



Trading Symbols

AIM: AGQ

TSX-V: AGQ

"PLUS": AGQ

FWB: I3A

**ARIAN ANNOUNCES SHARE EXCHANGE TRANSACTION
WITH GRAFTON RESOURCE INVESTMENTS LTD.**

27 January 2009

Arian Silver Corporation ("Arian" or the "Company") announces that it proposes to complete a share exchange transaction with Grafton Resource Investments Ltd. ("Grafton"), an arm's length party, subject to TSX Venture Exchange approval.

The proposed transaction comprises the issue to Grafton of:

- (a) 26,097,230 Arian common shares at a price per common share of Cdn\$0.055 for a total value of approximately Cdn\$1,435,347 (the "Initial Share Issue") in exchange for Grafton ordinary shares of equivalent value, with the number of Grafton ordinary shares to be issued determined by reference to the net asset value per Grafton ordinary share calculated as at the close of business on 30 January 2009 (the "Original Issue Price"); and
- (b) an unsecured non-interest bearing convertible debenture in the principal amount of approximately Cdn\$4,564,653 (the "Debenture") in exchange for Grafton ordinary shares of equivalent value, with the number of Grafton ordinary shares to be issued determined as set out above using the Original Issue Price.

Following the Initial Share Issue Grafton will hold 14.9% of Arian's outstanding common shares and will nominate a representative for appointment to the Board of Arian.

The Debenture will mature 2 years from the date of issuance thereof (the "Maturity Date") and is convertible into common shares of Arian at a price of Cdn\$0.055 per share, subject to the approval of shareholders of Arian (the "Shareholder Approval"). Upon the Shareholder Approval being obtained, the Debenture will be automatically converted without further action from either Arian or Grafton and Grafton will be issued a further 82,993,679 common shares of Arian which, together with the Initial Share Issue, would increase its share interest in Arian to approximately 42.2% (calculated as at the date hereof).

In the event the Shareholder Approval has not been obtained by Arian prior to the Maturity Date, Arian will be entitled to satisfy its repayment obligations on the Maturity Date by delivering a combination of (i) Grafton Shares acquired in connection with the issuance of the Debenture valued at the Original Issue Price; and/or (ii) the net proceeds from the sale by Arian of any Grafton Shares acquired in connection with the issuance of the Debenture.

Grafton and its associates will assist Arian in the disposal of the Grafton ordinary shares to raise funds to further its mineral projects in Mexico, in particular the San Jose project, as well as for general working capital purposes. The principals of Grafton and its associates have experience in using this type of share exchange and disposal mechanism to provide investee companies with new funding. It is also planned that Grafton and its associates will work closely with Arian's Board to further develop Arian.

The in-house scoping study at the Company's San Jose project has been completed. This study evaluated the economics for contract mining and custom milling of seven near surface resource blocks that have been identified as having potential for near term contract mining. These blocks are both remnant and adjacent stoping blocks within the existing workings of the former producing San Jose Mine. The study was designed to identify key requirements for the rehabilitation of underground access, new development, the provision of mine services to the potential exploitation sites, as well as addressing estimated capital and operating costs. Initial studies indicated support for a contract mining operation of up to 500 tonnes per day. The results of the completed study are sufficiently robust and it is planned to proceed with the commissioning of a NI 43-101 compliant independent study using part of the proceeds from the sale of Grafton ordinary shares.

Grafton is a Cayman Island registered limited liability company managed by Newland Fund Management LLP of London, England and was incorporated for the purpose of securing and developing investment opportunities in the natural resource sector.

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About the Company

Arian Silver Corporation is a silver exploration and development company listed on London's AIM and "PLUS", on Toronto's TSX Venture Exchange and on the Frankfurt Stock Exchange. Arian Silver is active in Mexico, the world's second largest silver producing country. The Company's main projects are the Calicanto and San Jose projects in Zacatecas State and the Tepal project in Michoacán State. Part of Arian Silver's forward-looking strategy lies in the envisaged use of large scale mechanized mining techniques over wider mineralized structures, which reduces the overall unit operating cost of metals, and to build up NI 43-101 compliant resources.

Further information can be found by visiting Arian's website: www.ariansilver.com or the Company's publicly available records at www.sedar.com.

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained in this release.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements

This press release contains certain "forward-looking statements". All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, completion of the share exchange transaction referred to in this press release) are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things, failure to obtain required regulatory and shareholder approvals. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.