ARIAN SILVER CORPORATION

Interim Consolidated Financial Statements (Unaudited)

First Quarter and Three Months ended March 31, 2008
(In thousands of U.S. dollars)

ARIAN SILVER CORPORATION
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NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Arian Silver Corporation
Consolidated Balance Sheets (Unaudited)
For the three months as at March 31, 2008 and Dec 31, 2007
(In U.S. dollars)

	2008 $'000	2007 $'000
Assets		
Property, plant and equipment	205	181
Intangible assets	5,704	4,407
Total non-current assets	5,909	4,588
Trade and other receivables	855	714
Cash and cash equivalents	851	3,134
Total current assets	1,706	3,848
Total assets	7,615	8,436
Equity		
Share capital	29,852	29,852
Share-based payment reserve	2,128	2,068
Foreign exchange translation reserve	(873)	(865)
Retained loss	(23,858)	(22,955)
Total equity	7,249	8,100
Trade and other payables	366	336
Total current liabilities	366	336
Total liabilities	366	336
Total equity and liabilities	7,615	8,436

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 Statements of Operations and Deficit (Unaudited)
For the three months ended March 31, 2008 and March 31, 2007
(In U.S. dollars)

	3 Months ended March 31 2008 $'000	3 Months ended March 31 2007 $'000
Administrative expenses	(921)	(1,061)
Operating loss before financing costs	(921)	(1,061)
Finance income	18	18
Net financing costs	18	18
Loss before tax	(903)	(1,043)
Loss for the period	(903)	(1,043)
Basic and diluted loss per share ($)	(0.01)	(0.01)
Consolidated Statement of recognised income and expense		
Foreign exchange translation differences recognised directly in equity		
- in respect of re-translation of net investment in subsidiaries	(10)	(3)
- in respect of presentation of financial statements in United States dollars	2	(1)
Loss for the period	(903)	(1,043)
Total recognised income and expense for the period	(911)	(1,047)

There were no gains or losses during the period other than the above reported loss.

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These consolidated financial statements have been approved by the Company's directors.

Arian Silver Corporation
Consolidated Statements of Cash Flows (Unaudited)
For the three months ended March 31, 2008 and March 31, 2007
(In U.S. dollars)

	3 Months ended March 31 2008 $'000	3 Months ended March 31 2007 $'000
Cash flows from operating activities		
Operating loss before financing costs	(921)	(1,061)
Adjustments for:		
Depreciation	11	6
Exchange Difference	(50)	(27)
Equity-settled share-based payment transactions	60	119
	(900)	(963)
Change in trade and other receivables	(129)	(97)
Change in trade and other payables	29	(17)
Net cash used in operating activities	(1,000)	(1,077)
Cash flows from investing activities		
Interest received	18	18
Acquisition of intangibles	(1,187)	(365)
Acquisition of property, plant and equipment	(35)	(27)
Net cash used in investing activities	(1,204)	(374)
Cash flows from financing activities		
Proceeds from issue of share capital	-	418
Bank overdraft	-	(6)
Net cash from financing activities	-	412
Net increase in cash and cash equivalents		
Cash and cash equivalents at January 1	3,134	3,193
Effect of exchange rate fluctuations on cash held	(79)	36
Cash and cash equivalents at March 31	851	2,190

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 in Changes in Equity (Unaudited)
For the three months ended March 31, 2008 and March 31, 2007
(In U.S. dollars)

	Share Capital $'000	Share based payment reserve $'000	Foreign exchange translation reserve $'000	Retained Earnings $'000	Total $'000
Period to March 31, 2007					
Opening Balance	22,448	947	(910)	(18,062)	4,423
Share issue costs	(94)	-	-	-	(94)
Fair value of share options	-	119	-	-	119
Proceeds from options exercised	147	-	-	-	147
Proceeds from warrants exercised	365	-	-	-	365
Net loss	-	-	-	(1,047)	(1,047)
Foreign exchange loss	-	-	(4)	-	(4)
Balance March 31, 2007	22,866	1,066	(914)	(19,109)	3,909
Period to March 31, 2008					
Opening Balance	**29,852**	**2,068**	**(865)**	**(22,955)**	**8,100**
Share issue costs	**-**	**-**	**-**	**-**	**-**
Fair value of share options	**-**	**60**	**-**	**-**	**60**
Proceeds from options exercised	**-**	**-**	**-**	**-**	**-**
Proceeds from warrants exercised	**-**	**-**	**-**	**-**	**-**
Net loss	**-**	**-**	**-**	**(903)**	**(903)**
Foreign exchange loss	**-**	**-**	**(8)**	**-**	**(8)**
Balance March 31, 2008	**29,852**	**2,128**	**(873)**	**(23,858)**	**7,249**

1. Summary of Significant Accounting Policies

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

ASC is a company domiciled in the British Virgin Islands. The unaudited consolidated financial statements of the Company for the three months ended March 31, 2008 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in the acquisition and development of mineral resource assets.

The accounting policies and methods of computation used in the preparation of the 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 2007. In the opinion of the management, the accompanying interim financial information includes all adjustments considered necessary for fair and consistent presentation of financial statements. These interim consolidated financial statements should be read in conjunction with the Company's audited financial statements and notes for the year ended 31 December 2007.

The Group is at an early stage of development and in common with many mineral exploration companies, it raises funds in discrete tranches. The current cash resources of the Group will not be sufficient to develop its exploration projects and bring them into production and further funding will be required. In the event that the Group is unable to secure further finance it will not be able to fully develop these projects.

The directors have reviewed the Group's cash flow forecast and believe that further equity is now required and additional fund raising will be required in the next 12 months. The directors are taking steps to meet the current funding requirement and they believe that both these funds and the additional funds which will be required in the next 12 months will be forthcoming. They consider it appropriate to prepare the financial statements on a going concern basis.

2. Merger with Arian Silver Corporation Ltd

The Company was previously named Hard Assets Inc. until its merger with Arian Silver Corporation Limited ("ASCL") on May 24, 2006 whereupon it was renamed Arian Silver Corporation ("ASC") and re-admitted to the AIM market of the London Stock Exchange on May 25, 2006. ASCL ceased to be a legal entity at the date of the merger.

The merger of the Company with ASCL was accounted for in accordance with the reverse take over method of accounting. Under this method, ASCL has been identified as the acquirer and accordingly the consolidated entity is considered to be a continuation of ASCL and the historical financial information prior to the acquisition is that of ASCL only. For accounting purposes, Hard Assets Inc. is thus deemed to have been acquired by ASCL.

3. Intangible assets

(i) Goodwill

All business combinations are accounted for by applying the purchase method. Goodwill (negative goodwill) arises on the acquisition of subsidiaries, associates and joint ventures. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment. Goodwill arising on acquisition is capitalised and shown within fixed assets. The excess of net assets over consideration paid on an acquisition (negative goodwill) is recognised directly in profit or loss.

(ii) Deferred Exploration and Evaluation Costs

These comprise costs directly incurred in exploration and evaluation as well as the cost of 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 and the exploration and evaluation costs are amortised over the estimated life of the project. 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 a Company can establish mineral reserves on its properties, the ability of the Company to obtain necessary financing to complete the development of such reserves and future profitable production or proceeds from the disposition thereof.

4. Share based payment transactions

The share option programme allows Group employees to acquire shares of the Company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period until the options vest unconditionally to the employee. The fair value of the options granted is measured using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest, except if the change is due to market based conditions not being satisfied.

5. Intangible assets

Changes in intangible assets for the three months ended March 31, 2008 and the year ended December 31, 2007 are detailed in the following table:

	2008 $'000	2007 $'000
Opening balance	**4,407**	1,235
Additions for the period	**1,406**	3,182
Foreign exchange	**(109)**	(10)
Closing balance	**5,704**	4,407

The balances at March 31, 2008 and at December 31, 2007 relate entirely to deferred exploration and development costs.

6. Share capital

a) Authorised

The Company is authorised to issue unlimited common shares of no par value. Under the reverse take over method of accounting for the acquisition of ASCL, share capital and related movements of ASCL are shown, together with movements in share capital of the Company following acquisition. Changes for the three months ended March 31, 2008 and the year ended December 31, 2007 are detailed in the following table:

	2008		2007	
	Number of Shares '000	Amount $'000	Number of Shares '000	Amount $'000
Opening balance	119,460	29,852	100,683	22,448
Shares issued for cash	-	-	-	-
Issue costs of share issuance	-	-	-	(95)
Shares issued for consulting services	-	-	-	-
ASCL shares at date of acquisition	**-**	**-**	**-**	**-**
Exercise of warrants	-	-	12,493	4,473
Shares issued for cash	-	-	5,454	2,779
Exercise of share options	-	-	830	247
Closing balance	**119,460**	**29,852**	**119,460**	**29,852**

During the three months ended March 31, 2008 and the year ended December 31, 2007 the Company made the following share and warrant issues:

Three months ended March 31, 2008

No shares or warrants were issued.

Year ended December 31, 2007

During the year the Company issued:

- 2,892,600 common shares at US$0.175 and 9,600,000 at Cdn$0.42 in connection with warrant exercises;
- 830,000 common shares in connection with exercises of share options at GB£0.15;
- 5,454,000 common shares at Cdn$0.55 to provide additional working capital of Cdn$2,999,700; and
- 2,727,250 share purchase warrants exercisable for a period of 24 months at Cdn$0.65 and subject to accelerated exercise conditions at the Company's option.

b) Share based payment reserve

A summary of the changes in the Company's contributed surplus for the three months ended March 31, 2008 and the year ended December 31, 2007, is set out below:

	2008 $'000	2007 $'000
Opening balance	**2,068**	947
Incentive stock options vested	**60**	1,121
Balance - end of period	**2,128**	2,068

c) Foreign exchange translation reserve

A summary of the changes in the Company's foreign exchange translation reserve for the three months ended March 31, 2008 and the year ended December 31, 2007, is set out below:

	2008 $'000	2007 $'000
Opening balance	**(865)**	(910)
Movement in the period	**(8)**	45
Balance - end of period	**(873)**	(865)

d) Share purchase warrants

A summary of the changes in the Company's share purchase warrants for the three months ended March 31, 2008 and the year ended December 31, 2007 is set out below:

	2008		2007	
	Warrants outstanding (000's)	Weighted average exercise price ($)	Warrants outstanding (000's)	Weighted average exercise price ($)
Opening balance	**2,727**	**0.43**	17,161	0.33
Exercised	-	-	(9,600)	(0.39)
Exercised	-	-	(2,893)	(0.175)
Lapsed	-	-	(4,460)	(0.39)
Lapsed	-	-	(208)	(0.60)
Issued	-	-	2,727	0.61
Closing balance	**2,727**	**0.43**	2,727	0.43

At March 31, 2008 the warrants in issue are analysed below:

Shares	Exercise price	Expiry
2,727,250	Cdn$0.65	August 1, 2009

(In U.S. dollars)

e) Share-based payments

The Company currently has in place two incentive share option plans (the "Plans") covering directors, officers, employees and consultants of the Company and its subsidiary companies. The exercise price of a future option grant will be determined by the Board of Directors on the basis of the closing market price of the Company's shares on the trading day prior to the date of issue of the option. Options may be granted for a periods of up to ten years and the Board of Directors determines the vesting provisions of each option granted, which may vary. The aggregate number of shares which may be issued and sold under the Plans may not exceed 10% of issued share capital. As at March 31, 2008, a total of 2,035,996 options remained available for grant under the Plans.

A summary of the Company's share options (as adjusted to reflect the terms of the merger referred to in note 2) for the three months ended March 31, 2008 is set out below:

Share options

Employee share options at March 31, 2008

Holder	Shares	Exercise price	Grant Date	Vesting Date	Expiry
A Williams	1,000,000	£0.27	June 14, 2007	June 14, 2007	June 30, 2010
	1,200,000	£0.15	February 01, 2006	June 15, 2006	January 31, 2009
J Williams	1,000,000	£0.27	June 14, 2007	June 14, 2007	June 30, 2010
	1,200,000	£0.15	February 01, 2006	June 15, 2006	January 31, 2009
J Cable	400,000	£0.27	June 14, 2007	June 14, 2007	June 30, 2010
	400,000	£0.15	February 01, 2006	June 15, 2006	January 31,2009
D Cohen	500,000	£0.15	February 01, 2006	June 15, 2006	January 31,2009
T Bailey	400,000	£0.15	February 01, 2006	June 15, 2006	January 31,2009
J Crombie	500,000	£0.245	February 23, 2007	February 23, 2007	February 22, 2010
Senior management	500,000	£0.27	June 14, 2007	June 14, 2007	June 13, 2010
	275,000	£0.27	June 14, 2007	October 14, 2007	June 13, 2010
	275,000	£0.27	June 14, 2007	April 14, 2008	June 13, 2010
	850,000	£0.15	February 01, 2006	June 15, 2006	January 31,2009
	50,000	£0.15	February 01, 2006	February 01, 2007	January 31,2009
Other employees	105,000	£0.225	February 28, 2007	June 28, 2007	February 27, 2010
	105,000	£0.225	February 28, 2007	December 28, 2007	February 27, 2010
	165,000	£0.27	June 14, 2007	October 14, 2007	June 13, 2010
	165,000	£0.27	June 14, 2007	April 14, 2008	June 13, 2010
	50,000	£0.20	December 03, 2007	April 03, 2008	December 02, 2010
	75,000	£0.20	December 03, 2007	August 03, 2008	December 02, 2010
	75,000	£0.20	December 03, 2007	December 03, 2008	December 02, 2010
	35,000	£0.15	February 01, 2006	June 15, 2006	January 31,2009
	35,000	£0.15	February 01, 2006	February 01, 2007	January 31,2009

Other share options at March 31 2008

Share options issued to third parties	50,000	£0.34	May 05, 2007	August 03, 2007	May 24, 2008
	50,000	£0.34	May 05, 2007	November 03, 2007	May 24, 2008
	50,000	£0.34	May 05, 2007	February 03, 2008	May 24, 2008
	50,000	£0.34	May 05, 2007	May 03, 2008	May 24, 2008
	350,000	US$0.50	April 13, 2006	April 13, 2006	April 13, 2008

The number and weighted average exercise prices of share options are as follows:

	2008		2007	
	Out-standing	Weighted average exercise price	Out-standing	Weighted average exercise price
	(000's)	($)	(000's)	($)
Opening balance	**10,535**	**0.41**	6,180	0.29
Issued	**-**	**-**	500	0.52
	-	**-**	255	0.45
	-	**-**	200	0.68
	-	**-**	4,055	0.54
	-	**-**	200	0.42
Exercised	**-**	**-**	(830)	(0.30)
Lapsed	**(330)**	**(0.30)**	(25)	(0.54)
	(45)	**(0.45)**	-	-
	(250)	**(0.54)**	-	-
Balance – end of period	**9,910**	**0.41**	10,535	0.41

f) Stock-based compensation

The fair value of stock options granted for the three months ended March 31, 2008 was $59,749 (2007 - $119,590) which was expensed in the statement of operations.

The fair value of stock options used to calculate compensation expense is estimated using the Black-Scholes option pricing model with the following assumptions:

	2008	**2007**
Risk free interest rate	4.75%	4.75%
Expected dividend yield	0%	0%
Expected stock price volatility	60%	60%
Expected option life in years	2-3 yrs	2-3 yrs

Pricing models require the input of highly subjective assumptions, including the expected price volatility. In the current period it was deemed that enough information on historic share prices was available to calculate the expected stock price volatility, whereas previously the volatility percentage used was an industry standard for similar companies. Changes in the subjective input assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable single measure of the fair value of units granted by the Company.

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. Details are as follows:

Transactions with key management personnel

During the three months ended March 31, 2008 and 2007 the Company entered into the following transactions involving related parties:

Companies in the Dragon Group charged the Company a total of $119,645 (2007 - $182,552) in respect of the provision of staff, office facilities, general office overheads and re-charged costs incurred on behalf of the Company. Tony Williams, Chairman and a director of the Company, beneficially owns the Dragon Group. At March 31, 2008 $81,339 was outstanding (2007 - $44,486).

Kopane Diamond Developments ("KDD") charged the Company a total of $8,439 (2007 - $22,047) in respect of a recharge of certain directors' remuneration paid on behalf of the Company. James Cable and Tony Williams are Directors of the Company and KDD. At March 31, 2008 $nil was outstanding (2007 - $7,349).

Transactions with subsidiaries were as follows:

The Company made loans to Arian Silver de Mexico S.A. de C.V. of $1,404,576 (2007 - $1,433,449).

Executive officers also participate in the Group's share option programme.

8. Income taxes

No corporate or deferred tax charge or credit arises in respect of the three months ended March 31 2008 and 2007. The loss arising in the period gives rise to tax losses that are equivalent to a potential tax asset of $0.3 million (2007 - $0.3 million).

At March 31, 2008, the Group had tax losses to carry forward of $3.4 million (2007 - $2.5 million). The potential deferred tax asset of $1.02 million (2007 - $0.75 million) has not been recognised in respect of these losses due to the uncertainty as to the incidence and timing of future taxable profits against which the assets can be recovered.

9. Segmented reporting

The Company has one operating segment, the exploration of natural resource properties. All capital assets of the Company are held in Mexico. Short-term deposit interest, which is the Company's only regular source of income, is generally earned in the United Kingdom.

10. Subsequent events

On May 29, 2008 the Company announced that it had raised Cdn$3,023,000 by way of a private placement of 12,092,000 units (each a "Unit") at Cdn$0.25 per Unit. Each Unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant will entitle the holder to acquire one common share of the Company at an exercise price of Cdn$0.35 share for a period of 18 months from the closing date of the placement. The warrants are also subject to an accelerated exercise provision.