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Trading Symbols
AIM: AGQ
TSX-V: AGQ
FWB: I3A

27 November 2015

Arian Silver Signs Settlement Deed with Quintana

Arian Silver Corporation ("Arian" or the "Company"), a silver mining company focussed on silver projects in the silver belt of Zacatecas, Mexico, announces that further to its announcement on 29 October 2015 of the termination of the letter of intent and non-binding term sheet with Quintana AGQ Holding Co. LLC, it has now signed an acknowledgement of the Default Notice announced on 3 November 2015 ("Acknowledgement") and has further entered into a settlement deed ("Settlement Deed") with Quintana AGQ Holding Co. LLC and its affiliates (together, "Quintana").

Terms of the Settlement Deed

Quintana is entitled to exercise its foreclosure rights under the terms of the senior secured financing arrangement announced on 15 October 2014 and 30 October 2014, and accordingly pursuant to the Acknowledgement, Quintana has exercised its security and taken ownership of Arian Silver de Mexico SA de CV and its assets, including the San José project.

Arian, through a new subsidiary, will retain the San Celso, Calicanto and Los Campos projects along with all other mining concessions held at the time when the Company became public on the AIM and TSXV in 2006, such remaining concessions all comprising more than 1,600 hectares.

As at 31 October 2015, Arian's accrued debt under the senior secured financing arrangement with Quintana amounted to approximately US\$17.8 million with the initial repayment commencing in April 2016. In addition the outstanding balance under the Base Metal Purchase Agreement ("BMPA") with Quintana amounted to US\$15.2 million.

Given the current metal prices, in particular the silver price, together with the mechanical issues and resulting delays suffered during commissioning of the La Tesorera processing plant, the San José operation will require a further significant cash injection to make the project viable. In light of the aforementioned security arrangements and financial difficulties, together with Quintana's unwillingness to waive the timing of any default under the agreements, the Board in conjunction with its legal advisors, has concluded that an orderly foreclosure process under the terms of the Settlement Deed was the only viable option available to the Company, that it was in the best interests of both shareholders and creditors, and that otherwise, the Company would not be able to meet its financial commitments as they fall due.

Under the terms of the Settlement Deed, on closing (expected by 31 December 2015), Quintana will release Arian from its obligations under the senior secured loan arrangement as well as the BMPA and Investment Agreement dated 14 October 2014. Closing will be deemed to have occurred upon *inter alia* the Company having delivered to Quintana all documentation regarding the transitional matters as aforementioned.

In return for receiving certain indemnities and releases, Quintana has paid US\$650,000 to Arian, giving a positive net working capital position of US\$478,000. In addition, Quintana will pay to Arian a further US\$50,000 upon closing as described above. In the event closing has not completed on or before 31 December 2015, Quintana will have the right to demand reimbursement of the US\$650,000 payment. The funds paid by Quintana are not tied to a specific use of proceeds and may be expended before closing, but together with existing cash, are currently expected to sustain the Company to February 2016.

Upon completion of the foreclosure process and closing of the transaction, Arian will be debt-free and have no liability for the outstanding creditor balances in Mexico of approximately US\$1.9 million.

Ongoing Strategy

The San Celso, Calicanto and Los Campos concessions include high grade brownfield gold and silver projects in Zacatecas in close proximity to existing mines, all of which benefit from excellent infrastructure. In addition, Arian is in discussions to grow its asset portfolio to include strategically located mining concessions.

The Company will need to raise additional funds for its projects in Mexico and for general working capital purposes; discussions are currently underway in this regard.

Jim Williams, Chief Executive Officer of Arian commented: **“Despite this setback we must first take stock, and then look ahead to the future. As a management team we are focussed on a return to growth with the raising of funds, acquisition of additional mining concessions, and continuing of exploration activity.”**

The Company's shares will remain suspended until further notice.

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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. 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 (including in particular, that the necessary administrative steps required to receive additional funding from Quintana, that additional finance will otherwise be available, that any remaining mining concessions will contain mineral resources or can be developed commercially, that any discussions will lead to the acquisition of additional mining concessions, or that it will be viable to continue exploration activities). 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 realized or substantially realized, 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.