



Trading Symbols

AIM: AGQ

TSX-V: AGQ

“PLUS”: AGQ

FWB: I3A

18 October 2010

**Arian Silver announces a Brokered and Non-Brokered Placement
to raise approximately £3.9 million**

London, England, Arian Silver Corporation (“Arian” or the “Company”) (TSX VENTURE:AGQ) (AIM:AGQ) (PLUS:AGQ) (FRANKFURT:I3A), a silver exploration, development and production company with a focus on projects in the silver belt of Mexico, announces that it has appointed Xcap Securities PLC (“Xcap”), the Company’s UK broker, as Agent in connection with a financing to raise £3,115,000 (before expenses) by way of a brokered placement of 17,305,547 common shares of the Company at 18p per common share. The Company also announces a concurrent non-brokered subscription in Canada of 4,298,888 common shares of the Company to raise £773,800 (before expenses), also at 18p per common share (collectively the “Placement”).

The Company intends to use the proceeds of the Placement to advance an expanded core drilling programme at its San Jose Property, Zacatecas, Mexico, for the purchase of plant and equipment and for infrastructure improvements in relation to the contract mining and milling operation at San Jose, as well as for general working capital and corporate purposes.

The Company has received commitments from proposed subscribers in the UK and Canada that will satisfy the entire Placement. The Placement is conditional upon receipt of TSX Venture Exchange approval and admission of the common shares to London’s Alternative Investment Market (AIM) (“Admission”).

Sprott Asset Management (“Sprott”) an insider of the Company has committed to subscribe, on behalf of funds it manages, for £773,800 of common shares, being the whole non-brokered portion of the Placement.

In connection with the Placement, the Company will pay Xcap a fee of £194,440 on Admission, to be settled in cash.

Commenting, Arian Silver CEO Jim Williams said: **“Last month saw the Company move into production at its San Jose mine and we now look forward to working closely with our recently appointed broker in what the Company regards as a very healthy market environment. In order to take advantage of the rising silver price and the healthy market conditions, the financing allows the Company to make efficiency changes to the mill to increase silver recoveries, and commence, ahead of schedule, a 10,000m diamond drilling programme along the extensive strike extension of the San Jose Vein.”**

The anticipated participation of Sprott in the Placement would constitute a “related party transaction” under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”) of the Canadian Securities Administrators, but the Company expects to be exempt from both the formal valuation and minority shareholder approval requirements of MI 61-101 in connection with the placement as neither the fair

market value of the securities issued, nor the consideration for such securities, in so far as it will involve the interested party, is not expected to exceed 25% of the Company's market capitalization as calculated pursuant to MI 61-101.

For purposes of the AIM Rules, Sprott is classified as a Substantial Shareholder in the Company. As such, their participation in the Placement constitutes a Related Party Transaction. The directors of the Company, having consulted with Grant Thornton Corporate Finance, consider the terms of Sprott's participation in the Placement to be fair and reasonable so far as the shareholders are concerned.

Forward Looking Information:

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, statements relating to the commitments from proposed subscribers and the anticipated use of proceeds from the Placement) 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 significant risks and uncertainties and other factors 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, but are not limited to the failure to complete the Placement.

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 guaranteed of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

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](mailto: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

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.