



ARIAN SILVER CORPORATION

Interim Consolidated Financial Statements

(Unaudited)

For the three and six months ended 30 June 2015

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited 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 the standards established by the Canadian Institute of Chartered Accountants for a review of financial statements by an entity's auditor.

Arian Silver Corporation

Consolidated Statement of Comprehensive Income (Unaudited)

For the three and six months ended 30 June 2015

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

	Note	3 months ended 30 June		6 months ended 30 June	
		2015 \$	2014 \$	2015 \$	2014 \$
Continuing operations					
Cost of sales		-	(140)	-	(153)
Gross loss		-	(140)	-	(153)
Administrative expenses		(940)	(850)	(2,029)	(1,634)
Gain/(loss) on derivative liability	7	2,540	293	5,533	35
Operating profit/(loss)		1,600	(697)	3,504	(1,752)
Net investment (loss)/income		(5)	(2)	(11)	-
Profit/(loss) for the period attributable to equity shareholders of the parent		1,595	(699)	3,493	(1,752)
Other comprehensive income					
Foreign exchange translation differences recognised directly in equity	5	(437)	227	(1,220)	324
Other comprehensive income for the period			227		324
Total comprehensive income for the period attributable to equity holders of the parent		1,158	(472)	2,273	(1,428)
Basic and diluted profit/(loss) per share (\$/per share)		0.05	(0.02)	0.10	(0.05)

*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 (Unaudited)

At 30 June 2015 and 31 December 2014

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

	Note	30 June 2015 \$	31 December 2014 \$
Assets			
Non-current assets			
Intangible assets	2	981	1,038
Property, plant and equipment	3	34,008	28,440
Total non-current assets		34,989	29,478
Current assets			
Inventories	4	1,439	1,498
Trade and other receivables		2,795	2,043
Cash and cash equivalents		778	2,846
Total current assets		5,012	6,387
Total assets		40,001	35,865
Equity attributable to equity shareholders of the parent			
Share capital	5	51,781	51,781
Warrant reserve	5	3,455	3,455
Share-based payment reserve	5	7,701	7,683
Foreign exchange translation reserve	5	(4,434)	(3,214)
Accumulated losses	5	(44,854)	(48,347)
Total equity		13,649	11,358
Liabilities			
Convertible note	7	300	-
Trade and other payables		1,600	1,556
Derivative liabilities	7	2,796	5,233
Total current liabilities		4,696	6,789
Convertible note	7	11,780	10,666
Derivative liabilities		9,020	6,206
Provision for mine closure	8	856	846
Total non-current liabilities		21,656	17,718
Total liabilities		26,352	24,507
Total equity and liabilities		40,001	35,865

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Arian Silver Corporation

Consolidated Statement of Cash Flows (Unaudited)
For the three and six months ended 30 June 2015 and 2014
(tabular amounts expressed in thousands of US dollars)

		3 months ended 30 June		6 months ended 30 June	
	Note	2015 \$	2014 \$	2015 \$	2014 \$
Cash flows from operating activities					
Profit/(loss) before tax		1,595	(699)	3,493	(1,752)
Adjustments for:					
Depreciation and amortisation		49	15	69	20
Exchange Difference		(137)	228	(208)	257
Net investment income		5	2	11	-
Fair value of derivative liability	7	(2,540)	(293)	(5,533)	(35)
Equity-settled share-based payment transactions		-	(258)	(18)	(273)
Cash before movements in working capital		(1,028)	(1,005)	(2,186)	(1,783)
Increase in trade and other receivables		(300)	(54)	(841)	(158)
Increase/(decrease) in trade and other payables		(614)	23	37	(166)
Increase in inventories		424	(99)	(23)	(259)
Cash used in operating activities		(1,518)	(1,135)	(3,013)	(2,366)
Cash flows from investing activities					
Interest received		5	-	10	5
Acquisition of property, plant and equipment		(2,009)	(900)	(5,019)	(2,009)
Cash used in investing activities		(2,004)	(900)	(5,009)	(2,004)
Cash flows from financing activities					
Proceeds from Base Metal Purchase Agreement		1,840	-	5,920	-
Cash generated by financing activities		1,840	-	5,920	-
Net increase/(decrease) in cash and cash equivalents		(1,682)	(2,035)	(2,102)	(4,370)
Cash and cash equivalents at beginning		2,416	4,967	2,846	7,241
Effect of exchange rate fluctuations on cash held		44	98	34	159
Cash and cash equivalents at 30 June		778	3,030	778	3,030

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

Arian Silver Corporation

Consolidated Statement of Changes in Equity (Unaudited)

For the three months ended 30 June 2015 and 2014

(tabular amounts expressed in thousands of US dollars)

	Note	Share capital \$	Warrant reserve \$	Share based payment reserve \$	Foreign exchange translation reserve \$	Retained earnings \$	Total equity \$
Balance 1 January 2014		51,514	-	8,001	(966)	(42,765)	15,784
Profit / (loss) for the period		-	-	-	-	(1,752)	(1,752)
Foreign exchange		-	-	-	322	-	322
Total comprehensive income		-	-	-	322	(1,752)	(1,430)
Lapse of share options	5	-	-	(287)	-	287	-
Fair value of share options	5	-	-	14	-	-	14
Balance 30 June 2014		51,514	-	7,728	(644)	(44,230)	14,368

	Note	Share capital \$	Warrant reserve \$	Share based payment reserve \$	Foreign exchange translation reserve \$	Retained earnings \$	Total equity \$
Balance 1 January 2015		51,781	3,455	7,683	(3,214)	(48,347)	11,358
Profit / (loss) for the period		-	-	-	-	1,898	1,898
Foreign exchange		-	-	-	(783)	-	(783)
Total comprehensive income		-	-	-	(783)	1,898	1,115
Fair value of share options	5	-	-	18	-	-	18
Balance 31 March 2015		51,781	3,455	7,701	(3,997)	(46,449)	12,491
Profit for the period		-	-	-	-	1,595	1,595
Foreign exchange		-	-	-	(437)	-	(437)
Total comprehensive income		-	-	-	(437)	1,595	1,158
Balance 30 June 2015		51,781	3,455	7,701	(4,434)	(44,854)	13,649

*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 three and six months ended 30 June 2015 and 2014

(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 2014. 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 2014.

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 going concern basis assumes that the Company will continue for the foreseeable future such that it is able to resume operations and to realise its assets and discharge its liabilities and commitments in the normal course of business.

At 30 June 2015 the Company had net current assets of \$0.3 million. \$1.0 million of the current derivative liability balance related to the valuation of the conversion option of the Quintana Note (see note 7). This item will not be settled in cash and, when added back, resulted in a net current asset position of \$1.3 million.

In October 2014, the Company entered into a \$32 million financing package, which was expected at that time to complete the Group’s funding requirements for the development of the San José project and to enable the Group to achieve full-scale commercial production. Details of the financing package are set out in note 7.

Included in the Group’s cash flow forecast are assumptions over the ability to draw down funds available to it under the Base Metals Purchase Agreement (“BMPA”) with Quintana San Jose Streaming Co. LLC (“Quintana Streaming”), which is subject to the Group achieving certain operational milestones. Should the Group fall into default, Quintana Streaming may elect to terminate the BMPA and require the Group to repay the uncredited balance of the upfront payment under the agreement. At the time of releasing this report it was the directors’ opinion that the conditions surrounding the drawdown milestones and operational covenants under the BMPA were expected to be satisfied. At 30 June 2015, \$2.0 million remained available to draw down under the BMPA. A further \$1.6 million was drawn down in July 2015 as detailed in note 11, reducing the remaining balance, to \$0.4 million.

First silver-lead concentrate sales revenues were received in April 2015 and commissioning of the Plant remained underway at 30 June 2015 and was expected to continue during the third quarter of 2015.

Arian Silver Corporation

Notes to Consolidated Financial Statements (Unaudited) For the three and six months ended 30 June 2015 and 2014

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

1. Basis of preparation, going concern and adequacy of project finance (*continued*)

There are significant risks associated with establishing any new mining and processing operation, the realisation of which, could delay profitable commercial production and increase working capital requirements. The Company seeks to manage these risks by employing a proven processing method, completing studies over the critical aspects of the project to ensure that the variables and operational risks are understood, employing a management team and contractors with suitable capabilities and experience, and building into its business model, contingency to manage events such as deterioration in market conditions or operational difficulties.

Despite the application of the aforementioned measures, the Company's working capital requirements have increased beyond earlier expectations and it will therefore be necessary for additional funds to be raised.

The Group has been successful in raising finance in the past but no assurance can be given that the Group will be able to raise funds in future, especially in view of the current volatile market conditions and weak silver price. If the Group is unsuccessful in raising funds in future, it will not be able to meet its on-going working capital and project expenditure requirements; in such circumstance, this would constitute a material uncertainty casting significant doubt on the Group's ability to continue as a going concern, and the carrying value of the Group's exploration and other assets would be required to be reviewed.

After full consideration of the factors above, the directors believe the Company has access to adequate financial resources in order to prepare the Company's financial statements on a going concern basis.

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 2015 and the year ended 31 December 2014 are detailed in the following table:

	30 Jun 2015 \$	31 Dec 2014 \$
Opening balance 1 January	1,038	1,168
Foreign exchange	(57)	(130)
Closing balance	981	1,038

The balances at 30 June 2015 and at 31 December 2014 relate entirely to deferred exploration and development costs.

Arian Silver Corporation

Notes to Consolidated Financial Statements (Unaudited) For the three and six months ended 30 June 2015 and 2014

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

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 2015 and the year ended 31 December 2014 are detailed in the following table:

	30 Jun 2015 \$	31 Dec 2014 \$
Opening balance 1 January	28,440	17,651
Additions for the period	5,019	6,626
Interest capitalised	1,414	5,714
Depreciation and amortisation	(69)	(64)
Foreign exchange	(796)	(1,487)
Closing balance	34,008	28,440

The mine development costs at 30 June 2015 of \$15.4 million (31 December 2014: \$13.4 million), relate to the 100% owned San José property in Zacatecas State, Mexico.

Plant and equipment includes \$18.6 million (31 December 2014: \$15.0 million) for La Tesorera Processing Plant, of which \$9.7 million (31 December 2014: \$8.3 million) relates to transaction and interest costs that have been capitalised.

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.

	30 Jun 2015 \$	31 Dec 2014 \$
Consumables	28	37
Stockpiled ore	1,377	1,461
Lead silver concentrate	34	-
Closing balance	1,439	1,498

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Notes to Consolidated Financial Statements (Unaudited)

For the three and six months ended 30 June 2015 and 2014

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

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 2015 and the year ended 31 December 2014 are as follows:

	30 Jun 2015		31 Dec 2014	
	Number of Shares '000	Amount \$	Number of Shares '000	Amount \$
Opening balance 1 January	33,907	51,781	33,366	51,514
Shares issued for cash	-	-	541	273
Share issue costs	-	-	-	(6)
Closing balance	33,907	51,781	33,907	51,781

Six months ended 30 June 2015

- No common shares were issued during the period.

Year ended 31 December 2014

- 316,790 common shares issued at £0.337763 per share to provide additional working capital of £107,000 drawdown of the SEDA.
- 224,653 common shares issued at £0.268258 per share to provide additional working capital of £60,265 drawdown of the SEDA.

Warrant reserve

As part of the Company's financing arrangements with Quintana AGQ Holding Co. LLC ("Quintana Holding Co."), Quintana Holding Co. were issued 12,151,926 common share purchase warrants exercisable at C\$1.00 per common share, until 29 October 2017.

The number and weighted average exercise price for the period ended 30 June 2015 and 31 December 2014 are set out in the table below:

	30 Jun 2015		31 Dec 2014	
	Outstanding (000's)	Weighted average exercise price (\$)	Outstanding (000's)	Weighted average exercise price (\$)
Opening balance 1 January	12,152	0.88	0	0.00
Issued	-	-	12,152	0.88
Closing balance	12,152	0.88	12,152	0.88

Arian Silver Corporation

Notes to Consolidated Financial Statements (Unaudited)

For the three and six months ended 30 June 2015 and 2014

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

5. Share capital and reserves (continued)

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 2015 and the year ended 31 December 2014, is set out below:

	30 Jun 2015 \$	31 Dec 2014 \$
Opening balance 1 January	7,683	8,001
Fair value of share options	18	14
Incentive stock options lapsed	-	(332)
Closing balance	7,701	7,683

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 2015 and the year ended 31 December 2014, is set out below:

	30 Jun 2015 \$	31 Dec 2014 \$
Opening balance 1 January	(3,214)	(966)
Movement in the period	(1,220)	(2,248)
Closing balance	(4,434)	(3,214)

Retained loss

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

Incentive stock options

A summary of the Company's stock options as at 30 June 2015 is set out below:

Outstanding shares	Exercise price	Expiry
1,141,000	£4.925/C\$7.90	18 January 2016
70,000	£2.00/C\$3.2077	29 May 2017
795,000	£0.70/C\$1.09123	29 May 2018
50,000	£0.325/C\$0.57624	13 January 2019
50,000	£0.44/C\$0.79	5 January 2020

Arian Silver Corporation

Notes to Consolidated Financial Statements (Unaudited)

For the three and six months ended 30 June 2015 and 2014

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

5. Share capital and reserves (continued)

Incentive stock options (continued)

The number and weighted average exercise prices of share options for the six months ended 30 June 2015 and the year ended 31 December 2014 are as follows:

	30 Jun 2015		31 Dec 2014	
	Outstanding 000's	Weighted average exercise price \$ per share	Outstanding 000's	Weighted average exercise price \$ per share
Opening balance 1 January	2,056	5.08	2,231	4.54
Issued	50	0.67	50	0.51
Lapsed	-	-	(225)	0.96
Closing balance	2,106	4.60	2,056	5.08

6. Stock-based compensation

The share option plan allows Group directors, officers, employees and consultants to acquire shares of the Company. The fair value of options granted is recognised as an 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. The fair value of the options granted is measured using the Black-Scholes model and assumptions is set out below, 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.

	30 Jun 2015	31 Dec 2014
Risk free interest rate	1.05%	1.84%
Expected dividend yield	0%	0%
Expected stock price volatility	84%	88%
Expected option life in years	5 years	5 years

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. 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.

The total expense relating to the fair value of the share options recognised in administrative expenses for the six months ended 30 June 2015 was \$18,000 (31 December 2014: \$14,000).

Arian Silver Corporation

Notes to Consolidated Financial Statements (Unaudited) For the three and six months ended 30 June 2015 and 2014

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

7. Convertible note

	Convertible Note		Derivative Liability	
	30 Jun 2015 \$	31 Dec 2014 \$	30 Jun 2015 \$	31 Dec 2014 \$
Platinum Note				
Opening balance 1 January	-	11,170	-	52
Change in fair value of derivative liability	-	-	-	(52)
Unwind effective interest	-	5,194	-	-
De-recognition of Platinum Note 29 October	-	(16,364)	-	-
Closing balance Platinum note	-	-	-	-
Quintana Note				
Opening balance 1 January	10,666	-	4,118	-
Platinum Note recognition	-	16,364	-	-
Interest paid 14 October to 29 October	-	88	-	-
Restructure of note 29 October	-	16,452	-	-
Fair value derivative liability on recognition	-	(3,499)	-	3,499
Transaction costs capitalised on recognition	-	(2,720)	-	-
Change in fair value derivative liability	-	-	(3,072)	619
Unwind effective interest	1,414	433	-	-
Closing balance Quintana note	12,080	10,666	1,046	4,118
Base Metals Purchase Agreement (BMPA)				
Fair value derivative liability on recognition	-	-	7,321	7,680
Proceeds from the BMPA	-	-	5,920	-
Change in fair value derivative liability	-	-	(2,471)	(359)
Closing balance BMPA	-	-	10,770	7,321
Closing balance	-	10,666	11,816	11,439
Current	300	-	2,767	5,233
Non-current	11,780	10,666	9,020	6,206
Closing balance	12,080	10,666	11,816	11,439
Fair value of derivative liability through profit or loss				
Platinum Note	-	-	-	52
Quintana Note	-	-	3,072	(619)
Base Metal Purchase Agreement	-	-	2,461	359
(Loss)/gain on derivative liability	-	-	5,533	(208)
Transaction costs expensed on recognition	-	-	-	735

The convertible option of the Convertible Note has been treated as an embedded derivative because it does not meet the IFRS definition of equity. The liability and derivative liability components are presented separately in the Consolidated Statement of Financial Position starting from initial recognition. At initial recognition, the value of the liability component is based on the proceeds from the transaction less the fair value of the derivative liability. Subsequent to initial recognition, the liability component is measured at amortised cost using the effective interest method; the liability component is increased by accretion of the effective interest to reach the nominal value of the note plus premium payable on maturity.

7. Convertible note (continued)

Arian Silver Corporation

Notes to Consolidated Financial Statements (Unaudited) For the three and six months ended 30 June 2015 and 2014

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

On initial recognition, the fair value of the derivative liability is established using a Monte Carlo simulation. Subsequently, the derivative liability is fair valued at each reporting date and changes in the fair value are taken directly to the Statement of Comprehensive Income.

Transaction costs are distributed between the convertible note and derivative liability on a pro-rata basis of their carrying amounts on initial recognition.

8. Provision for mine closure

An obligation to incur decommissioning and site rehabilitation costs occurs when environmental disturbance is caused by the development or on-going production of a mining property. Costs are estimated on the basis of a closure plan and are subject to regular review.

Such costs arising from the installation of plant and other site preparation work, discounted to their net present value, are provided and capitalised within mine development costs at the start of each project, as soon as the obligation to incur such cost arises. These decommissioning costs are charged against profits over the life of the mine, through depreciation of the asset and unwinding or amortisation of the discount on the provision. Depreciation is included in operating costs while the unwinding of the discount is included in financing costs. Changes in the measurement of a liability relating to the decommissioning of plant or other site preparation work are added to, or deducted from, the cost of the related asset in the current period.

Changes in mine closure provision for the six months ended 30 June 2015 and the year ended 31 December 2014 are detailed in the following table:

	30 Jun 2015 \$	31 Dec 2014 \$
Opening balance 1 January	846	187
Addition	-	648
Unwinding of discount	10	11
Closing balance	856	846

The provision has been made to cover projected closure costs of the San José mine and La Tesorera processing plant for a mining period of approximately 10 years.

At 30 June 2015, closure costs were calculated to be \$1,390,000 (31 December 2014: \$1,390,000) at the end of the 10 years using a discount rate of 5% (31 December 2014: 5%). Closure activities include decommissioning, reclamation and rehabilitation.

9. 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.

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Notes to Consolidated Financial Statements (Unaudited) For the three and six months ended 30 June 2015 and 2014

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

9. Related party transactions (*continued*)

During the six months ended 30 June 2015 the transactions between the Company and related parties are disclosed below:

Transactions with key management personnel

On 15 October 2014 the Group executed a \$32 million joint financing package with Quintana Holding Co. and Quintana Streaming (the "Quintana Financing"). As at 30 June 2015 Arian held the following balances in relation to the Quintana Financing; convertible note \$12,080,000 (31 December 2014: \$10,666,000), and derivative liabilities \$11,816,000 (31 December 2014: \$11,439,000). Interest of \$1,414,000 (30 June 2014: \$nil) was capitalised as part of the plant during the period ended 30 June 2015.

Oliver Rodz was appointed as a director of the Company subsequent to the Quintana Financing. Mr Rodz is the President of Quintana Holding Co. and Quintana Streaming.

During the six months to 30 June 2015, \$19,041 (30 June 2014: nil) was paid to Quintana Resources Holdings in respect of the non-executive director fees payable relating to services provided by Oliver Rodz and David Laing.

On 24 September 2013 the Company acquired an option for \$200,000 to conduct due diligence on Siberian Goldfields Ltd ("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.

The option grant fee is 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. Interest accrued during the period ended 30 June 2015 amounts to \$10,000 (30 June 2014: \$10,000). As at 30 June 2015, \$235,000 (31 December 2014: \$225,000) was owed to Arian by SGL.

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

The Dragon Group Ltd charged the Company a total of \$77,172 (30 June 2014: \$64,803) which relates to the reimbursement of Tony Williams' remuneration paid on behalf of the Company. Tony Williams, Chairman and a director of the Company, beneficially owns the Dragon Group. At 30 June 2015, \$13,271 (31 December 2014: \$15,742) was outstanding.

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

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Notes to Consolidated Financial Statements (Unaudited)

For the three and six months ended 30 June 2015 and 2014

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

10. Segment reporting

The Group's reportable segments, which are those reported to the Board of Directors, are the operating business managed by the geographically based management teams responsible for their performance.

As at 30 June 2015, the operating segments included in internal reports are determined on the basis of their significance to the Group.

Segment information

	San José		All other segments		Total	
	30 Jun 2015	30 Jun 2014	30 Jun 2015	30 Jun 2014	30 Jun 2015	30 Jun 2014
	\$	\$	\$	\$	\$	\$
Profit/(loss) before tax	-	(153)	3,493	(1,599)	3,493	(1,752)
Capital expenditure	2,699	1,099	2,320	910	5,019	2,009
Depreciation and amortisation	62	11	7	9	69	20

	San José		All other segments		Total	
	30 Jun 2015	31 Dec 2014	30 Jun 2015	31 Dec 2014	30 Jun 2015	31 Dec 2014
	\$	\$	\$	\$	\$	\$
Total assets	16,843	14,924	23,158	20,941	40,001	35,865
Total liabilities	856	846	25,496	23,661	26,352	24,507

All other segments include assets common to all projects.

Geographical information

	Mexico		UK		Total	
	30 Jun 2015	31 Dec 2014	30 Jun 2015	31 Dec 2014	30 Jun 2015	31 Dec 2014
	\$	\$	\$	\$	\$	\$
Non-current assets excluding investments	31,328	25,952	3,661	3,526	34,989	29,478

11. Subsequent events

Funding

Cash of \$1.6 million was received in July 2015 pursuant to the terms of the BMPA. The Company has now received \$15.2 million of the \$15.6 million committed by Quintana Streaming.