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Trading Symbols

AIM: AGQ

TSX-V: AGQ

“PLUS”: AGQ

FWB: I3A

24 August, 2010

**ARIAN SILVER’S MD&A AND RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2010**

London, England, Arian Silver Corporation (“Arian” or the “Company”), a silver exploration and development company with a focus on projects in the silver belt of Mexico, today announced the release of its Management’s Discussion and Analysis (“MD&A”) and unaudited Financial Statements (“Financials”) for the six months ended 30 June 2010.

HIGHLIGHTS

Financials (all amounts expressed in US dollars unless otherwise stated)

- Total assets of \$11.4 million, including intangible assets of \$5.7 million, other financial assets of \$0.8 million, non-current assets held for sale of \$2.8 million and cash of \$1.5 million (as at 30 June 2010);
- Consolidated loss for the period was \$644,000;
- Working capital was \$3.7 million (as at 30 June 2010); and
- During the period the Company repaid all current borrowings from new funds received.

Operations

- The Company currently owns, or has rights or options to purchase, 33 mineral concessions in Mexico totalling 7,847.8 hectares - which excludes the mineral concessions relating to the Tepal project currently under option to Geologix;
- During the period Arian paid the final instalment of \$500,000, to acquire the remaining 33.33% interest in the San José mineral concessions, to give it 100% control of the San José Project;
- Production from the planned 500tpd contract mining operation at the San José Project is anticipated to commence shortly following completion of delayed milling contract negotiations and to generate a positive cash flow during the second half of 2010;
- Potential to increase production at San José from 500tpd up to 1,500tpd;

- Past drilling programmes have so far only tested some 10% of the known strike length of the San José Vein (“SJV”) system within the property’s boundaries;
- Plans for a new drilling programme on the SJV system to be funded from cash flow from the contract mining operation at San José; and
- Appointment of XCAP Securities PLC as the Company’s Broker - and analyst coverage by Edison Investment Research initiated.

Arian’s Chief Executive Officer, Jim Williams, commented today: “In accordance with the Company’s previous statements pertaining to San José, the target for commencing production during Q2 could not be met due to a delay in contract negotiations to ensure that the best terms available are obtained in relation to the milling operation. However, Arian’s management is in advanced negotiations with two local toll millers and remains optimistic that a contract will be agreed following the results of further metallurgical tests which are awaited. Three possible off-take options are currently under consideration. Once the milling contract is in place commencement of the initial 500tpd mining operation should quickly follow, given the preparatory work already completed on site and the relative short lead time for the mine contractor to mobilise on site. The expectation remains that the producing operation will generate positive cash flows during the second half of 2010.

“On behalf of Management I would like to thank all shareholders for their continued support and patience over the last period and reaffirm that all of Arian’s team are working towards a resolution in respect to the milling contract. I hope to be in a position to provide the market with an update in due course”.

MD&A AND FINANCIALS

The MD&A and unaudited 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. The financial information in this announcement does not constitute full statutory accounts.

REVIEW OF FINANCIAL PERFORMANCE

In the six months ended 30 June 2010, the Company incurred an operating loss of approximately \$0.7 million (2009 - \$0.9 million). The Company does not yet generate any income from its operations. Interest income from cash resources was \$4,000 (2009 - \$8,000). Investment income was \$0.1 million (2009 - nil) which relates to a fair value adjustment gain on the Geologix Shares that the Company received in part settlement of the first instalment of the consideration for the grant of the Tepal Option (*see Review of Operations - Tepal Project, Michoacán State and also Liquidity, Capital Resources and Working Capital*). The loss for the period was \$0.6 million (2009 - \$0.9 million).

As at 30 June 2010, the Company had working capital of approximately \$3.7 million (31 December 2009 - \$4.0 million). *See Liquidity, Capital Resources and Working Capital* for the principal items of working capital. Intangible assets amounted to \$5.7 million (31 December 2009 - \$7.7 million) which relate to deferred exploration and evaluation costs in respect of the Company’s Mexican projects, excluding the Tepal project. The carrying value of the Tepal project has been transferred from intangible assets and is accounted for in current assets as non-current assets held for sale valued at \$2.8 million (31 December, 2009 - \$nil) as a result of the grant of the Tepal Option. The first installment of the Tepal Option consideration from Geologix Explorations Inc (“Geologix”) is accounted for as a deferred income item of \$1.4 million (31 December, 2009 - \$nil) in current liabilities pending exercise of the Tepal Option. Share capital reduced by \$0.9 million to \$37.3 million (31 December, 2009 - \$38.2 million), largely as a result of the redemption and cancellation of the common shares issued in 2009 to Grafton Resource Investments Ltd (“Grafton”), the issue to Grafton of common shares for debt and the issue of common shares in connection with the Placement. During the period the Company repaid all current borrowings from new funds received.

REVIEW OF OPERATIONS

The Company currently owns, or has rights or options to purchase, 33 mineral concessions in Mexico totalling 7,847.8 hectares (“ha”), which excludes the mineral concessions relating to the Tepal project which are under option to Geologix.

San José Project, Zacatecas State

During the period Arian paid the final instalment of \$500,000, to acquire the remaining 33.33% interest in the San José mineral concessions, to give it 100% control of the San José Project.

In relation to the proposed contract mining and toll milling operation, the target for commencing production during Q2 could not be met due to a delay in contract negotiations to ensure that the best terms available are obtained in relation to the milling operation. However, Arian's management is in advanced negotiations with two local toll millers and remains optimistic that a contract will be agreed following the results of further metallurgical tests which are awaited. Three possible off-take options are currently under consideration. Once the milling contract is in place commencement of the initial 500tpd mining operation should quickly follow, given the preparatory work already completed on site and the relative short lead time for the mine contractor to mobilise on site. The expectation remains that the producing operation will generate positive cash flows during the second half of 2010.

The 500tpd mining operation is limited to just three mining blocks, Ramal Norte, San José 75m Level Central Zone and Santa Ana, selected by Arian to support a four-year mine life with the potential to increase the mining rate to 1,500tpd subject to milling capacity being available. Funds generated by the operation will be used to finance a new drilling programme at San José with the aim of further defining areas of high-grade mineralization by infill drilling and continuing the exploration of the SJV along its extensive westerly strike direction. Arian's past drill programmes along the SJV have so far only delineated some 10% of the known strike length of the SJV and Arian's management considers the upside for material additional resources along the SJV to be significant.

The overall objective is to develop the San José property concurrently with the initial mining operation, complete a full feasibility study and move to full scale independent commercial production.

During 2010, operational activity has focussed on preparations for production at the San José mine site including laying a new access road and refurbishment of mine buildings to accommodate additional offices and to house the mining personnel.

In April 2010, the Company released a further batch of drillhole assay results from the Phase-2 drill programme that was completed in 2008 at San José (see the Company's press release dated 21 April 2010 entitled "Arian Silver Reports on Progress at San José").

The current NI 43-101 Resources at San José contained in a report prepared by A.C.A. Howe International Limited dated 15 August, 2008 and entitled "Resource Estimation Update for the San José Silver-Lead-Zinc Deposit, Zacatecas, Mexico" (available on the Company's website www.ariansilver.com or on SEDAR at www.sedar.com) 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 15 August, 2008
4. The estimates are based on geostatistical data assessment and computerised IDW³, Ag grade wireframe restricted, linear block modelling.

The "Qualified Person" as such term is defined in NI 43-101 who prepared the above mineral resource estimates is Mr. Galen R White. Mr White was at the time these estimates were prepared an employee of A.C.A. Howe International Limited.

LIQUIDITY, CAPITAL RESOURCES AND WORKING CAPITAL

In Management's view, the most meaningful information concerning the Company relates to its current liquidity and solvency since it is not currently generating any income from its mineral projects.

The Company continues to operate under tight expenditure controls in order to preserve cash resources.

During the period the Company received new funding from:-

- a private placement financing of units (“Units”) each consisting of one common share of the Company and one-half of a common share purchase warrant (the “Placement”). The Placement raised Cdn\$3,499,857 through the issue of 69,997,139 Units at Cdn\$0.05 per Unit. In addition 600,000 Units were issued in satisfaction of Cdn\$30,000 of finder’s fees payable in connection with the Placement. As part of the Placement, 35,298,569 “F” share purchase warrants were issued.
- the first instalment of \$1.45 million under the Tepal Option granted to Geologix. Settlement was effected by way of a cash payment of \$725,000 and the balance of \$725,000 through the issue of 3,434,193 Geologix shares (the “Geologix Shares”) at a price of Cdn\$0.22 per share. The Geologix Shares are listed on the Toronto Stock Exchange.
- the exercise of 550,000 share purchase options and 403,116 “F” share purchase warrants which generated £30,250 and Cdn\$40,311 respectively.

Also during the period:-

- the share exchanges in 2009 with Grafton were reversed and the Company redeemed and cancelled the 109,090,909 common shares issued to Grafton at the original issue price of Cdn\$0.055 per share in consideration for the redemption of the 128,591 Grafton participating shares (the “Grafton Shares”) issued to the Company.
- the Company issued to Grafton 15,762,000 common shares at Cdn\$0.05 per common share in settlement of \$750,000 of outstanding loans and repaid to Grafton the \$300,000 balance of the loans.
- following receipt of the first instalment under the Tepal Option, the Company repaid to Geologix a loan of \$517,500.

The following share purchase warrants and options are currently outstanding each entitling the holder to acquire one common share of the Company:

- 33,195,453 “F” share purchase warrants at an exercise price of Cdn\$0.10 per common share expiring 22 January 2011.
- 11,650,000 share purchase options with exercise prices of £0.12/Cdn\$0.10 and £0.055/Cdn\$0.25 and expiry dates of June 2013 and July 2014.

It is anticipated the Company’s requirement for additional funding in the next 12 months will be met from cash flow generated from the proposed initial contract mining operation at the San José Project, proceeds from disposal of the Geologix Shares, through the issue of equity capital, the exercise of outstanding share purchase warrants and options, the sale of its interests in one or more of its projects, by way of project joint ventures or business combinations. In addition, on full exercise of the Tepal Option, a second instalment amounting to \$1.55 million is due from Geologix in February 2011, which, at Geologix’s election, may be made in cash, or up to 50% in Geologix’s shares valued at the 10-day average closing price immediately prior to the time of payment.

Working Capital – 30 June, 2010

As at 30 June, 2010, the Company had working capital of approximately \$3.7 million (31 December, 2009 – \$4.0 million). The principal items of working capital and changes compared to the 31 December 2009 (amounts) are as follows:-

Current assets

- cash and cash equivalents \$1.5 million (\$0.1 million) – increase has largely arisen through funds from the Placement.
- investments - available for sale assets \$nil (\$5.6 million) – decrease due to the redemption of the Grafton Shares.
- other financial assets at fair value through profit and loss \$0.8 million (\$nil) – relates to the fair value of the Geologix Shares.
- non-current assets held for sale \$2.8 million (\$nil) – relates to the carrying value of the Tepal project reclassified from intangible assets as a result of the grant of the Tepal Option.

Current liabilities

- current borrowings \$nil (\$1.6 million) – decrease arises from repayment of loans from Grafton and Geologix.
- deferred income \$1.4 million (\$nil) – relates to the value of the first instalment of the Tepal Option consideration pending exercise of the Tepal Option.

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 the Review of Operations other than the mineral resource estimates.

For further information please contact:

Arian Silver Corporation

Carlyle House
235-237 Vauxhall Bridge Road
London SW1V 1EJ
England

Jim Williams - CEO
(London) +44 (0)20 7963 8670 / email: jwilliams@ariansilver.com

Graham Potts – CFO & Corporate Secretary
(London) +44 (0)20 7963 8670 / email: gpotts@ariansilver.com

Grant Thornton Corporate Finance

Gerry Beaney
(London) +44 (0)20 7383 5100 / email: gerry.d.beaney@gtuk.com

XCAP Securities PLC

John Grant / Karen Kelly
(London) +44 (0)20 7101 7070 / email: John.Grant@xcapgroup.com / Karen.Kelly@xcapgroup.com

Yellow Jersey PR Limited

Dominic Barretto
(London) +44 (0)20 8980 3545 / email: dominic@yellowjerseypr.com

CHF Investor Relations

Alison Tullis
(Canada) +1 416 868 1079 Ext. 233 / email: alison@chfir.com

About the Company

Arian 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 is active in Mexico, the world's second largest silver producing country. The Company's main projects are the Calicanto and San José projects in Zacatecas State. Arian's Tepal project in Michoacán State is subject to an exclusive purchase option to Geologix Explorations Inc. Part of Arian'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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) and no stock exchange, securities commission or other regulatory authority accepts responsibility for the adequacy or accuracy of this release nor approved or disapproved of the information contained herein.

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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 assets 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, 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.