



Trading Symbols
AIM: AGQ
FWB: I3A

26 September 2018

Unaudited interim results for the six months ended 30 June 2018

Arian Silver Corporation (“Arian” or the “Company”) is pleased to announce its financial results for the six months ended 30 June 2018.

Dennis Edmonds, Executive Chairman of Arian, commented: **“The first half of 2018 saw significant change for Arian, principally with a change of leadership, an injection of cash, and a major cost cutting programme.**

I am continuing to assess the prospects for the Company’s existing projects and to seek out new ones, and I look forward to reporting further on this, in due course.”

Strategy

Arian’s objective is to create a portfolio of mining projects in jurisdictions with an established mining community, stable political background, and where strong operational controls can be assured.

The Company has operated in Mexico for over ten years, during which time it has established long-term relationships with local government, communities, and key stakeholders. Arian’s geological experts assess and identify projects for potential mineralisation. Wherever possible the projects are acquired on a low-cost option basis whilst preliminary exploration is undertaken to assess the merits of further work.

Where preliminary studies evidence sufficient mineralisation, increasingly comprehensive studies will be undertaken with a view to delineating a compliant mineral resource estimate. At that stage the Company will make a decision on whether to commence mining operations or to sell the asset to a producing mining company.

Financial highlights

As at 30 June 2018, the Company had total assets of US\$1.2 million (2017: US\$1.5 million) of which US\$0.7 million (2017: US\$0.9 million) was cash. The Company had total liabilities of US\$0.1 million (2017: US\$0.1 million) of which US\$0.1 million were current liabilities (2017: US\$1.1 million).

In the six months ended 30 June 2018 the Company made an operating loss of US\$1.1 million (2017: US\$0.7 million) and a loss per share of US\$0.005 (2017: US\$0.003). On 10 May 2018, the Company

raised £602,000 (US\$0.8 million) by way of a private placing of shares before costs and expenses, to further its strategy.

Overview of operations

During the six months ended 30 June 2018, the Company continued to work towards the identification of additional opportunities to expand and develop the Company's mining assets.

The change of executive directors in May 2018 caused a shift from the focus on concessions and immediately following the appointment of Dennis Edmonds as Executive Chairman, a detailed review of expenditures was carried out to ensure the Company was operating with the minimum practicable level of cost.

Properties

As at 30 June 2018, the Company fully owned 12 silver mining concessions covering an area of approximately 1,500 hectares.

Silver projects

Los Campos project

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.

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.

Other silver projects

Arian Silver holds five additional silver mining 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.

Future outlook

Management are progressing plans for the careful investment in further exploration of the Company's projects in Mexico. Additionally, the Company is investigating the prospect of making acquisitions of additional projects which it is believed will enhance the value of the Company.

At the Company's Annual General Meeting held on 20 September 2018, shareholders approved a change to the name of the Company, and it is intended that the name of the Company will therefore be changed to Alien Metals Limited, in due course.

Notice of no auditor review of interim financial information

The interim unaudited consolidated financial information for the six month period ended 30 June 2018 has been prepared by and is the responsibility of the Company's management team.

Arian Silver Corporation

Consolidated statement of comprehensive income

For the six months ended 30 June 2018

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

	Unaudited six months ended 30 June 2018	Unaudited six months ended 30 June 2017	Audited year ended 31 December 2017
Continuing operations			
Administrative expenses	(1,066)	(653)	(1,423)
Impairment of available for sale investment	-	-	(129)
Total administrative expenditure	(1,066)	(653)	(1,552)
Operating loss	(1,066)	(653)	(1,552)
Net interest (expense)/ income	(1)	5	4
Loss from continuing operations	(1,067)	(648)	(1,548)
Loss for the period attributable to equity shareholders of the parent	(1,067)	(648)	(1,548)
Other comprehensive income			
Foreign exchange translation differences recognised directly in equity	(33)	41	113
Other comprehensive income for the year	(33)	41	113
Total comprehensive income for the year attributable to equity shareholders of the parent	(1,100)	(607)	(1,435)
Basic and diluted loss per share (\$/share)	(0.005)	(0.003)	(0.01)

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

Arian Silver Corporation

Consolidated statement of financial position

For the six months ended 30 June 2018

(tabular amounts expressed in thousands of US dollars)

	Note	Unaudited 30 June 2018	Unaudited 30 June 2017	Audited 31 December 2017
Assets				
Non-current assets				
Intangible assets	2	238	233	236
Property, plant and equipment		5	6	6
Financial asset investments	3	137	272	143
Total non-current assets		380	511	385
Current assets				
Trade and other receivables		60	66	57
Cash and cash equivalents		740	891	876
Total current assets		800	957	933
Total assets		1,180	1,468	1,318
Equity attributable to equity shareholders of the parent				
Share capital	4	53,852	52,559	52,965
Warrant reserve	4	2,166	1,867	2,166
Share-based payment reserve	4	987	1,389	1,389
Foreign exchange translation reserve	4	1,908	1,869	1,941
Accumulated losses		(57,835)	(56,328)	(57,228)
Total equity		1,078	1,356	1,233
Liabilities				
Trade and other payables		102	112	85
Total current liabilities		102	112	85
Total equity and liabilities		1,180	1,468	1,318

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Arian Silver Corporation

Consolidated statement of cash flows

For the and six months ended 30 June 2018

(tabular amounts expressed in thousands of US dollars)

	Unaudited six months ended 30 June 2018	Unaudited six months ended 30 June 2017	Audited year ended 31 December 2017
Cash flows from operating activities			
Loss before tax from continuing operations	(1,067)	(648)	(1,548)
Adjustments for non-cash items:			
Depreciation and amortisation	1	2	4
Exchange difference	(2)	55	47
Net interest expense / (income)	1	(5)	(4)
Impairment of available for sale financial assets	-	-	129
Equity-settled share-based payment transactions	58	56	56
Operating cash flows before movements in working capital	(1,009)	(540)	(1,316)
(Decrease)/increase in trade and other receivables	(3)	(39)	20
(Decrease)/increase in trade and other payables	(20)	11	(20)
Cash used in operating activities	(1,032)	(568)	(1,316)
Cash flows from investing activities			
Interest received	-	1	1
Proceeds from sale of asset held for sale	-	400	400
Purchase of intangible assets	-	(34)	(22)
Acquisition of property, plant and equipment	-	-	(2)
Cash used in investing activities	-	367	377
Cash flows from financing activities			
Proceeds from issue of share capital	938	775	1,558
Issue costs	(15)	(77)	(156)
Cash from financing activities	923	698	1,402
Net (decrease)/increase in cash and cash equivalents	(109)	497	463
Cash and cash equivalents at beginning of period/year	876	416	416
Effect of exchange rate fluctuations on cash held	(27)	(22)	(3)
Cash and cash equivalents at end of period/year	740	891	876

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The consolidated financial information has been approved by the Company's directors.*

Arian Silver Corporation

Consolidated statement of changes in equity

For the six months ended 30 June 2018

(tabular amounts expressed in thousands of US dollars)

For the six months ended 30 June 2018

Unaudited	Share capital	Warrant reserve	Share based payment reserve	Foreign exchange translation reserve	Accumulated losses	Total
Balance: 1 January 2018	52,965	2,166	1,389	1,941	(57,228)	1,233
Loss for the period	-	-	-	-	(1,067)	(1,067)
Foreign exchange	-	-	-	(33)	-	(33)
Total comprehensive income	-	-	-	(33)	(1,067)	(1,100)
Shares issued for cash	938	-	-	-	-	938
Share issue costs	(51)	-	-	-	-	(51)
Share options lapsed	-	-	(460)	-	460	-
Share options issued	-	-	58	-	-	58
Balance: 30 June 2018	53,852	2,166	987	1,908	(57,835)	1,078

For the six months ended 30 June 2017

Unaudited	Share capital	Warrant reserve	Share based payment reserve	Foreign exchange translation reserve	Accumulated losses	Total
Balance: 1 January 2017	52,396	1,333	1,417	1,828	(55,764)	1,210
Profit for the period	-	-	-	-	(648)	(648)
Foreign exchange	-	-	-	41	-	41
Total comprehensive income	-	-	-	41	(648)	(607)
Shares issued for cash	775	-	-	-	-	775
Share issue costs	(78)	-	-	-	-	(78)
Share options lapsed	-	-	(84)	-	84	-
Share options issued	-	-	56	-	-	56
Cancellation of warrants	-	-	-	-	-	-
Fair value of warrants issued	(534)	534	-	-	-	-
Balance: 30 June 2017	52,559	1,867	1,389	1,869	(56,328)	1,356

For the year ended 31 December 2017

Audited	Share capital	Warrant reserve	Share based payment reserve	Foreign exchange translation reserve	Accumulated losses	Total
Balance: 1 January 2017	52,396	1,333	1,417	1,828	(55,764)	1,210
Loss for the year	-	-	-	-	(1,548)	(1,548)
Foreign exchange	-	-	-	113	-	113
Total comprehensive income	-	-	-	113	(1,548)	(1,435)
Shares and warrants issued for cash	725	833	-	-	-	1,558
Share issue costs	(156)	-	-	-	-	(156)
Lapse of share options	-	-	(84)	-	84	-
Share options issued	-	-	56	-	-	56
Balance: 31 December 2017	52,965	2,166	1,389	1,941	(57,228)	1,233

The accompanying notes are an integral part of these consolidated financial information.

The consolidated financial information has been approved by the Company's directors.

Arian Silver Corporation

Notes to Consolidated Financial Information (Unaudited)

For the six months ended 30 June 2018

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

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

This interim unaudited consolidated financial information for Arian Silver Corporation (“Arian” or the “Company”) has been prepared in accordance with International Financial Reporting Standards as adopted by the EU.

Arian is a company domiciled in the British Virgin Islands. The consolidated financial information of the Company comprise financial information 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 IFRS financial information for the six months ended 30 June 2018 has been prepared on the basis of the accounting policies that the Company expects to adopt for the 2018 year end. The accounting policies are in accordance with IFRS issued by the International Accounting Standards Board as adopted for use in the European Union. In preparing the results for the six months ended 30 June 2018, the Company has not applied IAS 34, 'Interim Financial Reporting', because this accounting standard is not mandatory for the Group.

The accounting policies and methods of computation used in the preparation of the interim unaudited consolidated financial information are the same as those described in the Company’s audited consolidated financial statements and notes thereto for the year ended 31 December 2017 and which are expected to be adopted in the annual statutory financial statements for the year ended 31 December 2018. In the opinion of the management, the interim unaudited consolidated financial information includes all adjustments considered necessary for fair and consistent presentation of financial information. The interim unaudited consolidated financial information should be read in conjunction with the Company’s audited financial statements and notes for the year ended 31 December 2017. The consolidated accounts for the year ended 31 December 2017 were approved by the Board of directors on 25 June 2018. The report of the auditors on those accounts contained a statement on a material uncertainty related to going concern.

IFRS 9 *Financial Instruments* is being adopted for the first time in the six months ended 30 June 2018. The Company applied IFRS 9 retrospectively in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. The Company has only one investment, an equity investment into the shares of Siberian Goldfields Limited (“SGL”), an unlisted company with interests in gold and iron ore deposits in Siberia, Russia. At 1 January 2018, the investment into SGL shares was carried at fair value under IAS 39 in the amount of US\$142,825. There were no changes to the carrying amount as a result of IFRS 9 adoption. The application of IFRS 9 has not resulted in restatement of net assets at 1 January 2017 or 31 December 2017. The equity investments into SGL shares will be held at fair value through other comprehensive income, meaning the recycling of gains and losses on disposal and impairment losses is no longer permitted for this category of asset.

IFRS 15 *Revenue from contracts with customers* was also applied in this financial information for the first time. Due to the Group being at pre-revenue stage, the adoption of this standard did not result in any restatement or re-classifications.

The interim unaudited consolidated financial information is presented in United States dollars as the Company believes it to be the most appropriate and meaningful currency for investors. Save for the Company's subsidiary in Mexico, Compañía Minera Estrella de Plata SA de CV ("CMEP"), the functional currency of the Company and its subsidiaries is pounds sterling; the functional currency of CMEP is United States dollars.

The financial Information has 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.

On 10 May 2018, the Company announced that it had raised £602,000 (US\$780,836) by issuing 240,800,000 common shares of no par value ("Common Shares") at 0.25 pence each. It is expected that a further 14,488,000 Common Shares will be issued at a price of 0.25 pence during the six months ended 31 December 2018 in settlement of an introduction fee relating to this financing.

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 information on a going concern basis. In reaching this conclusion, the directors have reviewed cash flow forecasts to the end of September 2019 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.

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.

2. Intangible assets – deferred exploration and evaluation costs (*continued*)

Intangible assets for the six months ended 30 June 2018 are detailed in the following table and relate entirely to deferred exploration and development costs:

	Unaudited 30 Jun 2018 US\$000s	unaudited 30 Jun 2017 US\$000s	Audited 31 Dec 2017 US\$000s
Cost			
Opening balance 1 January	236	173	173
Additions for the period	-	33	22
Impairment	-	-	-
Foreign exchange	2	27	41
Closing balance	238	233	236

3. Financial asset investments: fair value through other comprehensive income financial assets

The Company has only one investment, which was previously classified as available-for-sale investment under IAS 39. It is an equity investment into the shares of Siberian Goldfields Limited (“SGL”), an unlisted company with interests in gold and iron ore deposits in Siberia, Russia. Due to the fact that investment into SGL shares was carried at fair value under IAS 39, the application of IFRS 9 has not resulted in changes in net assets at 1 January 2017 or 31 December 2017. The classification of the equity investments into SGL share has changed from 'available-for-sale investments' under IAS 39 to become fair value through other comprehensive income under IFRS 9.

4. 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 2018 are as follows:

	Number of Shares '000	Amount US\$000s
Opening balance 1 January 2017	183,695	52,396
Closing balance 30 June 2017 (unaudited)	303,695	52,559
Closing balance 31 December 2017 (audited)	423,695	52,965
Shares issued	278,000	938
Share issue costs	-	(51)
Closing balance 30 June 2018 (unaudited)	701,695	53,882

Six months ended 30 June 2018

In the period between 15 and 17 May 2018 278,000,000 Common Shares were issued at 0.25 pence each, raising £695,000 (US\$938,000) before costs.

Six months ended 31 December 2017

On 27 July 2017, 120,000,000 Common Shares were issued at 0.5 pence each, raising £600,000 (US\$783,084) before costs.

Six months ended 30 June 2017

On 9 June 2017, 120,000,000 Common Shares were issued at 0.5 pence each, raising £600,000 (US\$775,110) before costs.

4. Share capital and reserves (continued)

Warrant reserve

The number and weighted average exercise price for the period ended 30 June 2018 are set out in the table below:

	Outstanding (000's)	Weighted average exercise price US\$
Opening balance 1 January 2017	114,787	0.02
Closing balance 30 June 2017 (unaudited)	246,787	0.01
Closing balance 31 December 2017 (audited)	378,787	0.01
Closing balance 30 June 2018 (unaudited)	378,787	0.01

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 2018 is set out below:

	Unaudited 30 Jun 2018 US\$000s	Unaudited 30 Jun 2017 US\$000s	Audited 31 Dec 2017 US\$000s
Opening balance 1 January	1,389	1,417	1,417
Fair value of share options	58	56	56
Incentive share options lapsed	(460)	(84)	(84)
Closing balance	987	1,389	1,389

The fair value of the options granted during the period and assumptions is disclosed in note 5.

Foreign exchange translation reserve

The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of operations that do not have a US dollar functional currency. Exchange differences arising are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the operation is disposed of.

Accumulated losses

Accumulated losses contain losses incurred in the current and prior years.

5. Incentive share options

A summary of the Company's share options as at 30 June 2018 is set out below:

Subsisting share options	Exercise price (GBP)	Expiry
1,250,000	£0.0100	2 February 2022
1,250,000	£0.0100	9 February 2022
34,284,746	£0.0025	14 May 2023
36,784,746		

Share options held by directors

Director	Subsisting share options	Exercise price (GBP)	Expiry
Dennis Edmonds	17,142,373	£0.0025	14 May 2023
Christopher Gordon	17,142,373	£0.0025	14 May 2023
James Cable	500,000	£0.0100	9 February 2022
	34,784,746		

The fair value of the options granted by the Company is measured based on the Black-Scholes model. The following inputs were used in the calculation of the fair value of the warrants granted:

	15 May 2018
Fair value of an option (£/US\$)	0.00125/0.00169
Share price (£)	0.0034
Weighted average exercise price (£)	0.0025
Expected volatility	23.27%
Expected option life	5 years
Expected dividend yield	0%
Risk-free interest rate based on 5-year bond	1.207%

The total charge of US\$57,847 in relation to 34,284,746 options granted on 15 May 2018, is included in administrative expenses in the Consolidated Statement of Comprehensive Income. These options vested immediately after the grant.

6. Related party transactions

These unaudited interim consolidated financial information 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 2018 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.

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 Arian undertaking a potential equity transaction or other corporate transaction or investment with SGL ("Transaction"). On 27 November 2013, Arian gave notice to SGL of its election not to proceed with a Transaction.

6. Related party transactions (*continued*)

The option grant fee was repayable by SGL to Arian together with interest payable at a rate of 10% per annum in the event that Arian elects not to proceed with a Transaction. On 21 April 2017 the outstanding debt owed by SGL was settled through the issue of 2 million SGL shares representing 0.70% of the issued share capital of SGL. These were subsequently exchanged for 881,077 ordinary shares (representing 0.35% of the issued share capital) of Siberian Goldfields Ltd ("SGL UK"), a UK registered company. The Company's interest in the underlying Siberian Goldfields project remains unchanged as a consequence of the restructuring from SGL to SGL UK.

As at 30 June 2018 the investment in SGL UK is shown as a financial asset investment in the statement of financial position.

A.J. Williams is a director and shareholder of SGL and SGL UK and was a director of Arian throughout the period until 15 May 2018.

Transactions with key management personnel

Key management personnel participate in the Group's share option programme.

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

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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.