



**Trading Symbols**

**AIM: AGQ**

**TSX-V: AGQ**

**"PLUS": AGQ**

**FWB: I3A**

**29 September 2009**

**Arian announces Tepal transaction**

**London, England, Arian Silver Corporation ("Arian" or the "Company")** is pleased to announce that it has entered into a transaction with an arm's length third party corporation with interests in the minerals industry (the "TP") in respect of its Tepal property in Michoacán State, Mexico (the "Property").

The principal terms of the transaction are as follows:

- 1) The TP has advanced to Arian the sum of US\$517,500 (the "Advance") which is being used by Arian to discharge the Tepal Property option payment of US\$450,000 plus the applicable IVA of US\$67,500, that is due in September 2009 and thus avoid forfeiture of Arian's interest in the Property.
- 2) The Advance is interest free and becomes due for repayment on 23 April 2010 (the "Repayment Date"), unless the TP elects to proceed, as described below. It is intended that the IVA element of US\$67,500, which is reclaimable from the Mexican tax authorities, will be repaid to the TP on receipt by Arian. Arian has executed a Promissory Note in favour of the TP in respect of the Advance.
- 3) Arian has granted the TP an exclusivity period of 5 months during which the TP shall undertake due diligence of the Property.
- 4) Following completion of its due diligence review of the Property, the TP may elect, within the 5 months exclusivity period, to acquire the Property from Arian on an option basis for US\$3,000,000 payable in two instalments:
  - an initial payment of US\$1,000,000, plus forgiveness of the Property option payment of US\$450,000, for a total of US\$1,450,000 on or before 23 February, 2010; and
  - a payment of US\$1,550,000 on or before 23 February, 2011.

Each such payment shall be made in cash or, at the TP's election, in cash and up to 50% in shares of the TP valued at the 10 days average closing price of the TP's shares immediately prior to the time of each payment.

5) If the TP does not elect to acquire the Property, Arian will repay the Advance (including the IVA, if not already repaid) to the TP in cash no later than the Repayment Date and the TP's interest in the Property will thereupon terminate. If Arian fails to repay the Advance in cash, then the TP may elect to:

(a) form a joint-venture (JV) with Arian in respect of the Property. The agreement regulating the JV shall include the following terms:

- (i) the TP's contribution shall be forgiveness of the US\$450,000 Property option payment and delivery to Arian of an equivalent of US\$1,080,000 in cash or the TP's shares valued at a 10 days average closing price immediately prior to the time of the transaction (for a total contribution of US\$1,530,000 in cash value consideration) for a 51% earned interest in the JV,
- (ii) the TP will be the operator of the JV,
- (iii) JV participation will be subject to a dilution formula using a base valuation of US\$3,000,000 (deemed contributions of US\$1,530,000 for the TP and US\$1,470,000 for Arian),
- (iv) JV work programs and property payments will be made on a contribute or dilute basis such that each JV party will have an interest equal to its deemed and actual contributions divided by the deemed and actual contributions of both parties,
- (v) The TP shall have the option to make 100% of the remaining property option payments and the parties' interests in the JV shall be adjusted accordingly,
- (vi) The operator of the JV shall have the right to propose a feasibility study to the JV. If the JV partner does not elect to participate in the feasibility study, completion of the feasibility study will earn an additional 10% interest in the JV by the operator,
- (vii) The operator of the JV has the right to propose production project financing. If the JV partner does not elect to participate in the financing, arrangement of the financing will earn an additional 10% interest in the JV by the operator, and
- (viii) other operational provisions customary for a mineral exploration joint venture.

Or

(b) require Arian to repay the TP the equivalent value of the Advance (including, if not already repaid, the IVA refund of US\$67,500) by way of an issue of units of Arian in full satisfaction of the Advance. Each unit shall be priced at the 10 days average closing price of Arian's shares immediately prior to the Repayment Date (the "Arian Share Price") and shall consist of one common share and one-half of one common share purchase warrant, with each whole share purchase warrant ("Warrant") entitling the TP to purchase one common share for a period of two years. The Arian common shares to be issued pursuant to the units shall be priced at the Arian Share Price. The exercise price of the Warrants shall be equal to the Arian Share Price.

Arian's financial advisor is Endeavour Financial International Corporation. Endeavour will receive a cash fee in connection with its role in advising Arian with respect to this transaction.

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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](http://www.ariansilver.com) or the Company's publicly available records at [www.sedar.com](http://www.sedar.com).

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

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts 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, the transactions contained in this press release, future funding, statements regarding mineral resource estimates, 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.