



Trading Symbols
AIM: AGQ
FWB: I3A

29 September 2016

Financial results for the six months ended 30 June 2016

Arian Silver Corporation (“Arian” or the “Company”) is pleased to announce its financial results for the six months ended 30 June 2016.

Strategy

Arian is focused on identifying economic sources of silver and other precious metals, and developing mineral projects through to production. The Company has previously concentrated exclusively on projects within the Zacatecas silver belt in Mexico, but recent economic conditions have presented abnormally high value opportunities around the world, and the Company may broaden its focus beyond solely the Zacatecas region and indeed beyond Mexico to ensure the Company does not automatically preclude valuable opportunities should they arise elsewhere.

Financial highlights

As at 30 June 2016, the Company had total assets of US\$2.5 million (2015: US\$40.0 million) of which US\$1.2 million (2015: US\$0.8 million) was cash. The Company had total liabilities of US\$0.1 million (2015: US\$26.4 million) of which US\$0.1 million were current liabilities (2015: US\$5.0 million).

In the six months ended 30 June 2016 the Company made an operating loss of US\$3.4 million (2015: US\$1.6 million) and a loss per share of US\$2.66 (2015: US\$0.05). The Company raised proceeds by way of private placings of shares of US\$2.1 million before costs and expenses, to further its strategy.

Overview of operations

During the six months ended 30 June 2016, the Company has focused primarily on identifying projects with good potential for near-term production and in May 2016 the Company entered into an exclusive arrangement with Tierra Nuevo Mining Limited (“TNM”) in Mexico to conduct further assessment and due diligence on its assets, including a tailings project containing gold and silver, adjacent to Goldcorp’s Peñasquito open-pit mine. The period of exclusivity has been extended to 28 October 2016.

A NI 43-101 report prepared for TNM in 2012 outlined an indicated mineral resource in respect of its tailings project, containing 1 million tonnes with 3 grams per tonne (g/t) gold and 55 g/t silver, representing approximately 100,000 ounces (oz) of gold and some 1.7 million oz of silver.

Arian’s detailed metallurgical test work continues together with a scoping study, with a view to producing a saleable gold and silver concentrate from the tailings project.

As announced on 26 January 2016, Arian concluded the financial settlement with Quintana AGQ Holding Co. LLC and its affiliates and received a final payment of US\$50,000.

The Company conducted an assessment of its Calicanto project and concluded its size and location made it impracticable for the Company to exploit. Accordingly, a buyer was sought and an agreement entered into in July 2016, after the interim reporting period.

Properties

As at 30 June 2016, the Company had 19 fully owned mining concessions split between three distinct project areas and covering over 1,500 hectares:

Los Campos

The Los Campos project comprises four concessions covering an area of approximately 500 hectares, located on the south side of the city of Zacatecas. The property is easily accessible and is only a 15-minute drive from the centre of the City of Zacatecas and from the Calicanto project.

San Celso project

San Celso consists of three contiguous mining concessions totalling 88 hectares. The concessions are located in the historic mining district of Pánfilo Natera-Ojocaliente and are surrounded by other concessions to the south and west.

Calicanto project

The Calicanto property, the sale of which was announced on 1 August 2016, consists of seven contiguous mining concessions totalling approximately 75 hectares. The property is located in the heart of the Zacatecas mining district, adjacent and partly contiguous to Capstone Mining's Cozamin mine, and covers four known main vein systems.

Others

Arian Silver holds five additional concessions covering over 900 hectares. These concessions were acquired in 2006 because of their strategic position to the San Celso project. These concessions too require further exploratory work to fully assess their economic potential.

Post balance sheet events

On 1 August 2016 the Company announced its Mexican subsidiary, Compañía Minera Estrella De Plata SA de CV, had executed a binding agreement with Minera Oro Silver de Mexico SA de CV ("Minera Oro Silver"), a subsidiary of Endeavour Silver Corporation, to sell the Company's 75 hectare Calicanto Project in the State of Zacatecas, for a cash consideration of US\$400,000, which will be received upon the execution and ratification of the assignment agreement in respect of the relevant mineral concessions. The Calicanto Project had a carrying value of US\$602,000 as at 31 December 2015 and has therefore been impaired to the consideration value of US\$400,000.

Future outlook

The management team continues to advance potential opportunities to expand and develop the Company's mining assets, with a particular focus on assets giving access to near-term revenues.

Notice of no auditor review of interim financial statements

The interim unaudited consolidated financial statements for the six month period ended 30 June 2016 have been prepared by and are the responsibility of the Company's management, in accordance with International Accounting Standards ("IAS") 34 Interim Financial Reporting.

Arian Silver Corporation

Consolidated statement of comprehensive income

For the six months ended 30 June 2016

(tabular amounts expressed in thousands of US dollars unless otherwise stated)

<i>Note</i>	Unaudited six months ended 30 June 2016	Unaudited six months ended 30 June 2015	Audited year ended 31 December 2015
Continuing operations			
Administrative expenses	(602)	(1,548)	(2,871)
Share-based payments charge	(2,764)	(18)	(18)
Impairment	(202)	-	-
Operating loss	(3,568)	(1,566)	(2,889)
Net investment income	-	(11)	21
Loss from continuing operations	(3,568)	(1,577)	(2,868)
Discontinued operations			
Gain /(loss) from discontinued operations	-	5,070	(12,671)
Profit/(loss) for the period attributable to equity shareholders of the parent	(3,568)	3,493	(15,539)
Other comprehensive income			
Foreign exchange translation differences recognised directly in equity	(143)	(1,220)	5,306
Other comprehensive income for the year	(143)	(1,220)	5,306
Total comprehensive income for the year attributable to equity shareholders of the parent	(3,771)	2,273	(10,233)
Basic and diluted loss per share (\$/share)	(2.82)	(0.05)	(0.46)
Basic and diluted loss per share from continuing operations (\$/share)	(2.82)	(0.05)	(0.09)
Basic and diluted loss per share from discontinued operations (\$/share)	-	-	(0.37)

*The accompanying notes are an integral part of these consolidated financial statements.
These consolidated financial statements have been approved by the Company's directors.*

Arian Silver Corporation

Consolidated statement of financial position

For the six months ended 30 June 2016

(tabular amounts expressed in thousands of US dollars)

	Note	Unaudited 30 June 2016	Unaudited 30 June 2015	Audited 31 December 2015
Assets				
Non-current assets				
Intangible assets	2	731	981	881
Property, plant and equipment	3	10	34,008	5
Total non-current assets		741	34,989	886
Current assets				
Inventories	4	-	1,439	-
Trade and other receivables		351	2,795	311
Cash and cash equivalents		1,169	778	474
Total current assets		1,520	5,012	785
Total assets		2,261	40,001	1,671
Equity attributable to equity shareholders of the parent				
Share capital	5	53,728	51,781	51,781
Warrant reserve	5	2,763	3,455	3,455
Share-based payment reserve	5	1,417	7,701	7,701
Foreign exchange translation reserve	5	1,949	(4,434)	2,092
Accumulated losses		(57,717)	(44,854)	(63,886)
Total equity		2,140	13,649	1,143
Liabilities				
Convertible note		-	300	-
Trade and other payables		121	1,600	528
Derivative liabilities		-	2,796	-
Total current liabilities		121	4,696	528
Convertible note		-	11,780	-
Derivative liabilities		-	9,020	-
Provision for mine closure		-	856	-
Total non-current liabilities		-	21,656	-
Total liabilities		121	26,352	528
Total equity and liabilities		2,261	40,001	1,671

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Arian Silver Corporation
Consolidated statement of cash flows
For the and six months ended 30 June 2016
(tabular amounts expressed in thousands of US dollars)

Note	Unaudited six months ended 30 June 2016	Unaudited six months ended 30 June 2015	Audited year ended 31 December 2015
Cash flows from operating activities			
(Loss)/profit before tax from continuing operations	(3,568)	3,493	(2,868)
Loss before tax from discontinued operations	-	-	(12,671)
Adjustments for non-cash items:			
Depreciation and amortisation	1	69	164
Exchange difference	(91)	(208)	6,797
Net investment (loss)/income	(1)	11	(21)
Change in fair value of derivative liability	-	(5,533)	(7,038)
Proceeds from Quintana for working capital	(50)	-	(650)
Impairment of intangible assets	202	-	-
Loss on discontinuing operations	-	-	10,494
Equity-settled share-based payment transactions	2,832	(18)	18
Operating cash flows before movements in working capital	(675)	(2,186)	(5,775)
Increase in trade and other receivables	(117)	(841)	(1,027)
(Decrease)/increase in trade and other payables	(380)	37	2,227
Increase in inventories	-	(23)	(211)
Cash used in operating activities	(1,172)	(3,013)	(4,786)
Cash flows from investing activities			
Interest received	1	10	21
Proceeds from Quintana for working capital	50	-	650
Cash from discontinued operations	-	-	(47)
Purchase of intangible assets	(52)	-	-
Acquisition of property, plant and equipment	(7)	(5,019)	(5,726)
Cash used in investing activities	(8)	(5,009)	(5,102)
Cash flows from financing activities			
Proceeds from issue of share capital	2,089	-	-
Issue costs	(210)	-	-
Proceeds from Base Metal Purchase Agreement	-	5,920	7,576
Repayment of Base Metal Purchase Agreement	-	-	(45)
Cash from financing activities	1,879	5,920	7,531
Net increase/(decrease) in cash and cash equivalents	699	(2,102)	(2,357)
Cash and cash equivalents at beginning of period/year	474	2,846	2,846
Effect of exchange rate fluctuations on cash held	(4)	34	(15)
Cash and cash equivalents at end of period/year	1,169	778	474

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Arian Silver Corporation

Consolidated statement of changes in equity

For the six months ended 30 June 2016

(tabular amounts expressed in thousands of US dollars)

For the six months ended 30 June 2016

	Share capital	Warrant reserve	Share based payment reserve	Foreign exchange translation reserve	Accumulated losses	Total
Balance: 1 January 2016	51,781	3,455	7,701	2,092	(63,888)	1,143
Loss for the period	-	-	-	-	(3,568)	(3,568)
Foreign exchange	-	-	-	(143)	-	(143)
Total comprehensive income	-	-	-	(143)	(3,568)	(3,711)
Shares issued	2,157	-	-	-	-	2,157
Share issue costs	(210)	-	-	-	-	(210)
Share options lapsed	-	-	(6,284)	-	6,284	-
Cancellation of warrants	-	(3,455)	-	-	3,455	-
Fair value of warrants	-	2,763	-	-	-	2,763
Balance: 30 June 2016	53,728	2,763	1,417	1,949	(57,517)	2,140

For the six months ended 30 June 2015

	Share capital	Warrant reserve	Share based payment reserve	Foreign exchange translation reserve	Accumulated losses	Total
Balance: 1 January 2015	51,781	3,455	7,683	(3,214)	(48,347)	11,358
Profit for the period	-	-	-	-	3,493	3,493
Foreign exchange	-	-	-	(1,220)	-	(1,220)
Total comprehensive income	-	-	-	(1,220)	3,493	2,273
Fair value of share options	-	-	18	-	-	18
Balance: 30 June 2015	51,781	3,455	7,701	(4,434)	(44,854)	13,649

For the year ended 31 December 2015

	Share capital	Warrant reserve	Share based payment reserve	Foreign exchange translation reserve	Accumulated losses	Total
Balance: 1 January 2015	51,781	3,455	7,683	(3,214)	(48,347)	11,358
Loss for the year	-	-	-	-	(15,539)	(15,539)
Foreign exchange	-	-	-	(3,917)	-	(3,917)
Foreign exchange reclassified to discontinued operations	-	-	-	9,222	-	9,222
Total comprehensive income	-	-	-	5,306	(15,539)	(10,233)
Fair value of share options	-	-	18	-	-	18
Balance: 31 December 2015	51,781	3,455	7,701	2,092	(63,888)	1,143

*The accompanying notes are an integral part of these consolidated financial statements.
These consolidated financial statements have been approved by the Company's directors.*

Arian Silver Corporation

Notes to Consolidated Financial Statements (Unaudited)

For the six months ended 30 June 2016

(tabular amounts expressed in thousands of US dollars unless otherwise stated)

1. Basis of preparation, going concern and adequacy of project finance

These interim unaudited consolidated financial statements for Arian Silver Corporation (“ASC” or the “Company”) have been prepared in accordance with International Financial Reporting Standards.

ASC is a company domiciled in the British Virgin Islands. The consolidated financial statements of the Company comprise financial statements of the Company and its subsidiaries (together referred to as the “Group”). The Group is primarily involved in the exploration and development of mineral resource assets.

The accounting policies and methods of computation used in the preparation of the interim unaudited consolidated financial statements are the same as those described in the Company’s audited consolidated financial statements and notes thereto for the year ended 31 December 2015. In the opinion of the management, the interim unaudited consolidated financial statements include all adjustments considered necessary for fair and consistent presentation of financial statements. These interim unaudited consolidated financial statements should be read in conjunction with the Company’s audited financial statements and notes for the year ended 31 December 2015.

These consolidated financial statements are presented in United States dollars as the Company believes it to be the most appropriate and meaningful currency for investors. The functional currencies of the Company and its subsidiaries are pounds sterling, Mexican peso and United States dollars.

The Financial Statements have been prepared on a going concern basis. The directors regularly review cash flow forecasts to determine whether the Group has sufficient cash reserves to meet future working capital requirements and discretionary business development opportunities including exploration activities.

The Company’s financial obligations to Quintana AGQ Holding Co. LLC and its affiliates (“Quintana”) were cancelled in the latter part of 2015 in lieu of Quintana taking over the Company’s San José project. The Company retains its San Celso, Calicanto and Los Campos projects along with all other mining concessions held at the time when the Company became public on AIM and TSXV in 2006, such remaining concessions all comprising more than 1,600 hectares. As part of the settlement, Quintana paid US\$650,000 to the Company during the year ended 31 December 2015, and a further US\$50,000 was paid in January 2016.

In February 2016, the Company successfully raised \$1.1 million before expenses (net US\$1.0 million) and in May 2016, raised a further US\$1.0 million before expenses (net US\$0.9 million).

The Group’s assets are at an early stage and in order to meet financing requirements for their development previously the Company has raised equity funds in several discrete share placements, which is a common practice for junior mineral exploration companies. Although the Company has been successful in the past in raising equity finance, there can be no assurance that the funding required by the Group will be made available to it when needed or, if such funding were to be available, that it would be offered on reasonable terms. The terms of such financing might not be favourable to the Group and might involve substantial dilution to existing shareholders.

The directors currently believe that the Group has adequate resources for the foreseeable future or access to such resources in order to continue to prepare the Company’s financial statements on a going concern basis. In reaching this conclusion, the directors have reviewed cash flow forecasts to the end of July 2017 and considered their ability to reduce expenditure in the event that further fundraisings are not completed within that timeframe, and have concluded they can

make such savings as may be necessary in order to operate within the funds currently available to them.

The discontinued operations referred to for the year ended 31 December 2015 relate to the formerly owned San José property in Zacatecas State, Mexico. The Company was compelled to enter into a settlement agreement with its financing partner Quintana in November 2015. This settlement agreement resulted in Quintana taking control of the Company's primary operating subsidiary Arian Silver de Mexico SA de CV.

Under the terms of the settlement agreement, Quintana was required to transfer back to ASC the mineral concessions not related to the San José project.

In return for receiving certain indemnities and releases, Quintana paid ASC US\$650,000 (plus a further US\$50,000 during 2016).

2. Intangible assets – deferred exploration and evaluation costs

The Group's deferred exploration and evaluation costs comprise costs directly incurred in exploration and evaluation as well as the cost of maintaining mineral licences. They are capitalised as intangible assets pending the determination of the feasibility of the project. When the decision is taken to develop a mine, the related intangible assets are transferred to property, plant and equipment. Where a project is abandoned or is determined not economically viable, the related costs are written off.

The recoverability of deferred exploration and evaluation costs is dependent upon a number of factors common to the natural resource sector. These include the extent to which the Group can establish economically recoverable reserves on its properties, the ability of the Group to obtain necessary financing to complete the development of such reserves and future profitable production or proceeds from the disposition thereof.

Intangible assets for the six months ended 30 June 2016 are detailed in the following table and relate entirely to deferred exploration and development costs:

	Unaudited 30 Jun 2016 \$	Unaudited 30 Jun 2015 \$	Audited 31 Dec 2015 \$
Cost			
Opening balance 1 January	881	1,223	1,223
Additions for the period	52	-	-
Discontinued operations	-	-	(38)
Impairment	(202)	-	(185)
Foreign exchange	-	(57)	(118)
Closing balance	731	981	881

The impairment relates to the Calicanto Project, being the difference in the carrying value of US\$602,000 and the consideration received of US\$400,000.

3. Property, plant and equipment

The Group's property, plant and equipment incorporates mine development costs, including appropriate deferred exploration and evaluation costs transferred on development of an exploration property, and costs incurred in the acquisition and development of the Company's processing plant. Before reclassification, such costs are assessed for impairment, with any impairment recognised in profit or loss for the period.

All subsequent development and commissioning costs are capitalised. Once the mine and plant are operating in the manner intended by management, the mining assets will be amortised over the estimated life of the reserves on a unit of production basis.

Changes in property, plant and equipment for the six months ended 30 June 2016 are detailed in the following table:

	Unaudited 30 Jun 2016 US\$	Unaudited 30 Jun 2015 US\$	Audited 31 Dec 2015 US\$
Opening balance 1 January	5	28,440	28,440
Additions for the period	7	5,019	5,726
Interest capitalised	-	1,414	2,973
Discontinued operations	-	-	(35,067)
Depreciation and amortisation	(1)	(69)	(164)
Foreign exchange	(1)	(796)	(1,903)
Closing balance	10	34,008	5

The amount shown for discontinued operations at 31 December 2015 of \$35.1 million, relates to the formerly owned San José property in Zacatecas State, Mexico, which was taken over by Quintana under the terms of the senior secured financing arrangement.

4. Inventories

Inventories comprise silver concentrate produced, ore stockpiles and consumables, and are stated at the lower of cost and net realisable value. Silver concentrate produced and ore stockpiles are calculated on an average cost basis and include all costs directly incurred up to the relevant point of the process, such as mining costs, milling costs, transport, operating and administration costs. Net realisable value is determined with reference to market prices.

	Unaudited 30 Jun 2016 US\$	Unaudited 30 Jun 2015 US\$	Audited 31 Dec 2015 US\$
Consumables	-	28	-
Stockpiled ore	-	1,377	-
Lead silver concentrate	-	34	-
Closing balance	-	1,439	-

5. Share capital and reserves

Share capital

The Company is authorised to issue an unlimited number of common shares of no par value.

Changes in share capital for the six months ended 30 June are as follows:

	Number of Shares '000	Amount US\$
Opening balance 1 January 2015	33,907	51,781
Closing balance 30 June 2015 (unaudited)	33,907	51,781
Closing balance 31 December 2015 (audited)	33,907	51,781
Shares issued	149,788	2,157
Share issue costs	-	(210)
Closing balance 30 June 2016 (unaudited)	183,695	53,728

2015

- No shares were issued during the year ended 31 December 2015.

Six months ended 30 June 2016

- 27 January 2016 79,787,493 common shares were issued at £0.01 each, £797,875 (US\$1,137,419)
- 13 May 2016 70,000,000 common shares were issued at £0.01 each, £700,000 (US\$1,019,970)

Warrant reserve

The number and weighted average exercise price for the period ended 30 June 2016 are set out in the table below:

	Outstanding (000's)	Weighted average exercise price US\$
Opening balance 1 January 2015	12,152	0.88
Closing balance 30 June 2015 (unaudited)	12,152	0.88
Closing balance 31 December 2015 (audited)	12,152	0.88
Issued	114,787	0.02
Cancelled	(12,152)	0.88
Closing balance 30 June 2016 (unaudited)	114,787	0.02

The 12,151,926 common share purchase warrants granted to Quintana were cancelled on 26 January 2016.

On 27 January 2016 79,787,493 common share purchase warrants were issued, exercisable at 1.5p per common share, until 27 February 2019.

On 13 May 2016 35,000,000 common share purchase warrants were issued, exercisable at 1.5p per common share, until 28 April 2019.

Fair value of Warrants and assumptions

The estimate of the fair value of the Warrants is measured based on the Black-Scholes model. The following inputs were used in the calculation of the fair value of the warrants granted.

	13 May 2016	27 January 2016
Fair value (US\$ 000s)	631	2,132
Share price (£)	0.018	0.025
Weighted average exercise price (£)	0.015	0.015
Expected volatility	109%	110%
Expected warrants life	3 years	3 years
Expected dividend yield	0%	0%
Risk-free interest rate	1.05%	1.05%

Share based payment reserve

The share based payment reserve arises on the grant of share options to directors, employees and other eligible persons under the share option plan.

A summary of the changes in the Group's contributed surplus for the six months ended 30 June 2016 is set out below:

	Unaudited 30 Jun 2016 US\$	Unaudited 30 Jun 2015 US\$	Audited 31 Dec 2015 US\$
Opening balance 1 January	7,701	7,683	7,683
Fair value of share options	-	18	18
Incentive stock options lapsed	(6,284)	-	-
Closing balance	1,417	7,701	7,701

Foreign exchange translation reserve

The translation reserve comprises both foreign exchange differences arising on the translation of amounts relating to overseas operations and the presentation of the financial statements in United States dollars.

A summary of the changes in the Group's foreign exchange translation reserve for the six months ended 30 June 2016 is set out below:

	Unaudited 30 Jun 2016 US\$	Unaudited 30 Jun 2015 US\$	Audited 31 Dec 2015 US\$
Opening balance 1 January	2,092	(3,214)	(3,214)
Movement in period	(143)	(1,220)	5,306
Closing balance	1,949	(4,434)	2,092

Retained loss

Retained loss comprises accumulated losses in the current and prior years.

6. Incentive stock options

A summary of the Company's stock options as at 30 June 2016 is set out below:

Outstanding shares	Exercise price	Expiry
50,000	£2.00/C\$3.2077	29 May 2017
725,000	£0.70/C\$1.09123	29 May 2018
50,000	£0.44/C\$0.79	5 January 2020

7. Related party transactions

These unaudited interim consolidated financial statements include balances and transactions with directors and officers of the Company and/or corporations related to them. All transactions have been recorded at the exchange amount which is the consideration established and agreed to between the related parties.

Control of the Company

In the opinion of the Board, at 30 June 2016 there was no ultimate controlling party of the Company.

Identity of related parties

The Company and its subsidiaries have a related party relationship, with its Directors and executive officers.

Directors' interests in shares of the Company

At 30 June 2016 the Directors of the Company and their immediate relatives controlled approximately 2.8% (30 June 2015: 1.9%, 31 December 2015: 1.9%) of the voting shares of the Company.

Directors' interests in the common shares of the Company as at 30 June 2016 are set out below.

	Unaudited 30 Jun 2016	Unaudited 30 Jun 2015	Audited 31 Dec 2015
A J Williams	1,688,702	-	-
J T Williams	1,500,000	500,000	500,000
T A Bailey	1,314,226	-	-
J A Crombie	566,665	150,000	150,000

Transactions with key management personnel

During the period ended 30 June 2016 the Company entered into the following transactions involving key management personnel:

Siberian Goldfields Ltd ("SGL")

On 24 September 2013 the Company acquired an option for US\$200,000 to conduct due diligence on SGL and its mineral properties, with a view to ASC undertaking a potential equity transaction or other corporate transaction or investment with SGL ("Transaction"). On 27 November 2013, ASC gave notice to SGL of its election not to proceed with a Transaction.

The option grant fee is repayable by SGL to ASC together with interest payable at a rate of 10% per annum in the event that ASC elects not to proceed with a Transaction. Interest accrued during the period ended 30 June 2016 amounted to US\$10,000 (30 June 2015: US\$10,000, 2015: US\$20,000). As at 30 June 2016 US\$255,000 (30 June 2015: US\$235,000, 31 December 2015: US\$245,000) was owed to ASC by SGL.

A.J. Williams is a director and shareholder of SGL.

Dragon Group Ltd charged the Company a total of US\$67,834 (30 June 2015: US\$77,172, 31 December 2015: US\$154,851). This relates to the reimbursement of A.J. Williams' remuneration paid on behalf of the Company. A.J. Williams, Chairman and a director of the Company, beneficially owns Dragon Group Ltd. At 30 June 2016, \$11,306 (30 June 2015: US\$13,271, 31 December 2015: US\$12,498) was outstanding.

Key management personnel also participate in the Group's share option programme as disclosed in note 7.

JS Cable consulting fees

During the period JS Cable charged the Company a total of nil (30 June 2015: nil, 31 December 2015: US\$16,000) in respect of consulting fees. There was no outstanding balance at 30 June 2016 (30 June 2015: nil, 2015: nil).

TA Bailey consulting fees

During the period TA Bailey charged the Company a total of nil (30 June 2015: nil, 2015: US\$28,000) in respect of consulting fees, of which \$nil (30 June 2015: nil, 31 December 2015: US\$19,482) was outstanding at 30 June 2016.

8. Post balance sheet events

On 1 August 2016 the Company announced its Mexican subsidiary, Compañía Minera Estrella De Plata SA de CV, had executed a binding agreement with Minera Oro Silver de Mexico SA de CV (“Minera Oro Silver”), a subsidiary of Endeavour Silver Corporation, to sell the Company’s 75 hectare Calicanto Project in the State of Zacatecas, for a cash consideration of US\$400,000, which will be received upon the execution and ratification of the assignment agreement in respect of the relevant mineral concessions. The Calicanto Project had a carrying value of US\$602,000 as at 31 December 2015 and has therefore been impaired to the consideration value of US\$400,000.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

For further information please contact:

Arian Silver Corporation
Jim Williams, CEO
David Taylor, Company Secretary
Tel: +44 (0)20 7887 6599

Northland Capital Partners Limited
Gerry Beaney / David Hignell
Tel: +44 (0)203 861 6625

OR

OR

Beaufort Securities Limited
Jon Belliss
Tel: +44 (0)20 7382 8300

Yellow Jersey PR Limited
Dominic Barretto
Tel: +44 (0)7768 537 739

Forward-Looking Information

This press release contains certain “forward-looking information”. 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 are deemed forward-looking information.

This forward-looking information reflects the current expectations or beliefs of the Company based on information currently available to the Company as well as certain assumptions. Forward-looking information is 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 information, 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.

Any forward-looking information 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 information, 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 information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.