

HARD ASSETS INC. (“Hard Assets” or the “Company”)

HARD ASSETS INC. TO MERGE WITH ARIAN SILVER CORPORATION LIMITED

Proposed continuation of the Company into the B.V.I.
Proposed change of name of the Company to Arian Silver Corporation
Proposed merger of Arian Silver into the Company
Application for re-admission to trading on AIM
Notice of Extraordinary General Meeting

LONDON, 2 May 2006 – Further to the announcement on 16 March 2006 regarding the suspension of trading in the existing common shares of the Company (“Common Shares”) on AIM, the directors of Hard Assets (the “Directors”) have agreed terms to merge the privately held Arian Silver Corporation Limited (“Arian Silver”) into the Company, subject to shareholder approval (the “Merger”). The Merger will form a company with a portfolio of silver exploration and development projects in Mexico and a board of directors with considerable experience in the exploration for and development of precious and base metals. The Company and the subsidiaries of Arian Silver (the “Enlarged Group”) will aim to develop its portfolio of projects towards production, along with any other projects it may acquire, through a combination of company development and/or joint venture/acquisition opportunities.

Arian Silver shareholders will be issued with 48,899,200 common shares (the “New Common Shares”) as part of the Merger and will hold 56.65 per cent. of the Enlarged Group on Admission. Holders of options and warrants over shares in Arian Silver will receive, respectively, options and warrants over a further 8,729,600 Common Shares. In view of its size, the Merger will constitute a reverse takeover of the Company under the AIM Rules and therefore requires the approval of Shareholders at an extraordinary general meeting. The Merger is also conditional, inter alia, upon the continuation of the jurisdiction of the Company to the British Virgin Islands (the “Continuation”) being approved at the extraordinary general meeting of the Company, and upon admission of the Common Shares and the New Common Shares to trading on AIM.

In addition, the directors have determined that they will not proceed with the Continuation or Merger if, prior to the holding of the extraordinary general meeting, the Company or Arian Silver has received dissent notices to the Continuation or the Merger and any of the value of the aggregate consideration to be paid in respect of such dissent notices exceeds £200,000 or in the reasonable opinion of the Directors is likely to exceed £200,000.

Jim Williams, Arian Silver Chief Executive, commented:

“We welcome the merger with Hard Assets; this will enable us to achieve our goal of bringing Arian Silver to AIM as well as providing us with a larger international investor base. This transaction gives us a sound base for our proposed exploration programmes, including exploratory development, at our Calicanto and San Celso properties, where initial results have been very encouraging. In addition, we are in negotiations to secure tailings projects which have the potential to generate near-term cash-flow. Our initial target is to have in excess of 50 million JORC-compliant ounces of silver. We anticipate continuing strength in the market for silver and aim to establish Arian Silver Corporation as the prime silver play on the UK market.”

ARIAN SILVER AND ITS BUSINESS AND STRATEGY

The Arian Group (Arian Silver and its two subsidiaries) holds 12 mineral concessions covering an aggregate area of approximately 1,493 ha, has options over 7 other mineral concessions covering an aggregate area of approximately 298 ha and is in negotiations for an option over 3 further mineral concessions covering an aggregate area of approximately 1,652 ha, all in the Zacatecas State of Mexico.

To date, Arian Silver has been funded through a number of private placings, the most recent of which completed on 7 April 2006 raising US\$2 million before expenses through the placement of 4,000,000 Arian Shares at US\$0.50 per share. This US\$2 million, together with the Company's and Arian's existing cash, will be used to fund the costs of the Merger and to partially fund the Enlarged Group's proposed exploration programmes.

The Arian Group's concessions can be broadly grouped into three geographical zones within Zacatecas State, namely the Zacatecas area, Ojocaliente area, and Sombrerete area.

ZACATECAS AREA

There are two groups of concessions in the Zacatecas district: Calicanto, which lies to the north of Zacatecas, and Los Campos to the south. A number are "brown-field" sites where some past exploratory work has been undertaken and generally have some mine infrastructure in place. All these properties are on different veins within the La Cantera System.

Calicanto

The Calicanto project comprises three concessions, which are under option, covering an area of approximately 45 ha and includes the past productive Nevada Calicanto epithermal vein system which is situated about 5 km north of the centre of Zacatecas City, adjacent to the Barones silver vat leaching operation. The Calicanto and Nevada veins are part of a west-north west trending vein system extending throughout the Zacatecas area. The veins are connected by old workings and were mined together in the past.

During 2005 Arian Mexico extended the decline to access the Calicanto vein and underground workings. A channel sampling programme was initiated in August 2005. Mapping and sampling is ongoing as the decline is advanced along strike. The average width of the vein itself is 1.5 to 2.0 metres but with the inclusion of the stockwork and/or parallel veins in the hanging wall, the overall width of the structure can exceed 5 metres. Assays returned during the final quarter of 2005 proved better than results from an earlier sampling by another company. These variations are typical within epithermal precious metals systems. The property has not been drilled and it is believed that an area unmined above the current water table near the Calicanto shaft has potential for defining JORC-compliant resources by a combination of surface drilling and underground work. A 2,100m drilling programme is planned for 2006, subject to the Company raising additional funds.

Based on available mine plans, it appears that the Calicanto vein was historically worked on three levels: the 130 m, 175 m and the 205 m levels. On the 130 m level, the vein appears to have been worked over 225 m of strike, on the 175 m level, the vein appears to have been worked over 200 m of strike, and on the 205 m level, the vein appears to have been worked over 195 m of strike. It is difficult to say how much mining has taken place above the 130 m level but the Arian Group estimates that approximately 160 m of the vein has been mined along strike. The overall potential strike length within Arian Mexico's concessions is 880 m.

Arian Mexico has an option over the 3 concessions at the Calicanto project. Under the option agreement, Arian Mexico is required to make staged payments totaling US\$40,000 to Juan Mayorga Murillo for the right to explore the area covered by the concessions during the period of the option and can exercise the option at any time until 25 April 2008 at an exercise price of US\$340,000 (less any staged payments paid). Juan Mayorga Murillo is not currently the registered owner of the Calicanto concessions as the registration of his title is subject to certain transfers being registered and testamentary proceedings in relation to his father's estate. Under the terms of the option, Juan Mayorga Murillo is under an obligation to acquire those interests in the concessions which are currently subject to his father's estate and register all his rights with the Public Registry of Mines in Mexico.

Juan Mayorga Murillo is also entitled to a 3 per cent. smelter royalty.

LOS CAMPOS

The Los Campos project comprises four concessions wholly owned by Arian Mexico covering an area of approximately 500 ha located on the south side of the city of Zacatecas. The target area can be easily accessed within 15 minutes' drive from Arian Mexico's offices via a paved bypass road between Guadalupe and Zacatecas. The target area incorporates the Los Campos, La Virgen, Dolka and San Vicente mines, which were productive in colonial times. Future exploration will be to depths below levels of colonial mining and portions of the epithermal veins have yet to be evaluated by drilling.

In addition, a currently unknown quantity of mineralised dump material exists at various surface localities within the area covered by these concessions which the Proposed Directors plan to evaluate.

OJOCALIENTE AREA

The Ojocaliente project area covers a number of geographically separate silver vein (epithermal) and replacement (skarn) occurrences about 50 kilometres (less than one hour's drive) southeast of Zacatecas.

SAN CELSO

San Celso is situated about 50 kilometres southeast of Zacatecas, near the town of Panfilo Nateras. Access is by paved highway to Aguascalientes, which passes through the small settlement of Ojocaliente. The San Celso concessions are

wholly owned by Arian Mexico and comprise two concessions which are grouped around the east-facing slope of a prominent volcanic neck over an area of approximately 43 ha (San Celso and Ampl. San Celso) and one concession covering an area of approximately 45 ha (El Morro).

The concessions cover numerous typical epithermal silver veins, which were mined in colonial times.

Arian Mexico has most advanced its San Celso property compared with its other concessions, where it has accessed and re-laddered two workings: the San Celso mine to approximately 130 metres and since the competent person's visit the Las Cristinitas workings to approximately 100 metres depth. Historic mining appears to have been focused on near surface (to 130 metres) high grade shoots, with the silver extracted probably using a simple amalgamation process.

Arian Mexico is currently engaged in a detailed mapping and sampling programme. Mineralisation is found in both the hanging wall and footwall of the main veins and in places can be up to 6 metres in thickness. The work conducted by Arian Mexico has identified a number of mineralised veins. In the San Celso mine, the mine workings explore two mineralised structures one being approximately 2-4 metres and the other being approximately 15 metres away from the main vein, separated by weakly mineralised altered granodiorites.

Arian Mexico's geological exploration and mapping suggests that in the Las Cristinitas workings, the previous workings exploited a narrow (0.7-1.5 metres wide) high-grade silver vein. However, massive calcite-quartz veining has been identified in the hanging wall and footwall to the Las Cristinitas vein that carried variable amounts of silver.

The potential of the San Celso property is thought to lie in the extension of these veins along strike and to depth. It is also possible that there are other mineralised structures, either partially exploited by the San Celso old mine workings or undiscovered, on the property.

LA AFRICANA

The La Africana and Ampliacion El Cabezón concessions are wholly owned by Arian Mexico, cover an area of approximately 15 ha and are situated about 3 kilometres south-west of Panfilo Natera, just off the paved highway. The concessions cover a small hill, with numerous small shafts and dumps, and silver vein mineralisation within the dump material. The well-known Bilbao skarn replacement body is situated to the north as are other vein systems.

DONOVAN 1

The Donovan 1 concession, which is wholly owned by Arian Mexico, covers approximately 42 ha of agricultural land near the small settlement of Rancho Nuevo, situated between Panfilo Natera and El Morro. Small sub-crops and float boulders of epithermal and skarn hosted mineralisation have been found. Little or no previous modern exploration has been done on this prospect.

Arian Mexico is aware, through its preliminary exploration of this area, that calcareous and siliceous caliche covers the surface. This phenomenon caused by upward leaching, masks the underlying mineralisation from many conventional exploration techniques. The Proposed Directors are of the opinion that mineral-hosting structures may be present in this area which, if correct, may be located using exploratory techniques, such as remote sensing and induced polarisation. The Proposed Directors intend to carry out further exploration in the medium term.

DONOVAN 2

The Donovan 2 concession, which is wholly owned by Arian Mexico, covers an area of approximately 746 ha, located to the north of the Milagros epithermal vein system. Initial reconnaissance has been undertaken and field observations indicate it has the potential to host volcanogenic massive sulphide mineralisation similar to the San Nicolas deposit nearby.

NAVIDAD

This concession, which is wholly owned by Arian Mexico, covers an area of approximately 100 ha near the village of Genaro Codina. To date no exploration has been carried out save for initial reconnaissance.

SOMBRERETE AREA

In the Sombrerete Area, Arian Mexico has an option over 4 concessions over an aggregate area of approximately 250 ha and is in negotiations to acquire an option over 3 further concessions over an aggregate area of approximately 1,650 ha. All of the concessions are situated about 15 kilometres south of Jimenez del Teul in the westernmost part of the state of

Zacatecas. Access is by paved highways through Chalchihuites and Jimenez del Teul, from which gravel roads give access to the concessions.

REYNA VICTORIA

Arian Mexico has an option over 4 concessions at the Reyna Victoria project. Under the option agreement, Arian Mexico is required to make staged payments totaling US\$40,000 to the concession holder for the right to explore the area covered by the concessions during the period of the option. Arian Mexico can exercise the option at any time until 25 April 2008 at an exercise price of US\$250,000. The concession holder is also entitled to a 3 per cent. smelter royalty. Initial reconnaissance, including survey and sampling, has been carried out at the Reyna Victoria project.

EL TRIANGULO

Arian Mexico is in negotiations for an option to purchase the 3 concessions at the El Triangulo project. The workings at the El Triangulo project appear to have had limited production in the past from a stoped area in a variably altered rhyolite body. There are a number of epithermal showings in the area and a number of lenticular veins containing silver and gold. The Proposed Directors propose to further investigate this area, subject to concluding negotiations to acquire an option over these concessions.

TAILINGS PROJECTS

During September to November 2005, Arian Mexico conducted preliminary scoping studies on a number of silver tailings projects across Mexico, one of which indicated an estimated tonnage of 2.3 million tonnes, with grades averaging approximately 200 grams of silver per tonne of tailing. Arian Mexico is currently in negotiations to acquire at least one of these tailings projects.

The Directors and the Proposed Directors are of the opinion that, subject to due diligence and the ability of the Enlarged Group to fund the capital costs of acquisition and production, the near-term production potential of these tailings projects may provide a source of cash flow for the Enlarged Group, possibly within 18 months of development commencing. It is expected that if a tailings project is acquired, the Enlarged Group plans to utilise the concept of leaching silver (and gold where present as a by-product) using relatively environmentally-friendly thiosulphate in a series of reinforced concrete vats.

SURFACE RIGHTS

The Arian Group has no surface rights in respect of any of the concessions it holds or has options over. The Enlarged Group will seek to negotiate surface rights at the relevant time, failing which the Enlarged Group will seek to rely on statutory rights to apply for expropriation or temporary occupation of land as stipulated under the Mining Law.

DIRECTORS

On Admission, the Board of the Company will comprise 3 executive and 3 non-executive directors (the "Proposed Directors"):

ANTHONY (TONY) JOSEPH WILLIAMS, CHAIRMAN AND DIRECTOR, AGE 55

Tony Williams, Chairman, is the founder and Chairman of the Dragon group, a privately owned group of companies with interests in international mining finance and project management. Prior to founding the Dragon group in 1995, he spent nine years in investment banking where he co-founded and led the Natural Resource Group at Yorkton Securities. He is a director or chairman of several public (AIM, TSX) exploration and mining companies developing precious metal, base metal and diamond deposits worldwide. Earlier in his career he held senior appointments in the mining industry and specialized in mineral valuation and acquisitions. He qualified as a mining geologist in 1972 from the Royal School of Mines in London and is a member of several professional mining industry associations.

JAMES (JIM) THOMAS WILLIAMS, CHIEF EXECUTIVE OFFICER AND DIRECTOR, AGE 45

Jim Williams is an exploration and mining geologist with more than 20 years' experience worldwide in a variety of minerals. For the past three years he has been evaluating silver (and gold) projects in Mexico and is very familiar with epithermal, skarn and VMS systems. He is a Fellow of the UK IMMM, a Chartered Engineer (CEng) and a Chartered Geologist (CGeol). He is also a European Engineer (Eur. Ing.) and a European Geologist (Euro. Geol). In addition, he is involved with project financing for the Arian Group and is conversant with the US, Canadian and UK financial markets and

is a director or has been a director of a number of mineral and mining companies. He holds B.Sc., M.Sc. and D.I.C. (Diploma of Imperial College) degrees in geology and exploration.

JAMES SEYMOUR CABLE, FINANCE DIRECTOR, AGE 53

James Cable is a Finance Director with extensive experience at board level in quoted and private companies. He has significant international and commercial experience gained in the Middle East, Africa, the Far East and Europe in several business sectors including oil and construction. He has been a Chartered Accountant for 27 years.

DAVID WILLIAM COHEN, DIRECTOR, AGE 43

David Cohen has over 20 years' experience in operations, project development and financing of the mining industry. Formerly with Anglo American Corporation and Fluor Daniel Corp., he has worked in South Africa and internationally in the mining and oil and gas sectors and has initiated and closed major resource acquisitions and equity raisings. He is the President and CEO of Northern Orion Resources Inc., a Toronto and AMEX listed intermediate copper and gold producer in South America and a director of Eastern Platinum Limited as well as a number of resource companies.

THOMAS (TOM) ANSTEY BAILEY, DIRECTOR, AGE 63

Tom Bailey qualified as a solicitor in 1975 and worked as an in-house lawyer for a number of years with Citibank and Chase Manhattan before returning to private practice, to establish a law firm. He was the senior partner of his firm specializing in commercial law. He has for a number of years carried out consultancy work for various companies and now acts as a consultant to the Dragon group.

JOHN MERFYN ROBERTS, DIRECTOR, AGE 56

Merfyn Roberts holds a B.Sc. Honours Geology from Liverpool University and a M.Sc. in Geochemistry from Oxford University. He started his career in 1976 working as a geologist in the UK and in North America. He is also a Chartered Accountant (England and Wales) having qualified in 1980. He has gained extensive experience in finance, particularly with respect to the natural resource sector. This experience includes investment analysis, managing specialty investment products, the establishment and management of an equity fund specialising in natural resources, and serving as the investment director for a securities firm and an investment fund. He is also a director of a number of TSX and AIM listed companies including Rambler Metals and Mining plc and Eastern Platinum Limited.

EXTRAORDINARY GENERAL MEETING

An Extraordinary General Meeting of the Company will be held at 8.00 a.m. PDT (4.00 p.m. BST) on 24 May 2006 at the offices of Anfield Sujir Kennedy & Durno, 1600-609 Granville Street, Vancouver, BC, Canada V7Y 1C3 for the purposes of considering and, if thought fit, passing the resolutions to approve the Continuation and the Merger which will be proposed as special resolutions.

CONTINUATION OF THE COMPANY INTO THE B.V.I.

In order to ensure that the Company emerges from the Merger as the surviving entity, the Company needs to continue its jurisdiction of incorporation from British Columbia to the B.V.I. prior to approval of the Plan of Merger and entry into the Articles of Merger. Continuation requires prior Shareholder approval under Canadian and B.V.I. law.

CHANGE OF COMPANY NAME

To reflect the proposed changes to the Company, its management and operations following the Merger, it is proposed that conditional on the Continuation, the Company will change its name to Arian Silver Corporation.

LOCK-IN ARRANGEMENTS

As required by Rule 7 of the AIM Rules, each of the Proposed Directors and their related parties and applicable employees (as defined in the AIM Rules) has undertaken to the Company and Canaccord Adams Limited ("Canaccord") (for so long as it is the Company's broker) that, save in specified circumstances, they will not dispose of any interest in

Common Shares held by each of them for a period of twelve months from Admission (“Lock-in Period”). The specified circumstances are:

- (a) any disposal pursuant to acceptance of a general, partial or tender offer made by an offeror (the “Offeror”) to all shareholders of the Company for the whole or a part of the issued share capital of the Company (other than any shares already held by the Offeror or persons acting in concert with the Offeror); or
- (b) the execution of an irrevocable commitment to accept a general, partial or tender offer made to all shareholders of the Company for the whole or a part of the issued capital of the Company (other than any shares already held by the Offeror or persons acting in concert with the Offeror); or
- (c) a sale to an offeror or potential offeror who has been named in an announcement of a firm or possible intention to make an offer; or
- (d) any disposal required by an intervening court order; or
- (e) in the case of an individual, a disposal by his personal representatives.

Furthermore, each of the Proposed Directors and their related parties and applicable employees has also undertaken to the Company and to Canaccord (for so long as it is the Company’s broker) not to dispose of their Common Shares for one year following the Lock-in Period otherwise than with the prior written consent of Canaccord provided Canaccord remains broker to the Company (such consent not to be unreasonably withheld or delayed).

THE MERGER

The Directors and the Arian directors of Arian Silver have conditionally agreed to merge the Company and Arian Silver. On Admission, the Arian Shareholders will hold 48,899,200 Common Shares and the shareholders of the Company will own 37,000,003 Common Shares. The holders of options over Common Shares will hold options over 650,000 Common Shares on Admission. The holders of options over shares in Arian Silver will hold options over 5,830,000 Common Shares and the holders of warrants to subscribe for shares in Arian Silver will hold warrants over 2,899,600 Common Shares on Admission.

MERGER STATISTICS

Mid market closing price per Common Share on 15 March 2006 (being the dealing day before suspension of the Common Shares from trading on AIM)	19.5p
Number of Common Shares currently in issue and in issue following Continuation	37,000,003
Number of Common Shares being issued under the Merger	48,899,200
Number of Common Shares in issue immediately following Admission	86,315,869
Number of Common Shares in issue immediately following Admission assuming full exercise of all outstanding options and warrants over Common Shares	95,903,802
Number of Common Shares held by the Arian Shareholders, Arian Optionholders and Arian Warranholders following Admission (assuming full exercise of all outstanding options and warrants over Common Shares)	57,628,800

EXPECTED TIMETABLE OF PRINCIPLE EVENTS

Latest time and date for receipt of Forms of Direction	8.00 a.m. PDT (4.00 p.m. BST) on 18 May 2006
Latest time and date for receipt of Forms of Proxy for the Extraordinary General Meeting	8.00 a.m. PDT (4.00 p.m. BST) on 22 May 2006
Extraordinary General Meeting	8.00 a.m. PDT (4.00 p.m. BST) on 24 May 2006

Completion Date of the Merger	24 May 2006
Trading on the existing ISIN CA4116341088 expected to cease	24 May 2006
Admission and dealings expected to commence in the Common Shares on AIM	8.00 a.m. BST 25 May 2006 (12 midnight PDT on 25 May 2006)
Trading on the new ISIN VGG0472G1063 expected to commence and CREST accounts to be credited	25 May 2006
Dispatch of definitive share certificates in respect of the Common Shares held in certificated form	by 1 June 2006

AIM ADMISSION

The Common Shares are currently admitted to trading on AIM. It is expected that the current admission to AIM will be cancelled with effect from 8.00 a.m. on 24 May 2006 (which is the date on which completion of the proposed merger is expected to occur). Application will be made to the London Stock Exchange for the existing Common Shares to be re-admitted to trading on AIM and for the New Common Shares to be admitted to trading on AIM. It is expected that Admission will become effective and dealings will commence in the Common Shares at 8.00 a.m. BST on 25 May 2006. The Company's ISIN will change from CA4116341088 to VGG0472G1063.

Canaccord is Nominated Adviser and Broker to Hard Assets and will act as Nominated Adviser and Broker to the enlarged group. Copies of the circular will be available from the offices of Canaccord, First Floor Brook House, 27 Upper Brook Street, London W1K 7QF.