



HUMAN RESOURCES POLICY

Lydian's Commitment

Lydian International Ltd ("Lydian") aims to be the first choice of customers, employees and shareholders and to be a respected leader in the mining industry. Lydian's mission is to conduct its developments and operations in a sustainable manner and recognizes that its employees are the resource fundamental to achieving its business strategy. Lydian believes that the same qualities of leadership that result in sound Social, Environmental, Health and Safety, and Human Resources Policies, are the qualities that result in an efficient, profitable company.

Lydian Human Resources Policy

Lydian believes that its employees are the key resource in meeting its vision of being a respected and successful developer and producer of precious metal resources. Lydian will incorporate the values of teamwork, integrity, honesty, respect and empowerment in the execution of its Human Resource Policy.

Lydian strives to be a good neighbor in the diverse communities where it operates and is committed to sustainable development which maximizes the benefits to the communities and countries in which it operates. This is supported through the provision of training for local applicants. Employees will be selected based on their performance, professional behaviour and ethics and approach to safety. The Company's recruitment policy gives priority for workforce development in the region, starting from the project influence area, and then followed by other surrounding villages, towns or cities.

Lydian supports human rights consistent with the United Nations Declarations on Human Rights.

Objectives

Lydian's guiding principles and employment objectives are:

- To promote the fair treatment, non-discrimination, and equal opportunity of workers, regardless of gender, race, nationality, religion or disability;
- To implement its Human Resources policies and procedures in a fair, open and transparent manner;

- To promote merit based advancement focusing on technical ability and work ethic;
- To promote equity by distributing employment benefits across the project influence area;
- To promote teamwork and empowerment to enable employees to perform at their maximum potential;
- Implement a philosophy of rewarding superior performance and recognition for achievement;
- To ensure compliance with national employment and labour laws;
- To protect workers, including vulnerable categories of workers such as migrant workers and workers engaged by third parties;
- To promote safe and healthy working conditions, and the health of workers; and
- To never permit the use of forced, bonded or child labour.

¹ “Development that meets the needs of the present without compromising the ability of future generations to meet their own needs”

Compliance

Lydian will comply with all relevant national legislation relating to employment and human resource considerations. The Company’s recruitment plan will be consistent with local labour codes on recruitment and hiring practices. Lydian will also adhere to the standards and guidelines of International Finance Corporation (IFC) and European Bank for Reconstruction and Development (EBRD), as well as the International Labour Organisation and United Nations.

This Human Resources Policy applies to all workers directly engaged by Lydian, workers engaged through third parties to perform work related to Lydian’s core business processes of the project for any substantial duration (contracted workers), as well as workers engaged by Lydian’s primary suppliers (supply chain workers).

Continuous Improvement

The Company will review its Human Resources Policy on a periodic basis and update it as necessary. This Policy will be implemented through Lydian’s integrated Environmental, Social Health and Safety Management System which will be regularly reviewed and updated by performing periodic, systematic, internal audits. It will use the results as a basis for continuous improvement through an adaptive management process.

Company Practices

Good management requires that all employees know what to do, how well they are performing and what they need to learn in order to do a better job. In order to achieve this, the Company will set clear performance targets and expectations, based on clear job descriptions which include details of Lydian’s expectations regarding work ethics, code of conduct & integrity standards. We will ensure that employees get objective feedback on their performance, and develop personal development plans so as to drive more effective individual behaviour and enhance the Company’s performance.

Lydian will provide workers with documented information that is clear and understandable, regarding their rights under national labour and employment law and any applicable collective agreements, including their rights related to hours of work, wages, overtime, compensation, and benefits. These will be updated when any material changes occur.

Lydian will ensure that employees have the necessary knowledge and skills required to complete their tasks effectively and efficiently. Learning, training and development activities will be provided by Lydian to improve employee competency levels and organizational performance. These will include a variety of approaches including structured training courses, mentoring, coaching, job shadowing, peer exchanges, and/or self-directed learning.

Lydian will seek to recruit committed, motivated, and qualified employees to enable the Company to achieve its goals. The Company will develop a human resources plan that describes how we will meet our current and future HR requirements based on the strategic plans of the organization.

Occupational Health and Safety

Lydian is committed to the implementation of its Occupational Health and Safety Policy, and to ensuring that this policy is made known to all its managers, staff, contractors, and partners, and is proactively implemented, reviewed and updated. We believe people are our key asset, and that all accidents are preventable. We will provide a safe and healthy work environment, taking into account inherent risks involved with mining, including physical, chemical, and biological hazards.

Non-Discrimination and Equal Opportunity

Lydian will base employment decisions only on inherent job requirements. Employment will be based on the principle of equal opportunity and fair treatment and will not discriminate with respect to any aspects of the employment relationship, such as recruitment and hiring, compensation (including wages and benefits), working conditions and terms of employment, access to training, job assignment, promotion, termination of employment or retirement, and disciplinary practices. Lydian will take measures to prevent and address harassment, intimidation, and/or exploitation, especially in regard to women. These principles of non-discrimination apply to all workers, including to migrant workers.

Retrenchment

In the event of requiring any collective dismissals, Lydian will carry out an analysis of alternatives to retrenchment. If there are no viable alternatives to retrenchment, a retrenchment plan will be developed and implemented to reduce the adverse impacts of retrenchment on workers. The retrenchment plan will be based on the principle of non-discrimination and will reflect Lydian's consultation with workers, their organizations, and the host government, and comply with collective bargaining agreements, if they exist.

Grievance Mechanism

Lydian will provide a grievance mechanism for workers (and their organizations, where they exist) to raise workplace concerns. Workers will be informed of the grievance mechanism at the time of recruitment and this will be made easily accessible to them. The process will be to address concerns promptly, using an understandable and transparent process, without any retribution. The mechanism will allow for anonymous complaints to be raised and addressed, without impeding access to other judicial or administrative remedies that might be available.

Protecting the Work Force

Lydian will not employ any forced labour, which consists of any work or service not voluntarily performed that is exacted from an individual under threat of force or penalty. The Company will not employ trafficked persons. Lydian will employ only those people legally entitled to work in the host country.

The Company will take all commercially reasonable efforts to ascertain that the third parties who engage contract workers are reputable and legitimate enterprises and have appropriate systems in place to ensure they operate in a manner consistent with the requirements of this Policy.

Workers' Organizations

Lydian recognises the rights of the employees to form and to join any workers' organizations of their choosing, without interference, and have the right to bargain collectively. Lydian does not restrict employees from developing mechanisms to express their grievances and protect their rights regarding working conditions and terms of employment, without interference from the Company. Any such workers' organizations are expected to fairly represent the workers in the workforce.

This policy was approved by the Board of Directors on 14 August 2018.