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27 August 2009

ARIAN SILVER'S MD&A AND FINANCIAL RESULTS FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2009

London, England, Arian Silver Corporation ("Arian" or the "Company") today announced the release of its Management's Discussion and Analysis ("MD&A") and unaudited Financial Statements for the three and six months ended 30 June, 2009 ("Financials"). Extracts from the MD&A and unaudited results are reported below.

Arian's Chief Executive Officer, Jim Williams, commented today, "In June we were very pleased to be able to issue the positive results from the Preliminary Economic Assessment (scoping study) carried out by A.C.A. Howe for initial production at San Jose by way of contract mining and milling. These results confirmed the conclusion of our original in-house scoping study. However, due to the delay in obtaining new funding through the sale of our Grafton shares we have not been able to progress our plans for initial production at San Jose. As a consequence we are unlikely to be able to achieve our target for initial production at San Jose in Q4 of 2009. Once we have the required funding in place we will be able to determine a revised schedule for initial production at San Jose. Notwithstanding the funding delay which has disrupted our plans for San Jose, we should acknowledge that Grafton has so far provided us with $800,000 of interim loan funding interest free which, most importantly, has enabled us to continue operating and, so far, to preserve all the property assets of the Company. Grafton has confirmed to us that it remains optimistic about disposing of our Grafton shareholding in due time and will continue to pursue that process. We are also considering a number of options to assist the fund raising process."

The MD&A and Financials are available at SEDAR at www.sedar.com or on the Company's website at www.ariansilver.com. These documents can also be obtained on application to the Company. The following information has been extracted from the MD&A and Financials. All amounts are expressed in US dollars unless otherwise stated. The financial information in this announcement does not constitute full statutory accounts.

HIGHLIGHTS

Financial

- The consolidated pre-tax loss for Q2 was $0.9 million.
- As at 30 June, 2009, there was a working capital deficit of $0.2 million.

- As at 30 June, 2009, total assets were $12.9 million, including intangible assets of $6.9 million, available for sales assets of $5.2 million, receivables of $0.5 million and cash of $0.2 million.

- As at 30 June, 2009, total liabilities were $0.9 million, including payables of $0.3 million and short terms loans of $0.6 million.

- Expenditure on projects in Mexico and on other assets in Q2 was $0.6 million.

- Completion of share exchange transaction with Grafton Resource Investments Ltd ("Grafton") pursuant to which the Company received in total 128,591 Grafton shares which are to be placed to raise funding.

- Deferral of $450,000 of the $500,000 Tepal option instalment from June to September 2009.

Post 30 June 2009

- Further advance from Grafton of $250,000 received to fund operating overheads pending the receipt of funding from the disposal of the Grafton shares.

Operations

- During Q2 all project operations in Mexico were largely curtailed pending receipt of new funding.

- Release of positive results of a Preliminary Economic Assessment ("PEA") prepared by A.C.A Howe International Limited of the economics for initial production by contract mining and milling at San Jose.

- PEA based on working only three demarcated mining blocks over a four year mine life. The limited number of blocks and mine life were stipulated by the Company, the intention being to develop concurrently, during this mining period, a full feasibility study for moving to full scale independent commercial production by the Company.

- PEA forecasts operating cash costs of $32 per tonne, a project net present value of $13.44 million based on an 8% discount rate and a project internal rate of return of 159%.

- Target date for initial production at San Jose during Q4 of 2009 unlikely to be achieved due to delay in funding.

- Arian has acquired a 66.67% controlling interest in the San Jose project, subject to completion of legal and registration formalities in Mexico and has the right to take 100% ownership interest on payment of final instalment of $500,000 due in December 2009.

OVERALL FINANCIAL PERFORMANCE

In the six months to 30 June, 2009, the Company incurred a loss of $0.9 million (2008 - $1.6 million) which loss includes expensing the fair value of options vesting of $26,000 (2008 - $0.2 million), and other administrative expenses of $0.9 million (2008 - $1.4 million). There was no income other than interest of $8,000 (2008 - $20,000) from short term cash deposits. During the period the Company continued to reduce costs in relation to its Mexican operations and corporate overheads where possible in order to preserve cash resources.

As at 30 June, 2009, the Company had a working capital deficit of approximately $0.2 million (31 December, 2008 - $1.1 million surplus). Cash balances amounted to approximately $0.2 million (31 December, 2008 - $0.8 million) and short term loans from Grafton Resource Investments Ltd ("Grafton") totalled $0.6 million (31 December, 2008 - $nil). Intangible assets amounted to $6.9 million (31 December, 2008 - $6.0 million) which relate to deferred exploration and evaluation costs in respect of the Company's Mexican projects.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

During the period to 30 June 2009, the Company completed share exchange transactions (the "Share Exchange") with Grafton intended to provide new funding for the Company. As a result of the Share Exchange, Grafton became a 42.2% shareholder of the Company having acquired 109,090,909 new common shares in the Company in exchange for the issue to the Company of 128,591 Grafton participating shares (the "Grafton Shares"). The intention is for Grafton and its associates to place the Grafton Shares for cash on behalf of the Company to provide new funding for the Company. Whilst the principals of Grafton and their associates have experience in providing funding for junior mining and exploration companies using this type of transaction the Company is reliant on them being able to replicate this experience. However, the disposal of the Grafton Shares is experiencing delays and the anticipated funding has not, so far, been forthcoming. In view of the delay, Grafton has been providing loans to the Company, to fund its operating overheads, which currently total $800,000. The loans are interest free and whilst they have a repayment date of 31 October 2009 it is intended that they will be repaid from the proceeds from disposal of the Grafton Shares.

At 30 June 2009 the Grafton Shares, which are shown as an available for sale asset, were valued at $5.2 million. However, this value is not necessarily indicative of the realisable value of the Grafton Shares.

Grafton has confirmed that it remains optimistic about disposing of the Grafton Shares in due time and will continue to pursue that process. The Company is also considering a number of options to assist the fund raising process.

The proceeds of the disposal of the Grafton Shares are intended to be used by the Company to progress the San Jose Project to initial production as well as for general corporate purposes. The delay in the disposal of the Grafton Shares and consequent lack of project funding means that the Company is unlikely to achieve its original target of initial production at San Jose in Q4 of 2009. Once the required funding is in place the Company will be in a position to determine a revised schedule for initial production at San Jose.

The directors of the Company currently believe it appropriate to prepare the Company's financial statements on a going concern basis. However, if funding from the disposal of the Grafton Shares or other sources is not forthcoming on a timely basis the Company may not be able to meet its ongoing working capital and project expenditure requirements. If these circumstances arose then there would be significant doubt on the Company's ability to continue as a going concern and the carrying value of the Group's exploration projects would be impaired.

REVIEW OF OPERATIONS

The Company owns, or has options to purchase, 39 mineral concessions in Mexico totalling 21,691 hectares. The Company's main projects are the Calicanto Group and San Jose, in Zacatecas State, and the Tepal project in Michoacán State.

During the period under review exploration operations in respect of the Company's three principal projects in Mexico were largely deferred in order to preserve the Company's cash resources pending receipt of new funding.

Qualified Person

Mr. Jim Williams, Eur Ing, Eur Geol, BSc, MSc, D.I.C., FIMMM, the Chief Executive Officer of Arian, a "Qualified Person" as defined in the AIM guidelines of the London Stock Exchange, and a "Qualified Person" as such term is defined in Canadian National Instrument 43-101 ("NI 43-101"), has reviewed and approved the technical information in this Review of Operations other than the information extracted from the PEA and the mineral resource estimates referred to below.

San Jose Project, Ojocaliente District, Zacatecas State

In June 2009, the Company announced the results of a Preliminary Economic Assessment ("PEA") for the San José Project undertaken by A.C.A. Howe International Limited (see the Company's press release dated 23 June 2009). The PEA reviewed the economics of entering into contract mining and toll milling on three silver blocks with lead and zinc credits over a four year mine life. The limiting of the PEA to just three mining blocks over a four year mine life was stipulated by the Company, as the intention is to develop concurrently, during this mining period, a full feasibility study for moving to full scale independent commercial production by the Company.

Highlights from the PEA are as follows:

- The PEA concluded that Arian's approach and mining plan is achievable and realistic;
- Up to four years of contracted mechanized mining, with concurrent exploration and development on the rest of the property;
- Operating 250 days per year at 500 tonnes per day ("tpd") will produce an average of approximately 125,000 tonnes per year ("tpy") using three selected mining blocks;
- Sub-level open stoping and full mechanization, accessible via either the San José West or East ramp;
- Mining and milling of approximately 500,000 tonnes of resources estimated to recover approximately 2.15 million ozs of silver, 1,800 tonnes of lead and 3,100 tonnes of zinc;
- Operating cash costs of $32.00 per tonne;
- Project net present value ("NPV") of $13.44 million based on an 8% discount rate and a maximum four year mine life using contract mining and milling; and
- Project internal rate of return ("IRR") of 159%.

A copy of the PEA prepared by A.C.A. Howe International Limited dated 22 June, 2009 and entitled "Preliminary Economic Assessment Report (PEAR) on the San José Silver-Lead-Zinc Deposit, Zacatecas, Mexico" is available on the Company's website www.ariansilver.com or on SEDAR at www.sedar.com

The "Qualified Person", as such term is defined in NI 43-101, who prepared the PEA in respect of the San José Project, is Mr. Julian Bennett who is an associate employee of A.C.A. Howe International Limited.

The current NI 43-101 Resources at San Jose are set out below:

Resource Category	Tonnes	Grade			Contained Metal		
		Ag	Pb	Zn	Ag	Pb	Zn
		g/t	%	%	(Moz)	(t)	(t)
Indicated	2,196,000	127.7	0.51	0.88	9.02	11,200	19,200
Inferred	11,190,000	93.8	0.39	0.83	33.76	43,400	93,200

1. *Geological characteristics and +30 ppm grade envelopes used to define resource volumes*
2. *The mineral resource estimates are in accordance with CIM and JORC standards*
3. *The effective date of the mineral resource estimates is August 15, 2008*
4. *The estimates are based on geostatistical data assessment and computerised IDW^3, Ag grade wireframe restricted, linear block modeling.*

During the second quarter of 2009 activity at the San José Project was largely curtailed pending receipt of new funding.

Tepal Project; Michoacán State

In June 2009 the Company renegotiated the terms of the option agreement relating to the Tepal property such that $450,000 of the $500,000 option instalment due that month has been deferred to September 2009. The balance of the instalment amounting to $50,000 was paid in July 2009.

The current NI 43-101 Resources at Tepal are set out below:

	Tonnes	Grade			Contained Metal		
		Au	Cu	AuEq	Au	Cu	Au Eq
	('000)	g/t	%	g/t	(oz x 000's)	(Mlbs)	(oz x 000's)
Indicated	24,995	0.54	0.27	1.2	440	147.1	938
Inferred	54,964	0.41	0.22	0.9	720	265.4	1,612

1. *Au = Gold. Cu = Copper. AuEq = Gold Equivalent*
2. *Arian has an exclusive option agreement to purchase 100% of the Tepal properties*
3. *Gold Equivalent Grades (g/t) were calculated using metal prices of US$600/oz Au, US$2/lb Cu and assuming 100% recoveries*
4. *The mineral resource estimates are in accordance with CIM and JORC standards*
5. *The effective date of the mineral resource estimates is September 24, 2008*
6. *The estimates are based on geostatistical data assessment and computerised IDW^3, 0.18 g/t Au grade wireframe envelope restricted, linear block modeling*

The “Qualified Person”, as such term is defined in NI 43-101, who prepared the above mineral resource estimates in respect of the San Jose Project and the Tepal Project, is Mr. Galen White. Mr. White was at the time these estimates were prepared an employee of A.C.A. Howe International Limited.

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About the Company

Arian Silver Corporation is a silver exploration and development company and is listed on London's AIM; trades on London’s "PLUS" market; is listed 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.

States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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, funding from the disposal of the Grafton shares or from other sources, the mineral resource estimates contained in this press release, statements regarding exploration results, potential mineralisation, potential mineral resources, future production and the Company's exploration and development plans and objectives) 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 realised or substantially realised, 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 establish estimated mineral reserves, the possibility that future exploration results will not be consistent with the Company's expectations, uncertainties relating to the availability and costs of financing needed in the future, the possibility that the placing of the Grafton shares held by the Company will not be sold on a timely basis and/or that such placement will not generate sufficient funds for the Company to meet its ongoing obligations, changes in commodity prices, changes in equity markets, political developments in Mexico, changes to regulations affecting the Company's activities, delays in obtaining or failures to obtain required regulatory approvals, the uncertainties involved in interpreting exploration results and other geological data, and the other risks involved in the mineral exploration and development industry. 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.

The mineral resource figures disclosed in this press release are estimates and no assurances can be given that the indicated levels of minerals will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While the Company believes that the resource estimates included in this press release are well established, by their nature resource estimates are imprecise and depend, to a certain extent, upon statistical inferences, which may ultimately prove unreliable. If such estimates are inaccurate or are reduced in the future, this could have a material adverse impact on the Company.

Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that mineral resources can be upgraded to mineral reserves through continued exploration.