project; and the expected mining methods at the Amulsar Gold Project. Statements concerning mineral resource estimates may also be deemed to constitute forward-looking information to the extent that they involve estimates of the mineralization that will be encountered when the property is developed.

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Lydian Provides Update on Environmental Audit

Toronto, Ontario, August 14, 2019 – Lydian International Limited (TSX: LYD) (“**Lydian**” or the “**Company**”) announced today that the Special Investigative Committee of the Republic of Armenia (the “**SIC**”) has released the report provided to the SIC on August 7, 2019 on the environmental audit conducted by Earth Link & Advanced Resources Development on the Amulsar Project (the “**Audit Report**”).

Copies of the Audit Report are available in English and Armenian at:

<http://investigative.am/en/news/view/amulsar-porqaqnnutyun-ezrakacutyun.html>

In addition, Mr. Yura Ivanyan, Head of the Department for Investigation of Corruption-related Property Crimes and Cybercrimes of the SIC, said today during an interview on live television in respect of the Audit Report that: “Besides, I must state that the investigative body has analyzed the information and findings provided by the international audit report and found that there are no grounds for criminal prosecution and continuation of criminal proceedings.”

Edward Sellers, Interim President & CEO of Lydian, commented: “We are relieved that the Audit Report has been made public, as the Government of Armenia has repeatedly conditioned Lydian’s ability to advance the Amulsar Project on its results. We look forward to reading the full text of the Audit Report and are confident it will confirm Lydian’s prudential approach to environmental stewardship. We are also heartened to know that there are no grounds for criminal prosecution or the continuation of criminal proceedings against Lydian relating to the Audit Report.”

Mr. Sellers continued: “It has been a tough year for many thousands of direct and indirect stakeholders in the Amulsar Project. We want to thank our employees, contractors, suppliers, communities, lenders, shareholders and other supporters who believed in Lydian throughout the process.”

Lydian has always stressed that it operates in Armenia in accordance with its mining permits, which were granted based on a comprehensive Environmental Impact Assessment approval process. Nevertheless, Lydian’s Amulsar Project has been subject to three full-scale environmental audits since July last year. Lydian has fully cooperated with all audits.

The Government of Armenia has previously indicated it would be ready to conclude on the Audit Report this week.

About Lydian International Limited

Lydian is a gold developer focused on construction at its 100%-owned Amulsar Project, located in south-central Armenia. However, illegal blockades have prevented access to Amulsar since late June 2018. Amulsar is expected to be a large-scale, low-cost operation with production targeted to average approximately 225,000 ounces annually over an initial 10-year mine life. Estimated mineral resources contain 3.5 million measured and indicated gold ounces and 1.3 million inferred gold ounces as outlined in the Q1 2017 Technical Report. Existing mineral resources beyond current reserves 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. For more information and to directly contact us, please visit www.lydianinternational.co.uk.

For further information, please contact:

Edward Sellers, Interim President & CEO
+3 741-054-6037

Bill Dean, Chief Financial Officer
+1 720-307-5089

Or: moreinfo@Lydianinternational.co.uk

Caution regarding forward-looking information

Certain information contained in this news release is “forward looking”. All statements in this news release, other than statements of historical fact, that address events, results, outcomes or developments that the Company expects to occur are “forward-looking statements”. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the use of forward-looking terminology such as “plans”, “expects”, “is expected”, “intends”, “anticipates” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “will”, “would”, “should”, or “occur” or the negative or other variations of such terms. Forward-looking statements in this news release include, among others, statements with respect to: the Audit Report, including its contents; the Government of Armenia’s response to the Audit Report, including the cessation of any criminal prosecution and/or criminal proceedings; the Company’s approach to environmental stewardship; the ability of the Company to resume construction and/or gain access to the Amulsar Project as a result of the Audit Report, of which there can be no assurances; the realization of mineral resource estimates and the timing of development of the Amulsar Project; the commitment to and implementation of good international industry practices; the expected gold production from, and life of mine of, the Amulsar Project; and the expected mining methods at the Amulsar Project. Statements concerning mineral resource estimates may also be deemed to constitute forward-looking information to the extent that they involve estimates of the mineralization that will be encountered when the property is developed.

Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. Such risks, uncertainties and factors include, without limitation: changes in gold and silver prices; adverse general economic, political, market or business conditions; failure to achieve the objectives of the future exploration and drilling programs; regulatory changes; as well as "Risk Factors" included in the disclosure documents filed on and available at www.sedar.com. Forward-looking statements are not guarantees of future performance, and actual results and future events could materially differ from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. All of the forward-looking statements contained in this news release are qualified by these cautionary statements. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, events or otherwise, except in accordance with applicable securities laws.

TAB H

EXHIBIT "H"

referred to in the Affidavit of

EDWARD A. SELLERS

Sworn June 15, 2020

DocuSigned by:
Sanja Sopic
E820930A2731482...

Commissioner for Taking Affidavits



Lydian Announces Fourth Quarter and Year Ended December 31, 2019 Results

Toronto, Ontario, March 4, 2020 – Lydian International Limited (TSX: LYD) (“Lydian” or the “Company”) announced today its results for the three-month period and year ended December 31, 2019. All dollar amounts referenced in this news release are, unless otherwise indicated, in United States dollars.

In the Company’s filed financial statements and management’s discussion and analysis for the three-month period and year ended December 31, 2019, the Company has disclosed that the blockades continue at the Amulsar Project site, having been in place since June 22, 2018. The Company continues to face challenges in obtaining operational support from the Government of Armenia in the form of permits and the enforcement of court orders. Please refer to the Company’s most recently filed Annual Information Form, Financial Statements and MD&A and other filings on SEDAR for additional details.

Lydian’s Fourth Amended and Restated Forbearance Agreement dated October 14, 2019 (the “Fourth A&R Forbearance Agreement”) expired on December 20, 2019. On December 20, 2019 Lydian was unable to reach a consensus on terms with all of its lenders to extend the forbearance period, so the lenders’ obligation to forbear from declaring or acting upon, or exercising default related rights or remedies under such creditor’s financing agreements with respect to certain events of default came to an end. To protect the assets and interests of the Company and its stakeholders, Lydian filed for protection under Canadian Companies’ Creditors Arrangement Act (“CCAA”) on December 23, 2019. While under CCAA protection, creditors and others are stayed from enforcing any rights against the Company, Lydian Canada Ventures Corporation, Lydian UK Corporation Limited and a number of their direct subsidiaries including Lydian Armenia CJSC. The supervising court has extended the stay period to March 11, 2020. Subsequent to the CCAA filing, trading in Lydian’s ordinary shares on the TSX was halted and a de-listing review was initiated. This review resulted in the TSX deciding to delist Lydian’s ordinary shares on February 5, 2020.

Going Concern Implications

Following a change in the Government of Armenia in May 2018, demonstrations and road blockades occurred sporadically throughout the country. These initial protests primarily targeted the mining sector, including the Amulsar Project. Despite court rulings in favor of Lydian, a continuous illegal blockade at the Amulsar Project has been in place since June 22, 2018 causing construction activities to be suspended. Lydian has been dislocated from the Amulsar Project site and its access has been limited to contractor demobilization and winterization during the fourth quarter of 2018, and to one day of limited Police escorted access in the second quarter of 2019.

The Government of Armenia has not enforced the rule of law to remove the illegal blockades at the Amulsar Gold Project and prosecute other illegal acts carried out against the Company. Furthermore, the Government of Armenia has taken certain actions and failed to act on other matters. The Government of Armenia’s actions and inactions have substantially restricted the Company’s access to capital and caused conditions to occur that were deemed events of default by the senior lenders, stream financing providers, and equipment financiers. As a result, the Company entered into four successive forbearance agreements with its senior lenders, stream financing providers and equipment financiers. The ultimate agreement, the Fourth A&R Forbearance Agreement, expired on December 20, 2019 and Lydian filed for protection under the CCAA on December 23, 2019. The Company will operate under court protection until a defined course of action is approved by its lenders and the supervising court. It is not possible to predict the outcome of matters related to the CCAA proceedings. As a result of the CCAA proceedings and other factors outlined below, a material uncertainty exists that may cast significant doubt on Lydian’s ability to continue as a going concern.

As a result of the actions and inactions of the Government of Armenia, the Company has fully written off the carrying value of its investment in development assets at Amulsar. See the Consolidated Financial Statements for the years ended December 31, 2019 and 2018.

The Company's ability to continue as a going concern is dependent upon the Government of Armenia resolving the disputes it has created with the Company and making the Company whole. It will also be necessary for the Company to obtain additional funding from its senior lenders, or other lenders until a strategic alternative can be arranged, if at all, or to support the Company's legal alternatives. Dislocation-related expenses will continue to be incurred until the illegal blockades are removed and unrestricted access for all purposes is available to the Company. Should the Company gain access to the Amulsar site, it anticipates that additional time and funding will be needed for site restoration, sourcing of financing, if available, for completing construction and working capital until positive cash flows from operations can be achieved.

There is no assurance that the Company will be able to meet its obligations with its current funding or when a defined course of action will be approved by its senior lenders and the CCAA court. There is a significant risk that the Company's default of its agreements with its senior lenders, stream financing providers, and equipment financiers, may ultimately result in one or more secured parties exercising rights to demand repayment and enforcing security rights, that may result in partial or full loss of the assets of the Company. While under CCAA protection, Lydian continues to engage with its senior lenders, stream financing providers, and equipment financiers to seek continuing funding for a range of strategic, financing, and legal alternatives.

Although in the past the Company was able to obtain sufficient financing through most of 2019 as provided in the Fourth A&R Forbearance Agreement, the Fifteenth Amending Agreement, and the A&R Stream Agreement, there can be no assurance that adequate financing will be available when needed at commercially acceptable terms and that the Company will ultimately be able to generate sufficient positive cash flow from operations, find an acceptable strategic alternative, or fund a legal alternative. Furthermore, there are no assurances of future forbearances or lenders not demanding repayment and exercising security rights under the respective credit agreements. These circumstances indicate the existence of material uncertainties that create significant doubt as to the Company's ability to meet its obligations when due, and accordingly, continue as a going concern.

At December 31, 2019, Lydian impaired the full carrying value of its Amulsar development asset and substantially all of its plant and equipment, besides its fleet of mining equipment and vehicles. For additional information, see the Consolidated Financial Statements for the years ended December 31, 2019 and 2018. In addition to the impairment loss, as of December 31, 2019, Lydian has incurred \$119.7 million in dislocation-related charges since the illegal blockades began.

About Lydian International Limited

Lydian is a gold developer focusing on construction at its 100%-owned Amulsar Gold Project, located in south-central Armenia. However, illegal blockades have prevented access to Amulsar since late June 2018. Amulsar is expected to be a large-scale, low-cost operation with production targeted to average approximately 204,000 ounces over a 12-year mine life. Estimated mineral resources contain 3.65 million measured and indicated gold ounces and 1.38 million inferred gold ounces. Lydian is committed to good international industry practices in all aspects of its operations including production, sustainability, and corporate social responsibility. For more information and to directly contact us, please visit www.lydianinternational.co.uk.

For further information, please contact:

Edward Sellers, Interim President & CEO	Bill Dean, Chief Financial Officer
+3 741-054-6037	+1 720-307-5089

Or: moreinfo@Lydianinternational.co.uk

Caution regarding forward-looking information

Certain information contained in this news release is "forward looking". All statements in this news release, other than statements of historical fact, that address events, results, outcomes or developments that the Company expects to occur are "forward-looking statements". Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the use of forward-looking terminology such as "plans", "expects", "is expected", "intends", "anticipates" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "will", "would", "should", or "occur" or the negative or other

variations of such terms. Forward-looking statements in this news release include, among others, statements with respect to: the Company's commitment to continue discussions with the Government of Armenia with respect to the disputes; the challenges the Company faces in obtaining operational support from the Government of Armenia; the CCAA proceedings and the outcome of matters related to the CCAA proceedings; the Company's ability to continue as a going concern; the disputes with the Government of Armenia being resolved; the Feasibility Study; the Company's subsequent actions in connection with and the outcome of the court rulings; the ability of the Company to resume construction; the Company's continued engagement with its lenders, stream financing providers and equipment financiers; the Company's ability to obtain additional funding; the third audit and the outcome and timing of completion of such audit; the impact of protests, blockades or similar disruptions on the Company's construction, operations and financial performance; the Company's ability to successfully fund cash obligations and/or meeting obligations; the realization of mineral resource estimates and the timing of development of the Amulsar Gold Project; adequate financing being available to the Company; and the Company's ability to find an acceptable strategic alternative. Statements concerning mineral resource estimates may also be deemed to constitute forward-looking information to the extent that they involve estimates of the mineralization that will be encountered when the property is developed.

Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. Such risks, uncertainties and factors include, without limitation: changes in gold and silver prices; adverse general economic, political, market or business conditions; failure to achieve the objectives of the future exploration and drilling programs; regulatory changes; as well as "Risk Factors" included in the disclosure documents filed on and available at www.sedar.com. Forward-looking statements are not guarantees of future performance, and actual results and future events could materially differ from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. All of the forward-looking statements contained in this news release are qualified by these cautionary statements. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, events or otherwise, except in accordance with applicable securities laws.

TAB I

EXHIBIT "I"

referred to in the Affidavit of

EDWARD A. SELLERS

Sworn June 15, 2020

DocuSigned by:
Sanja Sapic
E820930A2731482...

Commissioner for Taking Affidavits

Court File No. CV-19-00633392-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE
CHIEF JUSTICE MORAWETZ

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)

THURSDAY, THE 23rd
DAY OF JANUARY, 2020

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
LYDIAN INTERNATIONAL LIMITED, LYDIAN CANADA VENTURES CORPORATION
AND LYDIAN U.K. CORPORATION LIMITED

Applicants

AMENDED AND RESTATED INITIAL ORDER
(Amending Initial Order dated December 23, 2019)



THIS MOTION, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order amending and restating the Initial Order (the "**Initial Order**") issued on December 23, 2019 (the "**Initial Filing Date**") and extending the stay of proceedings provided for therein was heard this day at 130 Queen Street West, Toronto, Ontario.

ON READING the affidavit of Edward A. Sellers sworn December 22, 2019 (the "**Sellers Initial Affidavit**"), the affidavit of Edward A. Sellers sworn January 20, 2020 (the "**Sellers Comeback Affidavit**"), and on hearing the submissions of counsel for the Applicants, counsel for Alvarez & Marsal Canada Inc. (the "**Monitor**"), and counsel for Caterpillar Financial Services (UK) Limited, with counsel for Orion Capital Management, counsel for Resource Capital Fund VI LP, counsel for Osisko Bermuda Limited and counsel for ING Bank N.V. / ABS Svensk Exportkredit (publ) in attendance and not opposing, and on being advised that those parties listed in the affidavits of service filed were given notice of this motion,

INITIAL ORDER AND INITIAL FILING DATE

1. **THIS COURT ORDERS** that the Initial Order, reflecting the Initial Filing Date, shall be amended and restated as provided for herein.

SERVICE

2. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

3. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies. Although not Applicants, Lydian Armenia CJSC, Lydian International Holdings Limited, Lydian Resources Armenia Limited and Lydian U.S. Corporation (the “**Non-Applicant Stay Parties**”) shall enjoy certain of the benefits and the protections provided herein and as subject to the restrictions as hereinafter set out.

PLAN OF ARRANGEMENT

4. **THIS COURT ORDERS** that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “**Plan**”).

POSSESSION OF PROPERTY AND OPERATIONS

5. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

6. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to use the central cash management system currently in place among the Applicants, the Non-Applicant Stay Parties and any other of the entities in the Lydian Group as described in the Sellers Initial Affidavit (the “Cash Management System”) and that any present or future bank providing the Cash Management System to the Applicants or the Non-Applicant Stay Parties shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

7. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after the Initial Filing Date:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the Initial Filing Date, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

8. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after the Initial Filing Date, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of

insurance (including directors and officers insurance), maintenance and security services; and

- (b) payment for goods or services actually supplied to the Applicants following the Initial Filing Date.

9. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the Initial Filing Date, or where such Sales Taxes were accrued or collected prior to the Initial Filing Date but not required to be remitted until on or after the Initial Filing Date, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of the Initial Filing Date; (b) to grant no security interests, trust, liens, charges or encumbrances

upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA have the right to:

- (a) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate; and
- (b) continue negotiations with stakeholders in an effort to pursue restructuring options for the Applicants including without limitation all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing;

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of their business (the “Restructuring”).

PROCEEDINGS AGAINST THE APPLICANTS, THE NON-APPLICANT STAY PARTIES OR THE PROPERTY

12. **THIS COURT ORDERS** that until and including March 2, 2020, or such later date as this Court may subsequently order (the “Stay Period”), no proceeding or enforcement process in or out of any court or tribunal (each, a “Proceeding”) shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court.

13. **THIS COURT ORDERS** that during the Stay Period, no Proceeding shall be commenced or continued against or in respect of the Non-Applicant Stay Parties, or any of their current and future assets, businesses, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (collectively, the “Non-Applicants’ Property”, and together with the Non-Applicants’ businesses, the “Non-Applicants’ Property and Business”) including, without limitation, terminating, making any demand, accelerating, amending or declaring in default or taking any enforcement steps under any agreement or agreements with respect to which any of the Applicants are a party, borrower, principal obligor or guarantor.

NO EXERCISE OF RIGHTS OR REMEDIES

14. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any Person against or in respect of the Non-Applicant Stay Parties, or affecting the Non-Applicants' Property and Business are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall: (i) empower the Non-Applicant Stay Parties to carry on any business which the Non-Applicant Stay Parties are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

16. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence or permit in favour of or held by the Applicants or the Non-Applicant Stay Parties except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

17. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other

data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the Initial Filing Date are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

18. **THIS COURT ORDERS** that, notwithstanding anything else in this Order or the Initial Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the Initial Filing Date, nor shall any Person be under any obligation on or after the Initial Filing Date to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order or the Initial Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

19. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the Initial Filing Date and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

20. **THIS COURT ORDERS** that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants

after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

21. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$263,280 (being US\$200,000 as per the Bank of Canada's published exchange rate on December 20, 2019), as security for the indemnity provided in paragraph 20 of this Order. The Directors' Charge shall have the priority set out in paragraphs 33 and 35 herein.

22. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 20 of this Order.

APPOINTMENT OF MONITOR

23. **THIS COURT ORDERS** that Alvarez & Marsal Canada Inc. is, as of the Initial Filing Date, appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

24. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements, including to the extent deemed appropriate by the Monitor as it relates to the Non-Applicant Stay Parties who utilize the Cash Management System with the Applicants, in order to review and

consider the cash requirements and reasonableness of the cash flow forecast prepared by the Applicants, and the continued use of the Cash Management System;

- (b) have full and complete access to the books, records, data, including data in electronic form, and other financial documents of the Non-Applicant Stay Parties to the extent that is necessary to adequately assess the Applicants' business and financial affairs and prospects for a restructuring or transaction of any kind, to report on cash flow forecasts prepared by the Applicants, or to perform its duties arising under this or any further Order of this Court and such Non-Applicant Stay Parties shall cause their respective employees, contractors, agents, advisors, directors and/or officers, as may be necessary, available to the Monitor for such purposes;
- (c) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (d) advise the Applicants in the preparation of the Applicants' cash flow statements, including as it relates to the availability of cash to the Applicants under the Cash Management System by the Non-Applicant Stay Parties;
- (e) advise the Applicants in their development of the Plan and any amendments to the Plan;
- (f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, wherever situate, in order to assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (h) assist the Applicants in connection with any arbitration proceedings with the Government of Republic of Armenia ("GOA") that may be commenced by any

Applicant or Non-Applicant Stay Party that involves or affects any of the Applicants' Business or Property (an "**Arbitration**");

- (i) perform such other duties as are required by this Order or by this Court from time to time; and
- (j) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order.

25. **THIS COURT ORDERS** that the Applicants shall make best reasonable efforts to the extent possible to cause the Non-Applicant Stay Parties (including their respective employees, contractors, agents, advisors, directors and/or officers) to cooperate fully with the Monitor in relation to its information requests and its powers and duties set forth herein, and for so long as the stay of proceedings in favour of the Non-Applicant Stay Parties shall remain in place.

26. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property of the Applicants, or any property of the Non-Applicant Stay Parties, and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

27. **THIS COURT ORDERS** that the Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any environmental legislation, unless it is actually in possession.

28. **THIS COURT ORDERS** that the Monitor shall provide any creditor of any of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

29. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order or the Initial Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order or the Initial Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

30. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, Canadian counsel to the Applicants and the Applicants' counsel in connection with the recognition proceedings in the United Kingdom and the Bailiwick of Jersey shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants.

31. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

32. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$460,740 (being US\$350,000 as per the Bank of Canada's published exchange rate on December 20, 2019), as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of the Initial Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 33 and 35 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

33. **THIS COURT ORDERS** that the priorities of the Directors' Charge and the Administration Charge as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$460,740);

Second – Directors' Charge (to the maximum amount of \$263,280).

34. **THIS COURT ORDERS** that the filing, registration or perfection of the Directors' Charge or the Administration Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

35. **THIS COURT ORDERS** that each of the Directors' Charge and the Administration Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

36. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge and the Administration Charge, unless the Applicants also obtain the prior written consent of the Monitor and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

37. **THIS COURT ORDERS** that the Directors' Charge, and the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;

- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by the creation of the Charges; and
- (c) the payments made by the Applicants pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

38. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

SERVICE AND NOTICE

39. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Globe & Mail a notice containing the information prescribed under the CCAA, (ii) within five days after the Initial Filing Date, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

40. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL <<http://www.alvarezandmarsal.com/Lyidian>>.

41. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

42. **THIS COURT ORDERS** that the Applicants and the Monitor and their respective counsel are at liberty to serve or distribute this Order, and other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicants' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

GENERAL

43. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

44. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

45. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, Armenia, the Bailiwick of Jersey, the United Kingdom, or the United States to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an

officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

46. **THIS COURT DECLARES** that it shall issue a letter substantially in the form of the letter attached hereto as Schedule "A" to request the assistance of the Royal Court of Jersey in these proceedings.

47. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

48. **THIS COURT ORDERS** that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

49. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 9:30 a.m. Eastern Standard/Daylight Time on the date of this Order.



ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

JAN 31 2020

PER / PAR:



SCHEDULE "A"
(Letter of Request for the Royal Court of Jersey)

Court File No. CV-19-00633392-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
LYDIAN INTERNATIONAL LIMITED, LYDIAN CANADA VENTURES CORPORATION
AND LYDIAN U.K. CORPORATION LIMITED**

**LETTER OF REQUEST
(COMITY APPLICATION)**

To: The Bailiff of the Royal Court of Jersey
Royal Court Building, Royal Square
St Helier, Jersey
JE1 1JG

The Ontario Superior Court of Justice (Province of Ontario, Canada) ("**Ontario Court**"), respectfully requests the assistance of the Royal Court of Jersey to provide assistance to the Ontario Court as set out below and assures the Royal Court of Jersey reciprocal assistance in appropriate circumstances.

WHEREAS:

1. By an order dated the 23 December 2019 of the Ontario Court ("**CCAA Order**"), Lydian International Limited ("**Lydian International**"), Lydian Canada Ventures Corporation and Lydian U.K. Corporation Limited (collectively, the "**Debtors**") were granted protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (Canada) ("**CCAA**") on the grounds that they were unable to pay their debts. Certain other non-applicant entities were also granted a stay of proceedings¹ (the non-applicant entities together with the Debtors are the "**Lydian Group**"). A copy of the CCAA Order is attached hereto as Schedule "A".

¹ Lydian Armenia CJSC, Lydian International Holdings Limited, Lydian Resources Armenia Limited and Lydian U.S. Corporation.

2. The Ontario Court was advised that the Lydian Group is connected to Jersey by means of Lydian International, a corporation continued under the laws of Jersey from the Province of Alberta, Canada, pursuant to the *Companies (Jersey) Law 1991* (Lydian International was originally incorporated under the *Business Corporations Act* (Alberta)). Lydian International's registered office is located at Bourne House 1st Floor, Francis Street, St Helier, Jersey.

3. Pursuant to paragraphs 2 and 3 of the CCAA Order, the Debtors, including Lydian International, are companies to which the CCAA applies, shall enjoy certain of the benefits and the protections provided for in the CCAA Order, and shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property").

4. Pursuant to paragraph 21 of the CCAA Order, Alvarez & Marsal Canada Inc. was appointed as the monitor (the "Monitor"), an officer of the Ontario Court, to monitor the business and financial affairs of the Debtors pursuant to the CCAA.

5. Pursuant to the CCAA and the CCAA Order, the Monitor has broad powers including the authorization to have full and complete access to the Debtor's Property (as the term "Property" is defined in the CCAA Order), including the premises, books, records, data (including in electronic form) and other financial documents of the Debtors, to the extent that is necessary to adequately assess the Debtors' business and financial affairs or to perform its duties arising under the CCAA Order (see e.g. paragraph 22(d) of the CCAA Order).

6. Pursuant to paragraph 42 of the CCAA Order, the Debtors and the Monitor were authorized "to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of [the CCAA Order] and for assistance in carrying out the terms of [the CCAA Order]". The same paragraph further provides that "the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada."

NOW:

7. I, the Honourable Geoffrey B. Morawetz, Chief Justice of the Ontario Court, confirm that, as a matter of international comity, the courts of the provinces and territories of Canada will consider giving effect to orders made by the Royal Court of Jersey relating to the

bankruptcy of an individual or company (save for the purpose of enforcing the fiscal laws of Jersey).

8. It having been shown to the satisfaction of the Ontario Court that it is necessary for the purposes of justice and to assist the Debtors and the Monitor with the carrying out of the terms of the CCAA Order, and assist the Monitor in the performance of its duties, pursuant to the CCAA Order of the Ontario Court, I hereby request the assistance of the Royal Court of Jersey to act in aid of the Debtors and the Monitor in the conduct of the reorganization of the Debtors and in particular (without prejudice to the generality of the foregoing):

- (a) by recognising the appointment of the Monitor with such appointment to be registered in the Rolls of the Royal Court of Jersey in respect of Lydian International;
- (b) by recognising the rights and powers of the Debtors and Monitor in respect of the Property of Lydian International;
- (c) by declaring that no action shall be taken or proceeded with against Lydian International except by leave of the Ontario Court and subject to such terms as the Ontario Court may impose; and
- (d) by granting such further or other relief as it thinks fit in aid of the Debtors and the Monitor and the reorganization of Lydian International.

Dated: 23 December 2019



The Honourable Geoffrey B. Morawetz,
Chief Justice of the Superior Court of Justice
(Ontario)

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF LYDIAN INTERNATIONAL LIMITED, LYDIAN CANADA VENTURES CORPORATION AND LYDIAN U.K. CORPORATION LIMITED

Court File No.: CV-19-00633392-00CL

ONTARIO

**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**AMENDED AND RESTATED INITIAL
ORDER**

Stikeman Elliott LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Elizabeth Pillon LSO#: 35638M
Tel: (416) 869-5623
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Email: ssopic@stikeman.com

Nicholas Avis LSO#: 76781Q
Tel: (416) 869-5504
Email: navis@stikeman.com
Fax: (416) 947-0866

Lawyers for the Applicants

TAB J

EXHIBIT "J"

referred to in the Affidavit of

EDWARD A. SELLERS

Sworn June 15, 2020

DocuSigned by:
Sanja Sopic
E820930A2731482...

Commissioner for Taking Affidavits

Court File No. CV-19-00633392-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE

)

WEDNESDAY, THE 11TH

CHIEF JUSTICE MORAWETZ

)

DAY OF MARCH, 2020



IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
LYDIAN INTERNATIONAL LIMITED, LYDIAN CANADA VENTURES CORPORATION
AND LYDIAN U.K. CORPORATION LIMITED

Applicants

ORDER

(Re Approval of BMO Engagement, DIP Agreement and Extension of the Stay of
Proceedings)

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 130 Queen Street West, Toronto, Ontario.

ON READING the affidavit of Edward A. Sellers sworn March 10, 2020 (the "**Sellers Stay Extension Affidavit**") and the Exhibits thereto, the affidavits of Edward A. Sellers sworn March 10, 2020 (the "**Second Sellers BMO Affidavit**") and January 21, 2020 (the "**First Sellers BMO Affidavit**") and the Exhibits thereto, and the Third Report of Alvarez & Marsal Canada Inc. in its capacity as Monitor of the Applicants (the "**Monitor**") dated March 10, 2020 (the "**Third Report**"), and on hearing the submissions of counsel for the Applicants, the Monitor, Caterpillar Financial Services (UK) Limited ("**CAT**"), Orion Capital Management, Resource Capital Fund VI LP, Osisko Bermuda Limited and ING Bank N.V./ ABS Svensk Exportkredit (publ) ("**ING**"), and on being advised that those parties listed in the affidavits of service filed were given notice of this motion,

EXTENSION OF STAY PERIOD

1. **THIS COURT ORDERS** that the stay period as referred to in the Amended and Restated Initial Order of Chief Justice Morawetz dated January 23, 2020 (the "**Amended and Restated Initial Order**") is extended until and including April 30, 2020 in respect of the Applicants and the Non-Applicant Stay Parties.

APPROVAL OF FINANCIAL ADVISOR'S ENGAGEMENT, INCREASE TO ADMINISTRATION CHARGE AND TRANSACTION CHARGE

2. **THIS COURT ORDERS** that the Applicants are authorized to continue the engagement of BMO Nesbitt Burns Inc. ("**BMO**") on the terms and conditions set out in the Revised BMO Engagement Letter (as defined in the Second Sellers BMO Affidavit).

3. **THIS COURT ORDERS** that BMO shall be paid its fees and expenses in accordance with the terms of the Revised BMO Engagement Letter, whether incurred prior to or after the date of this Order, by the Applicants, and shall be entitled to the benefit of the Administration Charge (the "**Administration Charge**") provided for in paragraph 32 of the Amended and Restated Initial Order in respect of its Monthly Fee (as defined in the Second Sellers BMO Affidavit) and a charge (the "**Transaction Charge**") on the Applicants' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**") to secure the Recapitalization Fee (as defined in the Second Sellers BMO Affidavit). The Transaction Charge shall have the priority set out in paragraphs 10 and 12 hereof.

4. **THIS COURT ORDERS** that the Administration Charge shall be increased to secure the Monthly Fee, up to the maximum aggregate amount of \$658,200 (being US\$500,000 as per the Bank of Canada's published exchange rate on December 20, 2019), as security for the professional fees and disbursements of the Monitor, counsel to the Monitor, the Applicants' counsel and BMO, incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order. The Administration Charge shall have the priority set out in paragraphs 10 and 12 hereof.

DIP FINANCING

5. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to use the central cash management system currently in place among the Applicants, the Non-Applicant

Stay Parties and any other of the entities in the Lydian Group, as set out in the Amended and Restated Initial Order.

6. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to guarantee a credit facility from Orion Co IV (ED) Limited, Resource Capital Fund VI L.P. and Osisko Bermuda Limited (collectively, the **"DIP Lenders"**) in connection with the Sixteenth Amending Agreement dated March 10, 2020 between the DIP Lenders, Lydian Armenia CJSC (**"Lydian Armenia"**) as Borrower and the Applicants and the other Lydian Group entities listed therein as guarantors (the **"DIP Agreement"**), in order to finance working capital requirements of the Applicants and Non-Applicant Stay Parties, and other general corporate purposes, all as specifically provided for in the DIP Agreement.

7. **THIS COURT ORDERS** that the DIP Lenders shall be entitled to the benefit of and are hereby granted a charge (the **"DIP Charge"**), which DIP Charge shall not secure an obligation that exists before this Order is made. The DIP Charge shall have the priority set out in paragraphs 10 and 12 hereof.

8. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lenders may take such steps from time to time as they may deem necessary or appropriate to file, register, record or perfect the DIP Charge;
- (b) upon the occurrence of an event of default under the DIP Agreement, the DIP Lenders may apply to the Court to exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the DIP Agreement and the DIP Charge; and
- (c) the foregoing rights and remedies of the DIP Lenders shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

9. **THIS COURT ORDERS AND DECLARES** that the DIP Lenders shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicants under the CCAA, or any proposal filed by the Applicants under the *Bankruptcy and Insolvency Act* of Canada (the **"BIA"**), with respect to any advances made under the DIP Agreement.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

10. **THIS COURT ORDERS** that the priorities of the Administration Charge and the Directors' Charge (as each of those terms is defined in the Amended and Restated Initial Order), the Transaction Charge and the DIP Charge, as among them, shall be as follows:

First - Administration Charge (to the maximum amount of \$658,200 (being US\$500,000 as per the Bank of Canada's published exchange rate on December 20, 2019));

Second- the Directors' Charge (to the maximum amount of \$263,280);

Third- the Transaction Charge (to the maximum amount of \$5,923,800 (being US\$4,500,000 as per the Bank of Canada's published exchange rate on December 20, 2019));

Fourth- the DIP Charge.

11. **THIS COURT ORDERS** that, for greater certainty, the Administration Charge, the Director's Charge, the Transaction Charge and the DIP Charge shall not apply to the equipment owned by Lydian Armenia intended for use in connection with the Amulsar Project (as defined in the Sellers Stay Extension Affidavit) and financed by equipment financiers including CAT and ING.

12. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge, the Directors' Charge, the Transaction Charge or the DIP Charge (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

13. **THIS COURT ORDERS** that each of the Administration Charge, the Directors' Charge, the Transaction Charge or the DIP Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any individual, firm, corporation, governmental

body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**").

14. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Administration Charge, the Directors' Charge, the Transaction Charge or the DIP Charge, unless the Applicants also obtain the prior written consent of the Monitor and the beneficiaries of the Administration Charge, the Directors' Charge, the Transaction Charge and the DIP Charge.

15. **THIS COURT ORDERS** that the Administration Charge, the Directors' Charge, the Transaction Charge and the DIP Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by the creation of the Charges; and
- (c) the payments made by the Applicants pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

MONITOR'S FEES AND ACTIVITIES

16. **THIS COURT ORDERS** that the Monitor's activities, as set out in the Second Report of the Monitor dated February 28, 2020, be and hereby are approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

17. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and the Monitor's counsel, Thornton Grout Finnigan LLP, as disclosed in the Third Report and detailed in the Affidavit of Alan Hutchens sworn March 10, 2020 (the "**Hutchens Affidavit**") and the Affidavit of D.J. Miller sworn March 9, 2020 (the "**Miller Affidavit**"), respectively, as appended to the Third Report, be and hereby are approved.

SEALING

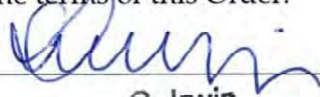
18. **THIS COURT ORDERS** that the First Sellers BMO Affidavit, the Second Sellers BMO Affidavit, the BMO Engagement Letter, the Revised BMO Engagement Letter, the CAT Settlement and the ING Settlement (as each of the foregoing terms are defined in the Sellers Stay Extension Affidavit), the unredacted DIP Agreement, the unredacted Sellers Stay Extension Affidavit, and the unredacted invoices attached as Confidential Exhibit 1 to each of the Hutchens Affidavit and Miller Affidavit are hereby sealed and shall not form part of the public record until further order of the Court.

GENERAL

19. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, Armenia, the Bailiwick of Jersey, the United Kingdom, or the United States to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

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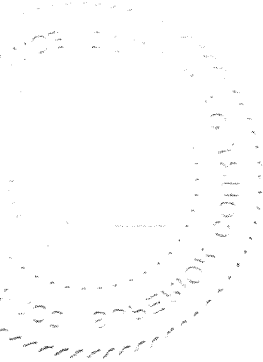
MAR 11 2020


C. Irwin
Registrar

PER / PAR: 

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF LYDIAN INTERNATIONAL LIMITED, LYDIAN CANADA VENTURES CORPORATION AND LYDIAN U.K. CORPORATION LIMITED

Court File No.: CV-19-00633392-00CL



**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER

**(Re Approval of BMO Engagement, DIP
Agreement and Extension of the Stay of
Proceedings)**

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Lawyers for the Applicants

TAB K

EXHIBIT "K"

referred to in the Affidavit of

EDWARD A. SELLERS

Sworn June 15, 2020

DocuSigned by:

Sanja Sopic

E820930A2731482...

Commissioner for Taking Affidavits



Court File No. CV-19-00633392-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE
CHIEF JUSTICE MORAWETZ

)
)
)

THURSDAY, THE 30TH
DAY OF APRIL, 2020

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
LYDIAN INTERNATIONAL LIMITED, LYDIAN CANADA VENTURES CORPORATION
AND LYDIAN U.K. CORPORATION LIMITED

Applicants

ORDER

(Re Approval of DIP Amendment and Extension of the Stay of Proceedings)

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was proceeded by way of videoconference due to the COVID-19 crisis on this day.

ON READING the affidavit of Edward A. Sellers sworn April 27, 2020 (the "**April Stay Extension Affidavit**"), the supplementary affidavit of Edward A. Sellers sworn April 29, 2020 (the "**Supplementary April Stay Extension Affidavit**") and the Exhibits thereto, the Third Report of Alvarez & Marsal Canada Inc. in its capacity as Monitor of the Applicants (the "**Monitor**") dated March 10, 2020 (the "**Third Report**"), the Fourth Report of Alvarez & Marsal Canada Inc. in its capacity as Monitor dated April 27, 2020 (the "**Fourth Report**"), and the Supplemental Fourth Report of Alvarez & Marsal Canada Inc. in its capacity as Monitor dated April 29, 2020 (the "**Supplemental Fourth Report**") and on hearing the submissions of counsel for the Applicants, the Monitor, Caterpillar Financial Services (UK) Limited, Orion Capital Management, Resource Capital Fund VI LP, Osisko Bermuda Limited and ING Bank N.V./ ABS Svensk Exportkredit (publ), and on being advised that those parties listed in the affidavits of service filed were given notice of this motion,

EXTENSION OF STAY PERIOD

1. **THIS COURT ORDERS** that the stay period as referred to in the Amended and Restated Initial Order of Chief Justice Morawetz dated January 23, 2020 (the “**Amended and Restated Initial Order**”) is extended until and including June 30, 2020 in respect of the Applicants and the Non-Applicant Stay Parties.

DIP FINANCING

2. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to enter into the DIP Amendment (as defined in the April Stay Extension Affidavit) in order to finance working capital requirements of the Applicants and Non-Applicant Stay Parties, and other general corporate purposes, all as specifically provided for in the DIP Amendment.

3. **THIS COURT ORDERS** that, for greater certainty, in connection with the Applicants’ obligations under the DIP Amendment, the DIP Lenders (as defined in the April Stay Extension Affidavit) shall be entitled to the benefit of the DIP Charge referred to in paragraph 7 of the Order of this Court dated March 11, 2020 (the “**March 11 Order**”), which DIP Charge has the priority set out in paragraphs 10 and 12 of the March 11 Order.

MONITOR’S FEES AND ACTIVITIES

4. **THIS COURT ORDERS** that the Monitor’s activities, as set out in the Third Report, the Fourth Report and the Supplemental Fourth Report be and hereby are approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

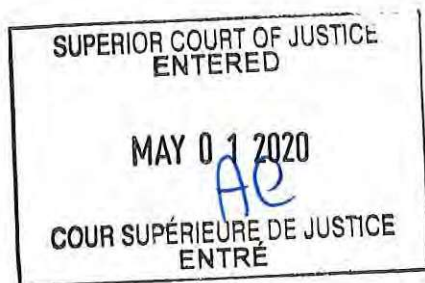
5. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and the Monitor’s counsel, Thornton Grout Finnigan LLP, as disclosed in the Fourth Report and detailed in the Affidavit of Alan Hutchens sworn April 27, 2020 (the “**Hutchens Affidavit**”) and the Affidavit of D.J. Miller sworn April 27, 2020 (the “**Miller Affidavit**”), respectively, as appended to the Fourth Report, be and hereby are approved.

SEALING

6. **THIS COURT ORDERS** that the unredacted April Stay Extension Affidavit, the unredacted Supplementary April Stay Extension Affidavit, and the unredacted DIP Amendment, are hereby sealed and shall not form part of the public record until further order of the Court.

GENERAL

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, Armenia, the Bailiwick of Jersey, the United Kingdom, or the United States to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.



A handwritten signature in black ink, appearing to be "J. P. [unclear]", written over a horizontal line.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF LYDIAN INTERNATIONAL LIMITED, LYDIAN CANADA VENTURES CORPORATION AND LYDIAN U.K. CORPORATION LIMITED

Court File No.: CV-19-00633392-00CL

ONTARIO

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER

**(Re Approval of DIP Amendment and
Extension of the Stay of Proceedings)**

Stikeman Elliott LLP
Barristers & Solicitors
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Lawyers for the Applicants

TAB L

EXHIBIT "L"

referred to in the Affidavit of

EDWARD A. SELLERS

Sworn June 15, 2020

DocuSigned by:
Sanja Sapic
E820930A2731482...

Commissioner for Taking Affidavits

In the Royal Court of Jersey

Samedi Division

2020/019

In the year two thousand and twenty, the twenty-fifth day of February.

Before Robert James MacRae, Esquire, Deputy Bailiff of Jersey, assisted by
Jurats Rozanne Barbara Thomas and David Gareth Hughes.

IN THE MATTER OF THE REPRESENTATION OF LYDIAN INTERNATIONAL
LIMITED

AND IN THE MATTER OF THE LETTER OF REQUEST FROM THE ONTARIO
SUPERIOR COURT OF JUSTICE

Upon receipt of a letter of request to the Royal Court of Jersey from the Ontario Superior Court of Justice (the Ontario Court) dated the 23rd December, 2019, issued under an order of the Ontario Court dated the 23rd January, 2020.

And upon reading the representation of Lydian International Limited (Lydian International).

And upon hearing the Advocate for Lydian International, the Court, for reasons to be set out in a judgment to be delivered by the Deputy Bailiff at a later date, ordered that the directions and orders of the Ontario Court be recognised and be given effect to as follows, so that:-

1. Alvarez & Marsal Canada Inc. ("the Monitor") be appointed as the monitor of Lydian International with such appointment registered in the rolls of the Royal Court and the appointment of the Monitor notified to the Jersey Financial Services Commission;
2. Lydian International shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever in Jersey and, subject to further order of the Ontario Court, Lydian International shall continue to carry on business in a manner consistent with the preservation of its business and property;
3. No proceeding or enforcement process in or out of any court or tribunal shall be commenced or continued against or in respect of Lydian International, or affecting its

- business or its property, except with the written consent of Lydian International, or with leave of the Ontario Court; and
4. Lydian International and any party affected by this Representation, including the creditors of Lydian International, shall have liberty to apply.


Greffier Substitute

MO (SJA)

TAB M

EXHIBIT "M"

referred to in the Affidavit of

EDWARD A. SELLERS

Sworn June 15, 2020

DocuSigned by:
Sanja Sopic
E820030A2731482...

Commissioner for Taking Affidavits

0000/00

**ROYAL COURT
(Samedi Division)**

17th March 2020

**Before: R J MacRae Esq, Deputy Bailiff with Jurats
Thomas and Hughes**

Representation of Lydian International Limited

Advocate S J Alexander for the Representor

JUDGMENT

DEPUTY BAILIFF:

1. On 25th February 2020 the Court made various orders in response to a letter of request dated 23rd December 2019 addressed to the Royal Court and transmitted to the Court under an order made by Chief Justice Morawetz of the Ontario Superior Court of Justice dated 23rd January 2020.
2. We now give reasons for our decision.
3. Lydian International Limited ("Lydian International") is a Jersey company. It is the ultimate holding company for the wider Lydian Group. It is not necessary to set out the identity of all the companies in the Lydian Group. But Lydian International holds 100% of the shares in Lydian Canada Ventures Corporation, a company registered in British Columbia. Lydian Canada Ventures Corporation in turn owns 100% of the shares in Lydian UK Corporation Limited, a United Kingdom company.
4. Ultimately, through two companies registered in the British Virgin Islands, the companies that we have described wholly own an Armenian company which holds the principal asset of the group, a gold mine in Armenia.

5. The three companies identified, Lydian International, Lydian Canada Ventures Corporation and Lydian UK Corporation Limited were the three companies within the Group which were the subject of an application made to the Ontario Supreme Court under the Companies' Creditors Arrangement Act ("the CCAA").
6. The CCAA is a Canadian federal statute allowing insolvent debtors to restructure their business and financial affairs. In particular, it allows a company to continue its business whilst it seeks to make arrangements with its creditors. This includes "debtor in possession" insolvency proceedings whereby the debtor (in this case the three companies referred to) remains in possession of their property and are able to carry on their business until conclusion of the proceedings. The proceedings are carried out under the supervision of the court with the assistance of an independent insolvency practitioner known as the "Monitor".
7. The financial difficulties which the Lydian group companies are currently encountering are a consequence of difficulties in completing the construction of the gold mine which are said to have been caused by arbitrary measures taken by the government of Armenia. It is not necessary to describe further the difficulties this has caused to the Lydian Group.

The judgment of the Supreme Court of Justice, Ontario ("the Ontario Court")

8. The judgment of the Ontario Court recognised that Lydian International is a Jersey company, initially incorporated in Alberta. The applicants to the Ontario Court submitted that the Lydian Group business was completely integrated and its business directed primarily out of Canada, with most of its strategic decision making being conducted in Toronto and Vancouver. The Lydian Group's loan agreements were governed primarily by the laws of Ontario. It was clear from the judgment of the Ontario Court that the restructuring arrangements for the Lydian Group are complex and that it may be appropriate for the insolvency regime of one jurisdiction to oversee the process.
9. The Ontario Court held that the Jersey and UK companies, although foreign incorporated were "companies" pursuant to the CCAA, as they either had assets or did business in Canada. They were also "debtor companies" for the purpose of the CCAA as they were insolvent and had liabilities in excess of C\$5m.
10. The Ontario Court held "*The registered offices for Lydian International and Lydian UK are in Jersey and the UK respectively, however, both entities have assets in Ontario, those being funds on deposit with the Bank of Nova Scotia in Toronto. Further, it seems to me that both Lydian International and Lydian UK have a strong nexus to Ontario and accordingly I am satisfied that*

Ontario is the appropriate jurisdiction to hear this application. I am also satisfied that, in the circumstances, it is appropriate for this court to issue to the Royal Court of Jersey a letter of request as referenced in the application record.”

11. The Ontario Court has made interim orders which need to be renewed frequently and are under the supervision of the Monitor. These orders have, inter alia, the effect that the applicants remain in possession and control of their current and future assets; may continue to carry on business in a manner consistent with the preservation of their business; are entitled to pay various expenses; are directed not to make payments of principal or interest to any of their creditors and are protected from any proceedings or enforcements against them except with consent of the applicants and the Monitor, or leave of the Court. These protections extend to the directors and officers of the applicants. The Monitor has been ordered to monitor the receipts and disbursements of the three companies; report to the Court at such time and intervals as the Monitor may deem appropriate with respect to matters relating to the property of the companies; advise the companies in the preparation of their cash flow statements; have full and complete access to the affairs of the companies and, be at liberty to engage counsel or such other persons as the Monitor deems appropriate respecting the exercise of its powers and obligations.

The letter of request

12. The letter of request ordered to be sent to this Court is entitled “*Letter of Request (Comity Application)*”. The letter requests the assistance of this Court and invites the Court to give various relief. Importantly, the Ontario Court confirms “*that, as a matter of international comity, the courts of the provinces and territories of Canada will consider giving effect to orders made by the Royal Court of Jersey relating to the bankruptcy of an individual or company (save for the purpose of enforcing the fiscal laws of Jersey)*”.
13. The Ontario Court requests the assistance of the Royal Court to act in aid of the applicants and the Monitor in the conduct of the reorganisation of the applicants and in particular, in summary, by recognising the appointment of the Monitor; by recognising the rights and powers of the applicants and the Monitor in respect of the property of Lydian International; by declaring that no action shall be taken or proceeded with against Lydian International except by leave of the Ontario Court and by granting such further or other relief as the Royal Court shall think fit in aid of the applicants and the Monitor in the reorganisation of Lydian International.
14. The Court was concerned to satisfy itself firstly that it had jurisdiction to grant the orders made and secondly, if it had such jurisdiction, whether it would be appropriate to exercise it in favour of granting some or all of the orders sought in the letter or request.

The Court's jurisdiction

15. There is no statutory basis to assist the Ontario Court.

16. Article 49 of the Bankruptcy (Désastre) (Jersey) Law 1990 provides that:

“(1) The court may, to the extent it thinks fit, assist the courts of a relevant country or territory in all matters relating to the insolvency of a person, and when doing so may have regard to the extent it considers appropriate to the provisions for the time being of any model law on cross border insolvency prepared by the United Nations Commission on International Trade Law.

...

(4) In this Article “relevant country or territory” means a country or territory prescribed by the Minister.”

17. However, the provisions of the order made by the Minister under Article 49, as contained in the Bankruptcy (Désastre) Jersey Order 2006, list a number of countries and territories which do not include Canada.

18. We were assisted by various Jersey cases cited to us in the course of argument in which the Royal Court, in the exercise of its discretion and having regard to the principles of comity, decided to make orders having the effect of implementing orders made by foreign courts in respect of bankruptcies in those jurisdictions.

19. The authority of most assistance was the decision of the Royal Court in Tacon –v- Nautilus Trust Company Limited, John Grimshaw and Montrow International Limited [2007] JRC 107 and the decision of the Court of Appeal on appeal in Montrow International –v- Tacon [2007] JCA 144.

20. In that case the Royal Court was considering an application made by the respondents to stay an order previously made by the Royal Court whereby it had recognised the appointment by the High Court of the British Virgin Islands of a provisional liquidator and authorised him to exercise in Jersey various powers as provisional liquidator of companies, including Montrow International Limited. At paragraph 24 the Court said:

“24. The second preliminary objection was that this Court does not have power to order a director to provide information etc at the instance of a provisional liquidator of an overseas company because Jersey does not have the concept of a provisional liquidator. Reliance was placed upon a dictum of Lord Hoffmann in Cambridge Gas Transport Cooperation v the Official Committee of Unsecured Creditors of Navigator Holdings plc [2006] 3 WLR 689 where he said at para 22

“What are the limits of the assistance which the court can give? In cases in which there is statutory authority for providing assistance, the statute specifies what the court may do.....At common law, their Lordships think it doubtful whether assistance could take the form of applying provisions of the foreign insolvency law which form no part of the domestic system. But the domestic court must at least be able to provide assistance by doing whatever it could have done in the case of a domestic insolvency. The purpose of recognition is to enable the foreign office holder or the creditors to avoid having to start parallel insolvency proceedings and to give them the remedies to which they would have been entitled if the equivalent proceedings had taken place in the domestic forum.”

25. However, that comment was made in the context of what powers the domestic court could exercise in aid of the foreign court. It was not concerned with the question of to whom such assistance could be given. In that respect Lord Hoffmann had at para 20 said the following:-

“Corporate insolvency is different in that, even in the case of movables, there is no question of recognising a vesting of the company’s assets in some other person. They remain the assets of the company. But the underlying principle of universality is of equal application and this is given effect by recognising the person who is empowered under the foreign bankruptcy law to act on behalf of the insolvent company as entitled to do so in England.”

26. The person entitled under BVI law to act on behalf of Montrow is Mr Tacon as provisional liquidator. The Court should therefore recognise him even though Jersey does not have the concept of a provisional liquidator. The same point would arise in respect of a duly appointed administrator of an English company. Jersey does not have the concept of placing a company in administration but, given that under English law, an administrator once appointed is the person empowered to act for the company, this Court would, in conformity with the remarks of Lord Hoffmann,

recognise the administrator of an English company as being the person entitled to act on behalf of that company.

27. No one suggested in argument that the liquidator of a Jersey company does not have a comparable power to obtain information from a director as is envisaged by Para 2(g) of the order and accordingly we reject the argument that this Court is unable to make the order in question merely because Jersey does not have the concept of a provisional liquidator.”

21. The single judge of the Court of Appeal, Michael Beloff QC, refused leave to appeal.
22. It is true that the relief available under the CCAA including, for example, the appointment of the Monitor and certain other orders made by the Canadian Court, are not features of Jersey law. Accordingly, the Court would be going rather further than the Royal Court went in Tacon –v- Nautilus and others in granting the relief sought. In that case, although Jersey does not have the concept of a provisional liquidator, it was not suggested that a liquidator of a Jersey company did not have the power to obtain information envisaged by the order that was sought.
23. In this case, the Court is being invited to make orders ancillary to those made in the Ontario Court which could not be obtained in any Jersey bankruptcy or insolvency procedure, as there is no equivalent process in Jersey.
24. It was accepted by counsel for Lydian International that there were elements of the Canadian process which were not known to Jersey law, but it was said that there was nothing about the relief that was sought that was inconsistent with public policy or contrary to any fundamental principles of Jersey law. We accepted this argument.
25. Accordingly, the Court found that it did have jurisdiction to make the order sought in the letter of request.

Exercise of our jurisdiction

26. This is not a case (unlike, for example, the Montrow International case) where the foreign insolvency process was itself heavily contested. Nor is it a case where such process was undertaken in the absence of representation by or on behalf of the creditors.

27. We were shown a list of the principal creditors, of whom six are secured and ten are unsecured. Some of the secured creditors were represented by counsel at the hearing before the Chief Justice of the Ontario Court.
28. We note that there are no secured or unsecured creditors (with the exception of the applicant's Jersey lawyers) in Jersey so no Jersey creditors will be prejudiced by any order that this court may make. Further, in accordance with the orders made at the convening hearing in this matter, all creditors were notified of the hearing. There was a delay in notifying certain of the unsecured creditors, but they still had sufficient time (five days) to respond prior the deadline of 18th February 2020 and, in the event, none of the secured or unsecured creditors have expressed any opposition to the orders being sought.
29. The only creditor who can be described as an objector to the proceedings is Caterpillar Financial SARL which is one of the six secured creditors of the three companies that are applicants in the CCAA proceedings (but not the largest). Caterpillar has been in communication with counsel for Lydian International, and its concern relates to the fact that Lydian International is a guarantor of a loan granted by Caterpillar to another company in the Lydian Group which is not the subject of the CCAA proceedings; Caterpillar objects to the CCAA court attempting to apply the Canadian stay "extra judicially" to collateral in Armenia and protests that any order by a Jersey court would not be effective against either Lydian International or the Armenian collateral.
30. We were shown evidence showing that at the most recent hearing before the Ontario Court, Caterpillar elected to reserve its position in respect of any challenge to the Ontario Court orders. In any event, as set out below, we ordered that any affected creditor (including Caterpillar) may have liberty to apply in relation to the orders that we made.
31. As to Lydian International itself, we were told that it is Jersey tax resident; that its registered office is in Jersey; it has an employee in Jersey; board meetings have occurred here in the past and we note that one of the six directors of the Company is resident in the Channel Islands.
32. There has been correspondence between Lydian International's Jersey advocates and the office of the Viscount in order to see if she has any substantive views on the application made. She did not express any views that were hostile to this application.
33. Although there is no precedent in Jersey for a Canadian CCAA order or similar order being enforced or recognised in relation to a Jersey company, we had no doubt that we should assist the Canadian Court in this case. There were no reasons of Jersey public policy impeding the court making the

orders sought. To the contrary, it is consistent with Jersey's status as a responsible jurisdiction for the Royal Court to lend assistance in order to facilitate an international insolvency process in a friendly country that has a potential to benefit the creditors of the Lydian Group as a whole.

34. Further, whilst of course this court retains a discretion as whether or not to assist an overseas court and as to the nature and degree of assistance, the fact remains that it is the Ontario Court which is exercising the principal insolvency jurisdiction in this case, and this court should have regard to the decisions of that court particularly where, as in this case, we have been supplied with a substantial body of material explaining the background to this matter, together with a reasoned judgment of the Ontario Court, following a hearing to which the creditors were convened and certain of the creditors represented by counsel.
35. The Court gave substantial weight to the indication in the letter of request that the Canadian court would consider giving effect to equivalent orders made by the Royal Court in respect of the bankruptcy of an individual or company and ordered that:
 - (i) Alvarez & Marsal Canada Inc. ("the Monitor") be appointed as the Monitor of Lydian International with such appointment registered in the rolls of the Royal Court, and the appointment of the Monitor be notified to the Jersey Financial Services Commission;
 - (ii) Lydian International shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever in Jersey and, subject to further order of the Ontario Court, Lydian International shall continue to carry on business in a manner consistent with the preservation of its business and property;
 - (iii) No proceeding or enforcement process in or out of any court or tribunal shall be commenced or continued against or in respect of Lydian International, or affecting its business or its property, except with the written consent of Lydian International, or with leave of the Ontario Court; and
 - (iv) Lydian International and any party affected by this Representation, including the creditors of Lydian International, shall have liberty to apply.

TAB N

EXHIBIT "N"

referred to in the Affidavit of

EDWARD A. SELLERS

Sworn June 15, 2020

DocuSigned by:
Sanja Sopic
E820930A2731482...

Commissioner for Taking Affidavits

Court File No. CV-19-00633392-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)

CHIEF JUSTICE MORAWETZ)

Handwritten signature
MONDAY
THURSDAY, THE 30TH
DAY OF APRIL, 2020



IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
LYDIAN INTERNATIONAL LIMITED, LYDIAN CANADA VENTURES CORPORATION
AND LYDIAN U.K. CORPORATION LIMITED

Applicants

ORDER

THIS MOTION, made by the Applicants, was heard this day in writing in substitution to an in-person hearing.

ON READING THE consent of the parties, filed,

1. THIS COURT ORDERS that the stay of proceedings as provided for in the Amended and Restated Initial Order of Chief Justice Morawetz dated January 23, 2020 shall be lifted for the purposes of permitting Caterpillar Financial Services (UK) Limited ("CAT") the ability to exercise its enforcement rights with respect to the Mobile Mining Equipment (as defined in the Motion Record of the Respondent, CAT dated January 22, 2020) in accordance with various pledge agreements entered into between Lydian Armenia CJSC and CAT pertaining to the Mobile Mining Equipment.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

MAY 22 2020

111576955 v3

PER / PAR: *Handwritten signature*