



**Trading Symbols**

**AIM: AGQ**

**TSX-V: AGQ**

**"PLUS": AGQ**

**FWB: I3A**

**9 December 2009**

**Arian Announces a Reconstruction of its Share Relationship with Grafton**

**London, England, Arian Silver Corporation ("Arian" or the "Company")** announces that it has reached agreement with Grafton Resource Investments Ltd ("Grafton") to effectively reverse the share exchange transactions completed earlier this year by way of share redemptions (the "Share Redemptions") and for an issue of shares in settlement of part of the outstanding loans totaling US\$1.05 million (the "Grafton Loans") made by Grafton to Arian to fund its working capital (the "Shares for Debt").

Pursuant to the original share exchange transactions the Company issued to Grafton an aggregate of 109,090,909 common shares of Arian (the "Arian Shares") and Grafton issued to the Company an aggregate of 128,591 participating shares of Grafton (the "Grafton Shares"). Grafton currently holds 109,090,909 Arian common shares, representing approximately 42.2% of Arian's outstanding common shares.

Arian and Grafton have concluded that given current market conditions and since the objective of the original transactions with Grafton, to deliver new funding to Arian through the sale of the Grafton Shares, cannot be achieved in the reasonable near future it is in their mutual best interests to effect the Share Redemptions. The Company requires new funding in the coming months to meet its obligations and it is considered that the Share Redemptions and Shares for Debt should enhance Arian's ability to undertake a conventional private placement of Arian common shares.

Pursuant to the Share Redemptions, Arian will redeem the Arian Shares and Grafton will redeem the Grafton Shares. The value of the Arian Shares is approximately Cdn\$5.5 million, based on the current market price of Cdn\$0.05 per Arian Share. The value of the Grafton Shares is approximately Cdn\$5.7 million, based on the latest net asset value of the Grafton Shares at 30 October 2009 of US\$41.72 and the current Canadian to U.S. dollar exchange rate. Pursuant to the Shares for Debt, Arian will issue to Grafton 15,762,000 common shares at Cdn\$0.05 per Arian share in settlement of US\$750,000 of the Grafton Loans.

The Share Redemptions and Shares for Debt are subject to TSX Venture Exchange approval and conditional up on a financing by the Company, which it proposes to undertake by way of a non-brokered private placement.

Following completion of the Share Redemptions and Shares for Debt and before any new share placing by the Company, Grafton will hold 15,762,000 Arian common shares, representing approximately 9.6% of Arian's outstanding common shares and will be owed US\$300,000, representing the balance of the Grafton Loans.

The Share Redemptions constitute a related party transaction under Rule 13 of the AIM Rules for companies because Grafton is a substantial holder in Arian. The directors of Arian, have consulted with the Company's nominated adviser Grant Thornton and consider that the terms of the Share Redemptions are fair and reasonable and in the interests of Arian's shareholders.

The Share Redemptions and the Shares for Debt constitute related party transactions under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") because Grafton, a related party of Arian, is a party to the Share Redemptions and the Shares for Debt, respectively. The Company is relying on the "financial hardship" exemptions in subsections 5.5(g) and 5.7(1)(e) of MI 61-101 to complete the Share Redemptions and the Shares for Debt without obtaining a formal valuation or minority approval that would otherwise be required pursuant to MI 61-101.

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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. The Tepal project is currently subject to an exclusive purchase option to Geologix Explorations Inc. 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 receipt of all regulatory, corporate and other approvals required in connection with the Share Redemptions and the Shares for Debt, the impact of the Share Redemptions and the Shares for Debt on the Company's ability to complete future equity financings and its ability to satisfy its obligations as they become due) 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 or events to differ materially from those discussed in the forward-looking statements, and even if such actual results or events 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 complete the Share Redemptions or the Shares for Debt, risks related to the stage of the Company's projects, market fluctuations in prices for securities of exploration and development stage companies, uncertainties about the availability of additional financing, uncertainties related to fluctuations in commodity prices 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.