



52-wk Range: C\$0.33-0.88      Market Cap (M): C\$103.2  
 12 month target C\$1.50      EV (M): C\$99.9

## Mining

## Revised Commodity and Currency forecasts

### Summary

Lydian International is a UK exploration company. It has an exciting new gold discovery in Armenia at the Amulsar project. It is also maximising its first mover advantage in the newly independent state of Kosovo, exploring for base and precious metals.



### Event

Fox-Davies has reviewed its commodity and currency forecasts. For full details please see today's daily.

### Comment

We have our Lydian model commencing production at Amulsar in 2013. As a consequence it does not benefit from the most significant changes to our gold price forecasts which occur in 2012.

In the short term, we believe that the share price of Lydian is more likely to be driven by the current drilling program. This commenced in early June. The intention is to drill 16,000m and increase and upgrade the current 1.4M oz inferred resource and develop new targets in the immediate vicinity

### Recommendation

We maintain the Buy recommendation with an increased target price of C\$1.50/share, formerly C\$1.22.

### Key Metrics

Shares Outstanding (M): 55.3  
 Current Price (C\$): C\$1.34  
 Fully Diluted Shares (M): 75.3

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FYE Dec	2008	2009E	2010E	2011E	2012E
Revenue (£M):	0.0	0.0	0.0	0.0	0.0
EBITDA (£M):	-1.9	-1.8	-2.8	-2.8	-2.8
NPAT (inc significant items):	-1.9	-1.9	-2.5	-2.5	-3.0
EPS (GBp):	-2.5	-4.0	-3.6	-3.1	-3.8
Cash Flow/Share (GBp):	-4.0	-3.8	-4.0	-3.5	-3.1
Gold Price (\$/oz):	872.6	973.7	1217.0	1400.0	1520.0
Ozs production per '000 shares:	0.00	0.00	0.00	0.00	0.00
Ozs reserves per '000 shares:	0.0	7.3	11.0	11.0	11.0

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### Peter Rose

Peter Rose has 20 years experience in equities as a resources analyst, most recently having spent 11 years with Deutsche Bank in Australia. Prior to this he spent three years with Prudential Bache and five years with James Capel. Peter's industry experience includes 16 years as a metallurgist, three years with De Beers in South Africa and eight years in the uranium industry, five of which were spent at the Ranger Uranium mine. Peter holds a BSc degree in Applied Mineral Science from Leeds University UK and a Bachelor of Commerce from the University of South Africa. Peter is also a member of the Institute of Mining & Metallurgy and a chartered engineer.

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Research disclosure as of 5 July 2010

Company Name	Disclosure
Lydian (LYD)	1, 2, 8

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Fox-Davies corporate client & coverage universe as of 5 July 2010:

Company	Ticker	Recommendation	Date	Target Price	Last Price
Mining					
African Barrick Gold	ABG LN Equity	HOLD	05.07.10	£6.16	£6.03
Angel Mining	ANGM LN Equity	BUY	03.03.10	£0.16	£0.06
Antofagasta	ANTO LN Equity	BUY	28.05.10	£10.33	£7.66
Atlantic Coal	ATC LN equity	BUY	21.01.10	£0.025	£0.004
Discovery Metals	DME LN Equity	BUY	05.07.10	£1.04	£0.37
EMED Mining	EMED LN Equity	BUY	05.07.10	£0.34	£0.08
Exco Resources	EXS AU Equity	BUY	05.07.10	A\$0.77	A\$0.24
Gippsland Limited	GIP LN Equity	BUY	06.10.09	£0.02	NA
Hambledon Mining	HMB LN Equity	BUY	20.05.10	£0.18	£0.07
Highland Gold	HGM LN Equity	BUY	05.07.10	£1.71	£1.22
Hochschild Mining	HOC LN Equity	BUY	05.07.10	£3.68	£3.01
KEFI Minerals	KEFI LN Equity	Spec. BUY	06.10.09	NA	£0.01
Kryso Resources	KYS LN Equity	BUY	21.04.10	£0.14	£0.14
Lydian International	LYD CN Equity	BUY	05.07.10	C\$1.5	C\$1.29
Minera IRL	MIRL LN Equity	BUY	05.07.10	£1.28	£0.59
Oxus Gold	OXS LN Equity	BUY	21.04.10	£0.30	£0.06
Randgold Resources	RRS LN equity	BUY	05.07.10	£74.65	£61.70
Stratex International	STI LN Equity	BUY	03.03.10	£0.07	£0.03

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