



Trading Symbols
AIM: AGQ
FWB: I3A

27 October 2016

Extension of Exclusive Option and Exploration Update

Arian Silver Corporation (“Arian Silver” or the “Company”) is pleased to report on progress during the year to date.

Jim Williams, Chief Executive Officer of Arian commented: **“Arian Silver is advancing two routes to becoming a precious metal producer through the potential participation in the development of the Noche Buena tailings project as well as the potential participation in the development of an advanced stage exploration project in the Southern part of the USA. Simultaneously, we have been reviewing our existing portfolio of mineral concessions with a view to delineating a compliant mineral resource on a number of these assets. These are powerful drivers for regrowth and we look forward to providing our shareholders with further updates as these matters progress over the coming months.”**

Exclusive option over tailings project

Further to the Company’s press releases on 4 May and 24 August 2016 which announced that the Company had secured the exclusive right to evaluate the Noche Buena gold and silver tailings project in Mexico, held by Tierra Nuevo Mining Ltd (“TNM”), the period of exclusivity has been extended by 60 days to 27 December 2016 at no additional cost.

During this period, the final results of metallurgical testworks are expected to be received, which will indicate the extent to which the gold recoveries can be optimised. To date, we have achieved commercial gold grades in the concentrate but at the expense of recoveries. The additional testwork is to ascertain whether a commercial gold recovery rate can be achieved.

The Company is also discussing with TNM, the potential for participation in their other portfolio projects; these projects are either brownfield sites and/or highly prospective and all are located within 20 km of Goldcorp’s Peñasquito project.

Advanced stage exploration projects

The Company is engaged in preliminary discussions with a view to acquiring advanced stage exploration projects. One such asset is located in the Southern part of the USA and has been extensively drilled in the past; it has a non-compliant mineral resource reported to have been in excess of 100 million ounces of silver, and it is expected that the historical data held would allow a new drill programme to rapidly delineate a compliant resource with a view to near-term production.

Exploration activities

Arian Silver possesses almost 1,500 hectares of mineral concessions within central Zacatecas, Mexico, which includes brownfield sites and past-producing mines. These mineral concessions have been reviewed by Arian Silver's geologists and a low cost work programme to advance targeted exploration is underway.

Disposal of Calicanto

The Company announced on 1 August 2016 that it has 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. The sale proceeds will be received upon the execution and ratification of the assignment agreement in respect of the relevant mineral concessions. The assignment agreement will be concluded upon the completion of registrations by the Ministry of Mines in Mexico, which is expected in the coming weeks.

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

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