



**Arian Silver Corporation**  
Carlyle House, 235-237 Vauxhall Bridge Road  
London SW1V 1EJ, United Kingdom  
T: +44 (0) 20 7963 8670  
[www.ariansilver.com](http://www.ariansilver.com)

26 February 2009

Dear Shareholder

### **SHARE EXCHANGE TRANSACTION WITH GRAFTON RESOURCE INVESTMENTS LTD.**

On 27 January, and 5 February, 2009, we announced the terms of a proposed two-part share exchange transaction with Grafton Resource Investments Ltd. (“Grafton”). Grafton is managed by Newland Fund Management LLP of London, England, and has been set up specifically for the purpose of securing and developing investment opportunities in the natural resource sector.

I am sure you are well aware of the severe adverse conditions currently impacting the financial markets and the difficulties junior resource companies are facing. In particular, securing new financing during this general financial malaise is proving extremely difficult and, like many resource companies, Arian has been forced to cut back on its mineral project expenditures as well as general overheads in order to preserve its treasury in light of overriding uncertainty.

The recently announced transaction with Grafton is, we believe, an innovative approach which provides the potential for Arian to raise new funding. It is intended that the Grafton shares that Arian receives will be disposed of, largely to institutional investors, to raise cash principally for our San Jose Project as well as for general working capital. Grafton has agreed to facilitate and promote this fundraising process. The principals of Grafton and its associates have experience in providing funding for junior mining and exploration companies using this particular type of share exchange and disposal mechanism.

We plan to work with Grafton and its associates to secure the necessary funding that should enable us to maintain our goal of near-term silver and base metal production on the San Jose property in Mexico’s Zacatecas state. The in-house scoping study, which is not yet Canadian National Instrument 43-101 (“NI 43-101”) compliant, is now complete. This study shows a robust financial model for contract mining and milling with a production rate of 500 tonnes per day, based on metal prices that are discounted significantly from what they are today. On receipt of new funding we intend to upgrade this in-house scoping study to a NI 43-101 compliant independent study. We believe profitable production at San Jose is sustainable, initially using contract mining and milling. Once established, we will be able to commence work on a feasibility study to examine the viability of full commercial production.

As previously announced, the transaction comprises two parts.

*Part 1: The First Share Exchange*

Arian has issued 26,097,230 new common shares at Cdn\$0.055 per share equating to approximately Cdn\$1,435,347, and Grafton has issued the same dollar value of its ordinary shares to Arian with the number of Grafton ordinary shares issued determined by reference to the net asset value per Grafton ordinary share calculated as at the close of business on 30 January 2009. As a result of this share exchange Grafton holds 14.9% of Arian (calculated as at the date hereof) and Arian holds 26,322 ordinary shares of Grafton. Grafton also has the right to nominate a director to your Board of Directors.

*Part 2: The Second Share Exchange*

Subject to shareholder approval, Arian will issue 82,993,679 new common shares at Cdn\$0.055 per share equating to approximately Cdn\$4,564,653, and Grafton will issue the same dollar value of its ordinary shares to Arian. The number of Grafton ordinary shares to be issued in exchange for the Arian common shares shall be determined by reference to the net asset value per Grafton ordinary share calculated as at the close of business on the last day of the month in which shareholder approval is obtained. Following this share exchange Grafton will hold, in aggregate, approximately 42.2% of Arian (calculated as at the date hereof).

Your Board of Directors has examined alternative financing options and this share exchange with Grafton is currently viewed to be our best option moving forward. We recognize that this transaction with Grafton will lead to significant dilution for existing shareholders. However, your Board of Directors believes that the proposals represent a unique opportunity to achieve the funding required to advance our projects in these current difficult markets. We also believe that through Grafton's involvement and continued support we will have a better opportunity to generate medium to long-term value for shareholders.

Accompanying this letter is the Notice of Meeting and a Management Information Circular convening a shareholders meeting to approve the issue of further common shares to Grafton so as to enable Arian to complete the Second Share Exchange as described above.

**Your Board of Directors recommend shareholders to vote in favour of the resolution to be proposed at the Meeting and will be voting their shareholdings in favour of the resolution.**

On behalf of the Board of Directors I would like to take this opportunity of thanking all shareholders for their continued support in these challenging times.

Yours sincerely

*"A J Williams"*

A J Williams  
Chairman

**ARIAN SILVER CORPORATION**

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**NOTICE OF A GENERAL MEETING OF SHAREHOLDERS**

*(Note – a General Meeting is the equivalent of a “Special Meeting” as such term is used in Canada)*

**NOTICE IS HEREBY GIVEN** that a General Meeting of shareholders (the “**Meeting**”) of Arian Silver Corporation (the “**Company**”) will be held in the Albert Suite 3 at the Park Plaza Victoria London Hotel, 239 Vauxhall Bridge Road, London SW1V 1EQ England, on March 27, 2009 at 11:00 a.m. (London time) for the following purposes:

1. to approve, the issuance of 82,993,679 common shares of no par value of the Company (the “**Common Shares**”) to Grafton Resource Investments Ltd. pursuant to a share exchange arrangement, by way of resolution of the shareholders of the Company (the “**Shareholders**”), which resolution must be passed by the affirmative vote of a majority of the votes cast by Shareholders in person or by proxy at the Meeting entitled to vote thereon, all as more fully described in the attached Information Circular; and
2. to transact such further and other business as may properly come before the Meeting or any adjournment or adjournments thereof.

A copy of the Information Circular, a copy of the Chairman’s letter to shareholders of the Company and form of proxy accompany this Notice.

Only holders of Common Shares of record on February 20, 2009 (the “**Record Date**”) are entitled to notice of and to vote at the Meeting. To the extent any such shareholder transfers the ownership of any of his, her or its Common Shares after the Record Date and the transferee of those shares establishes that he, she or it owns such shares and demands not later than 10 days before the Meeting that his, her or its name be included in the shareholders’ list, such transferee will be entitled to vote such shares at the Meeting.

Shareholders who are unable to attend the Meeting, or any adjournment thereof, in person are requested to date and sign the enclosed form of proxy. Furthermore, any Shareholder who is entitled to attend and vote at the Meeting, or any adjournment thereof is entitled to appoint one or more proxies to attend the Meeting on behalf of such Shareholder, and on a poll, vote instead of him or her and such proxy need not also be a Shareholder.

A proxy will not be valid unless it is deposited at the offices of Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, Canada M5J 2Y1 or sent by facsimile within North America to +1 (866) 249-7775 and outside North America to +1 (416) 263-9524, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the date of the Meeting or any adjournment thereof. If you are able to attend the Meeting or any adjournment thereof, sending your proxy will not prevent you from voting in person.

DATED this 26<sup>th</sup> day of February, 2009.

**By Order of the Board of Directors**

(Signed) “*Graham A. Potts*”

Graham A. Potts  
Corporate Secretary

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**ARIAN SILVER CORPORATION**

**(BVI Company No.: 1029783)**

Carlyle House, 235-237 Vauxhall Bridge Road  
London SW1V 1EJ  
England  
Tel: +44 (0)20 7963 8670

**MANAGEMENT INFORMATION CIRCULAR  
DATED AS OF FEBRUARY 26, 2009**

*BVI Business Companies Act, 2004*

In respect of a general meeting of shareholders (the “**Meeting**”) of Arian Silver Corporation (the “**Company**”) to be held in the Albert Suite 3 at the Park Plaza Victoria London Hotel, 239 Vauxhall Bridge Road, London SW1V 1EQ England, on March 27, 2009 at 11:00 a.m. (London time).

*Note – a general meeting is the equivalent of a “special meeting” as such term is used in Canada.*

**SOLICITATION ON BEHALF OF THE MANAGEMENT OF THE COMPANY**

**THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION ON BEHALF OF THE MANAGEMENT OF THE COMPANY OF PROXIES TO BE USED AT THE MEETING (AND ANY ADJOURNMENT THEREOF) TO BE HELD ON MARCH 27, 2009 AT THE TIME AND PLACE AND FOR THE PURPOSES SET FORTH ABOVE AND IN THE ACCOMPANYING NOTICE OF MEETING.** Proxies will be solicited primarily by mail and may also be solicited personally or by telephone by the directors, officers and employees of the Company without special compensation. The cost of solicitation by management of the Company will be borne by the Company.

The Company may pay the reasonable costs incurred by persons who are the registered but not beneficial owners of voting shares of the Company (such as brokers, dealers, other registrants under applicable securities laws, nominees and/or custodians) in sending or delivering copies of this Management Information Circular, the Chairman’s letter to shareholders of the Company, the Notice of Meeting and form of proxy to the beneficial owners of such shares. The Company will provide, without cost to such persons, upon request to the Secretary of the Company, additional copies of the foregoing documents required for this purpose.

**APPOINTMENT AND REVOCATION OF PROXIES**

The persons named in the enclosed form of proxy are nominees of management of the Company. **A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE COMPANY, TO REPRESENT HIM, HER OR IT AT THE MEETING MAY DO SO** by either filling in the name of such person in the blank space provided in the proxy or by completing another proper form of proxy. A shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must, in all cases, deposit the completed proxy with the Company’s transfer agent and registrar, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, Canada M5J 2Y1, or by facsimile within North America to +1 (866) 249-7775 and outside North America to +1 (416) 263-9524, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting or any adjournment thereof at which

the proxy is to be used, or deliver it to the Chair of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting. A proxy should be executed by the shareholder or his or her attorney duly authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized.

In addition to any other manner permitted by law, a proxy may be revoked before it is exercised by instrument in writing executed in the same manner as a proxy and deposited at the Company's registrar and transfer agent, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, Canada M5J 2Y1, or at the Company's office at Carlyle House, 235-237 Vauxhall Bridge Road, London SW1V 1EJ, England at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used or with the Chair of the Meeting on the day of such Meeting or any adjournment thereof and thereupon the proxy is revoked.

A shareholder attending the Meeting has the right to vote in person and, if he or she does so, his or her proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

### **EXERCISE OF DISCRETION BY PROXIES**

The shares represented by proxies in favour of management nominees will be voted in accordance with the instructions of the shareholder on any ballot that may be called for and, if a shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the shares represented by the proxy will be voted accordingly. **WHERE NO CHOICE IS SPECIFIED, THE PROXY WILL CONFER DISCRETIONARY AUTHORITY AND WILL BE VOTED FOR THE APPROVAL OF THE PROPOSED ISSUANCE OF COMMON SHARES TO GRAFTON RESOURCE INVESTMENTS LTD.. THE ENCLOSED FORM OF PROXY ALSO CONFERS DISCRETIONARY AUTHORITY UPON THE PERSONS NAMED THEREIN TO VOTE WITH RESPECT TO ANY AMENDMENTS OR VARIATIONS TO THE MATTERS IDENTIFIED IN THE NOTICE OF MEETING AND WITH RESPECT TO OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING IN SUCH MANNER AS SUCH NOMINEE IN HIS JUDGMENT MAY DETERMINE.** As of the date hereof, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The Company is authorized to issue an unlimited number of common shares of no par value (the "**Common Shares**"). At the date hereof, the Company has outstanding 175,149,199 Common Shares, each of which carries one vote. The outstanding Common Shares are listed on the TSX Venture Exchange (the "**TSXV**") under the symbol "AGQ"; on London's Alternative Investment Market ("**AIM**"); and on "PLUS" Market under the symbol "AGQ". The record date for the determination of shareholders entitled to receive notice of the Meeting has been fixed as February 20, 2009 (the "**Record Date**"). The Company's registrar and transfer agent, Computershare Investor Services Inc., will prepare an alphabetical list of shareholders as of such Record Date showing the number of Common Shares held by each shareholder. A shareholder may examine the list during usual business hours at the offices of Computershare Investor Services Inc., 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, Canada M5J 2Y1, and at the Meeting. Each shareholder named in the list will be entitled to one vote per Common Share shown opposite his, her or its name on the said list, even though he, she or it has since that date disposed of his, her or its Common Shares. Where a shareholder has transferred ownership of any of his, her or its Common Shares after the Record Date, the transferee (and not the original shareholder) may vote such shares provided he, she or it (a) produces properly endorsed share certificates to the Company

or otherwise establishes to the Company that he, she or it owns such shares, and (b) demands, not later than 10 days before the Meeting, that his, her or its name be included in the list of shareholders before the Meeting.

As at the date of this Management Information Circular, to the knowledge of the directors or executive officers of the Company, no persons beneficially owned, controlled or directed, directly or indirectly, securities of the Company carrying more than 10% of the voting rights attaching to any class of outstanding voting securities of the Company, except for the following.

Name	Number of Common Shares held	Percentage
Grafton Resource Investments Ltd.	26,097,230	14.9%

### ADVICE TO NON-REGISTERED SHAREHOLDERS

Only registered holders of Common Shares or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a “**Non-Registered Holder**”) are registered either: (i) in the name of an intermediary (an “**Intermediary**”) with whom the Non-Registered Holder deals in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered Registered Retirement Savings Plans (“**RRSPs**”), Registered Retirement Income Funds (“**RRIFs**”), Registered Education Savings Plans (“**RESPs**”) and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101, the Company will have distributed copies of the Notice of Meeting, this Management Information Circular and the form of proxy (collectively, the “**meeting materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Applicable regulatory law and policy requires Intermediaries and clearing agencies to seek voting instructions from Non-Registered Holders. Without specific instructions from Non-Registered Holders, Intermediaries and clearing agencies are prohibited from voting the shares of the Non-Registered Holders. Accordingly, Intermediaries and clearing agencies are required to forward the meeting materials to Non-Registered Holders. Non-Registered Holders will be given, in substitution for the proxy otherwise contained in proxy-related materials, a request for voting instructions (the “**voting instructions form**”) which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary, will constitute voting instructions which the Intermediary must follow.

The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder who receives the voting instructions form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should so indicate in the place provided for that purpose in the voting instructions form and a form of legal proxy will be sent to the Non-Registered Holder. In any event, Non-Registered Holders should carefully follow the instructions of their Intermediary set out in the voting instructions form.

## **BUSINESS TO BE CONSIDERED AT THE MEETING**

### **Approval of Issuance of Common Shares to Grafton Resource Investments Ltd.**

On February 4, 2009 the Company entered into two subscription agreements with Grafton Resource Investments Ltd. (“**Grafton**”) relating to a two-part subscription and share exchange transaction with Grafton (collectively, the “**Transaction**”). The first part of the Transaction is referred to as the First Share Exchange and the second part of the Transaction is referred to as the Second Share Exchange. The letter dated February 26, 2009 from the Company’s Chairman to shareholders, which accompanies this Management Information Circular and is incorporated by reference herein (the “**Chairman’s Letter**”), explains the Transaction and its purpose. A copy of the Chairman’s Letter is also available on the Internet under the Company’s profile at [www.sedar.com](http://www.sedar.com).

Pursuant to the First Share Exchange, which closed on February 26, 2009, the Company issued to Grafton 26,097,230 Common Shares in exchange for 26,322 shares of Grafton. As a result of the First Share Exchange, Grafton holds approximately 14.9% of the issued and outstanding Common Shares as at the date hereof.

The Second Share Exchange, involves the proposed issuance of an additional 82,993,679 Common Shares to Grafton. As such proposed share issuance would result in Grafton holding in excess of 15% of the issued and outstanding Common Shares, the policies of the TSX Venture Exchange require that the issuance of these Common Shares be approved by disinterested shareholders of the Company.

Accordingly, in accordance with the requirements of the TSX Venture Exchange, the shareholders of the Company are being asked to approve the issuance of 82,993,679 Common Shares to Grafton in connection with the Second Share Exchange. The Common Shares currently held by Grafton will not be counted for purposes of obtaining such approval. Following the approval of the Second Share Exchange by the shareholders of the Company and the issuance of such 82,993,679 Common Shares to Grafton, Grafton would hold 109,090,909 Common Shares representing approximately 42.2% of the issued and outstanding Common Shares (calculated as of the date hereof).

Unless otherwise directed, it is the intention of management nominees to vote proxies in the accompanying form of proxy in favour of the approval of the issuance of the additional Common Shares to Grafton.

## **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table provides information as of December 31, 2008 with respect to the Common Shares that may be issued under the Company’s “rolling” stock option plan, as amended and restated as of May 9, 2007 (the “Plan”). The Plan was approved by shareholders of the Company at the annual and special meeting of shareholders held on June 12, 2008.

### Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	12,040,000 Common Shares	CDN\$0.33	2,865,197 Common Shares
Equity compensation plans not approved by securityholders	NIL	NIL	NIL
Total	12,040,000 Common Shares	CDN\$0.33	2,865,197 Common Shares

### INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person, or any of the associates or affiliates of those persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has, in either case, materially affected or would materially affect the Company or any of its subsidiaries, except as follows or as otherwise described in this Management Information Circular.

The Dragon Group ("**Dragon**"), which is beneficially owned by Anthony J. Williams Executive Chairman and a director of the Company, has provided to the Company support services and accommodation in London, England. During the most recently completed financial year the amount paid to Dragon for support services, accommodation and reimbursable expenses amounted to approximately £225,000.

### INTERESTS OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No person who has been a director or executive officer of the Company at any time since the beginning of its last completed financial year, and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in this Management Information Circular.

### MANAGEMENT CONTRACTS

There are no management functions of the Company or its subsidiaries which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company or its subsidiaries (or private companies controlled by them, either directly or indirectly).

### AUDITOR

PFK (UK) LLP is the auditor of the Company and was first appointed on May 24, 2006.

**OTHER MATTERS WHICH MAY COME BEFORE THE MEETING**

Management knows of no matters to come before the Meeting of shareholders other than as set forth in the Notice of Meeting. **HOWEVER, IF OTHER MATTERS WHICH ARE NOT KNOWN TO THE MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE ACCOMPANYING PROXY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE PROXY.**

**ADDITIONAL INFORMATION**

Financial information in respect of the Company is provided in the Company's audited Consolidated Financial Statements and Management's Discussion and Analysis for the financial year ended December 31, 2007. Additional information relating to the Company is available on the Internet at [www.sedar.com](http://www.sedar.com). To request copies of the Company's Financial Statements and related Management's Discussion and Analysis, please contact the Company at:

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**APPROVAL**

The contents and sending of this Management Information Circular have been approved by the directors of the Company.

DATED this 26<sup>th</sup> day of February, 2009.

**ARIAN SILVER CORPORATION**

(Signed) "*Graham A. Potts*"

Graham A. Potts

Corporate Secretary

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