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ARIAN SILVER REPORTS RESULTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2008

Arian Silver Corporation ("Arian" or the "Company") is a silver exploration and development company focused on identifying, acquiring and developing resource projects in Mexico. Today the Company reported its unaudited results for the three and six months ended June 30, 2008, as found in the management's discussion and analysis and financial statements reported below. All amounts are expressed in US dollars unless otherwise stated.

HIGHLIGHTS

Financial

- As at June 30, 2008, the Company had assets of $9.7 million, including intangible assets of $7.5 million and cash of $0.9 million.
- Expenditure on projects in Mexico and on other assets in the six months was $3.1 million.
- Consolidated pre-tax loss before exceptional items for the six months of $1.6 million.

Operational

- Two major Phase-1 drilling programmes completed at the San Jose project (11,722 metres ("m")) and at the Tepal project (7,178m).
- Phase-2 drill programme (12,000m) commenced at the San Jose project.
- Initial Canadian National Instrument 43-101 (NI 43-101) mineral resource estimates in respect of the San Jose and Tepal projects released (March).
- Upgraded NI 43-101 mineral resource estimate in respect of the San Jose project released (August).

Arian's Chief Executive Officer, Jim Williams, summed up by saying, "I reported for the Q1 that excellent progress has been made at that point in time and to date there has been no change here as we continue to make excellent headway. Our initial resource estimate for San Jose, reported in March 2008, has now been updated. Based on block modelling of all 71 drill holes of our Phase-1 drill programme, we have increased our resource base at San Jose by nearly 60%, significantly increased our contained metals base of silver, lead and zinc, as well as upgrading part of the resources from inferred to indicated. We are already some 50% of the way through our 12,000 metre Phase-2 drill programme at San Jose, and even though laboratory assays are still pending for those samples submitted, visually the mineralised intercepts look very encouraging. Our Tepal block modelling is nearing completion and the results of this will be reported very soon. In addition, we are undertaking a scoping study on our San Jose project and the results of this will be reported in due course. We have first-class management teams in Mexico and London, first-class projects, and I continue to be very upbeat on the outlook for the remainder of 2008."

Financial Statements follow at the end of this release.

MANAGEMENT’S DISCUSSION AND ANALYSIS

The Management’s Discussion and Analysis of results for the three and six months ended June 30, 2008 (“MD&A”) and unaudited Financial Statements for the Company for the three and six months ended June 30, 2008 (”Financials”) are available at SEDAR at www.sedar.com or on the Company’s website at www.ariansilver.com. These documents can also be obtained on application to the Company. The following information has been extracted from the MD&A and Financials. The financial information in this announcement does not constitute full statutory accounts.

FINANCIAL RESULTS

Description

The Company is engaged in the acquisition and exploration of mineral resource properties in Mexico.

Results of Operations

In the six months to June 30, 2008, the Company incurred a loss of $1.6 million (2007 - $2.6 million) after expensing the fair value of options vesting of $0.2 million (2007 - $0.8 million) and administrative expenses of $1.4 million (2007 - $1.8 million). There was no income other than interest from short term cash deposits of $20,000 (2007 - $28,000). The Company continued to incur administrative costs in relation to its Mexican operations and in respect of corporate overheads.

In the six months to June 30, 2008, intangible assets increased by $3 million to $7.5 million in respect of deferred exploration and evaluation costs related to the Mexican projects.

LIQUIDITY AND CAPITAL RESOURCES

The Company’s current cash balances are such that it will require additional funding within the next month to meet its working capital requirements. In addition a property option payment is due in December 2008 which will need to be paid in order to maintain that property interest in good standing. The aggregate funding requirement is currently estimated to be circa $2 million in the short-term.

The only sources of funds currently available to the Company are through the issue of equity capital, the possible exercise of outstanding share options and warrants, the sale of its interests in one of more of its projects, or the entering into of joint ventures.

Management of the Company intends to obtain such funding via the equity markets. Since the Company is at an early stage of development, it will likely only be able to raise such funds in several discrete tranches, which is not uncommon for junior mineral exploration companies. Although the Company has been successful in the past in raising equity finance, there can be no assurance that the funding required by the Company will be made available to it when needed or, if such funding were to be available, that it would be offered on reasonable terms. The terms of such financing might not be favourable to the Company and might involve substantial dilution to existing shareholders.

The directors of the Company currently believe that the required additional funding can be obtained by the Company in the near future. In view of this, they consider it appropriate to prepare the Company's financial statements on a going concern basis. However, if the Company is unable to raise sufficient financing, it may not be able to meet its ongoing working-capital and other expenditure requirements. If these circumstances arose this would cast significant doubt on the Company's ability to continue as a going concern.

See ***Risks and Uncertainties*** in the MD&A as well as ***Risks and Uncertainties – Requirement of Additional Financing*** in the Company's 2007 Annual MD&A, for details of additional risks associated with future funding of the Company.

Working Capital

As at June 30, 2008, the Company had working capital of approximately $1.85 million (December 31, 2007: $3.5 million). As detailed in ***Exploration and development commitments as at June 30, 2008*** the Company will need to make some material payments in order to maintain in good standing its interests in certain properties. The next such payment falls due in December 2008.

The decrease in working capital during the period is the result of project and administrative expenditure.

The most significant asset at June 30, 2008 was intangible assets of $7.5 million (December 31, 2007: $4.4 million). In addition, there were tangible assets of $0.2 million (December 31, 2007: $0.2 million) and receivables were $1.1 million (December 31, 2007: $0.7 million). Cash was $0.9 million (December 31, 2007: $3.1 million). Payables were $183,000 (December 31, 2007: $336,000).

In May 2008 the Company raised approximately CDN$3 million by way of a private placement of approximately 12 million units (each a "Unit") at CDN$0.25 per Unit. Each Unit consisted 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.

Exploration and development commitments as at June 30, 2008

The Company does not have any exploration and development expenditure commitments in respect of its projects. However, the following refer to the material payments that will need to be made in order to maintain in good standing the Company's interests in certain properties:

(a) In relation to the San Jose option agreement the Company is required to pay the vendor $1.5 million in instalments over the three-year period through to December 2009 and will also grant the vendor a Net Smelter Royalty ("NSR") of 2%. At June 30, 2008, $700,000 had been paid and the next payment of $285,000 is due in December, 2008.

(b) In relation to the Tepal option agreement the Company is required to pay the vendor $5 million in instalments over the five-year period through to June 2011 and will also grant the vendor a NSR of 2.5%. At June 30, 2008, $1,300,000 had been paid and the next payment of $500,000 is due in June 2009.

The Company has the right to withdraw from the option agreements relating to San Jose and Tepal at any time during the term of each option without financial penalty.

The outstanding expenditures described above are discretionary and not yet committed as they are dependent on timing and availability of funds.

REVIEW OF OPERATIONS

The Company owns, or has options to purchase, 39 mineral concessions in Mexico totalling 21,691 hectares (Ha). Table 1 below shows the current property portfolio of the Company.

The Company is currently concentrating its efforts on two of its three key projects, namely, San Jose and Tepal. At Calicanto, which is the third key project, a Phase-2 drilling programme is being planned for the fourth quarter of 2008.

During the period, the Phase-1 drill programmes were completed on both the Tepal and San Jose Projects; drilling at San Jose amounted to 11,722m and 7,178m at Tepal. A Phase-2 drill (12,000m) programme was started at San Jose during the second quarter of 2008. In July 2008 the Company announced that a scoping study had been initiated at San Jose. At the Calicanto Project work focussed on security and fences were erected around all open shafts and mine workings. Work also continued on sampling and mapping to gain a better understanding of the mineral structural controls within the Project area.

The Company reported its initial Canadian National Instrument 43-101 (NI 43-101) compliant resource estimates for both San Jose and Tepal during the first quarter of this year. These were prepared by A.C.A. Howe International Limited, independent consultants. On August 21, 2008, the Company announced an updated mineral resource estimate in respect of San Jose (see the Company's press release dated August 21, 2008, entitled "Arian Silver Upgrades San Jose Resource Estimate"), details of which are set out in the property section below. An updated mineral resource estimate for Tepal is due to be delivered in the third quarter of 2008.

During the period, the Company appointed Graham Tye, a Spanish speaking mining engineer with over 25 years of industry experience, as Chief Operating Officer.

TABLE 1
Property Summary

Project Name	**No. Concessions**	**Size (Ha)**
San Jose	11	6,279.5
Tepal	6	13,843.2
Calicanto	7	75.5
Others	15	1,492.8

Qualified Person

Mr. Jim Williams. Eur Ing, Eur Geol, BSc, MSc, D.I.C., FIMMM, the Chief Executive Officer of Arian, a "Qualified Person" as defined in the AIM guidelines of the London Stock Exchange, and a "Qualified Person" as such term is defined in NI 43-101 has reviewed and approved the technical information in this document other than the mineral resource estimates.

San Jose Project, Ojocaliente District, Zacatecas State

The Company has an exclusive option over 100% of the San Jose silver-base metal property in Zacatecas State. The property lies 55 kilometres (km) to the South-East of Zacatecas and covers 11 mining concessions totalling approximately 6,300Ha. The property has significant infrastructure, including a 4 x 4 metre ramp, which extends for nearly 3km along the footwall of the San José Vein ("SJV") system, and a 350m deep, 500 tonne per day, vertical shaft with hoist. Assuming the option is exercised in full, the Company will pay to the vendor $1.5 million in instalments over three years to acquire the property. In addition, the Company will pay a 2% Net Smelter Return ("NSR") with a right of first refusal to buy out the NSR for $1.5 million at any time during the option period.

The mine was previously operated by Zimapan (Peñoles), (1973-1991), and Desarollo Monarca, (1993-2001), extracting over 2 million tonnes of ore averaging 250g/t silver.

A Phase-1 core drilling programme, which totalled 11,722m, was completed during the first quarter of 2008. The drill programme had been designed to confirm the historic drill-hole data and to expand on a number of priority target areas. The drill programme achieved all its goals with 65 of the 70 holes intersecting significant silver and base metal mineralisation. The resource zones appear to be open along strike and down-dip. The Phase-1 drill programme explored, in detail, some 2.5km of the SJV, which is a relatively small portion of the estimated total strike length within the Company's concessions of over 12km.

In light of the promising results from Phase-1, a Phase-2 12,000m drill programme was commenced during the second quarter of 2008. This programme is designed to test the SJV strike further to the west and for infill drilling on 50m or less intervals to gain additional information about metal distribution and controls on mineralisation that can be used to upgrade existing resources. A number of holes are planned for a second vein system at San Jose. The Bety Vein is parallel with the SJV, and surface samples have returned grades up to 500 grams per tonne silver over 2m, and Arian believes that this structure also has the potential to contain significant mineralisation. To date the Company has completed 34 holes totalling 6,200m of the Phase-2 programme.

In addition to the on-going extensive drilling programme underway at San Jose, systematic exploration is being advanced along several avenues and an in-house scoping study has recently been initiated.

Continued exploration includes surveying, mapping (both surface and underground) and sampling (both surface and underground) to follow up on a preliminary detailed underground surveying programme which was completed during the reporting period using a remote controlled laser-mounted tracked robot. The surface and underground sampling work has been instrumental in locating and confirming the extent of the main SJV and the mineralisation associated with it. The Company has excavated over 100 trenches on the San Jose property during the reporting period. These trenches have been excavated on the SJV, other vein systems on the property and within the brecciated stockwork-style mineralisation. The trenches have been mapped, sampled and surveyed.

The in-house scoping study (also referred to as a preliminary assessment) will evaluate the economics for contract mining and custom milling of three near surface resource blocks that have been identified as having potential for near term contract mining. These blocks are remnant stoping blocks within the existing workings of the former producing San Jose Mine. The study is designed to identify key requirements for the partial rehabilitation of underground access, new development, the provision of mine services to the potential exploitation sites, as well as addressing estimated capital and operating costs. Initial studies indicate support for a contract mining operation of up to 500 tonnes per day.

The Company recently announced an updated NI 43-101 mineral resource estimate for the property (see the Company's press release dated August 21, 2008 entitled "Arian Silver Upgrades San Jose Resource Estimate") details of which are set out below. Compared to the initial mineral resource estimate released in March 2008, the mineral resource estimate has increased as follows:

- 59% increase in tonnage since March 2008 mineral resource estimate
    - 55% increase in silver to 42.78 M oz
    - 85% increase in lead to 120.4 M lbs
    - 69% increase in zinc to 247.8 M lbs
- 16% of resources placed into the "indicated" category from the previously defined "inferred" mineral resource category.

The resource of 11,190,000 tonnes in the inferred mineral resource category, containing 33.76 million (M) ounces (oz) of silver (Ag), 95.7 M pounds (lbs) of lead (Pb) and 205.5 Mlbs of zinc (Zn), has been defined from the Phase-1 drill-holes drilled by Arian from May 2007 until March 2008.

NI 43-101 Resources at San Jose

Resource Category	Tonnes	Grade			Contained Metal		
		Ag	Pb	Zn	Ag	Pb	Zn
		g/t	%	%	(oz)	(t)	(t)
Indicated	2,196,000	127.7	0.51	0.88	9.02	11,200	19,200
Inferred	11,190,000	93.8	0.39	0.83	33.76	43,400	93,200

1. *Geological characteristics and +30 ppm grade envelopes used to define resource volumes*
2. *The mineral resource estimates are in accordance with CIM and JORC standards*
3. *The effective date of the mineral resource estimates is August 15, 2008*
4. *The estimates are based on geostatistical data assessment and computerised IDW^3, Ag grade wireframe restricted, linear block modelling.*

The "Qualified Person" as such term is defined in NI 43-101 who prepared the current mineral resource estimate for the San Jose Project is Mr. Galen R. White who is an employee of A.C.A. Howe International Limited.

Additional information in respect of the San Jose Project is contained in a technical report prepared by A.

C. A. Howe International Limited dated August 15, 2008 and entitled “Resource Estimation Update for the San Jose Silver-Lead-Zinc Deposit, Zacatecas, Mexico”. A copy of this report can be obtained at SEDAR at www.sedar.com.

Tepal Project; Michoacán State

The Company has an exclusive option over 100% of the Tepal polymetallic project in Michoacán State, Mexico. The option agreement is for a five-year term. Assuming the option is exercised in full the Company will pay the vendor, Minera Tepal, $5 million in instalments. In addition, the Company will grant the vendor a NSR of 2.5% with a right of first refusal to buy out the NSR for an unspecified amount.

The Tepal landholding is approximately 14,000Ha covering six exploitation concessions that contain Au-Cu porphyry style mineralisation that have been explored in the past by Inco, Teck and Hecla. Initial investigations by Arian indicated that the Tepal Project consists of four gossanous polymetallic mineral deposits containing copper, gold and silver with potential for additional areas of mineralisation.

A Phase-1 core drill programme was completed during the second quarter of 2008 for a total of 7,178.55m in 42 holes of which 30 holes intersected significant gold-copper mineralisation. The drilling confirmed the existence of two significant mineralised porphyry zones and a newly discovered porphyry zone to the east.

The historical data at Tepal, derived from drilling by Inco, Teck and Hecla, were made NI 43-101 compliant by twinning in excess of 30% of the historic drill holes, as stipulated by A.C.A. Howe International Limited. A summary of the initial mineral resources at Tepal, reported during the first quarter (see the Company’s press release dated March 10, 2008 entitled “Initial NI 43-101 Resource Calculation at Tepal”), is shown in below. This initial mineral resource estimate of 78.8 million tonnes containing 1.2 million ounces (oz) of gold and approximately 422 million pounds of copper is currently in the “inferred” mineral resource category and contained within two distinct mineralised zones (North and South Zones).

Initial NI 43-101 Inferred Mineral Resource Estimates at Tepal (March 2008)

			Grade			Contained Metal		
Zone	Type	Tonnes	Au	Cu	AuEq	Au	Cu	AuEq
		(‘000)	g/t	%	g/t	(oz x 000’s)	(Mlbs)	(oz x 000’s)
North	Oxide	45,404	0.46	0.27	1.04	674	254.07	1,521
South	Oxide	33,440	0.47	0.23	0.99	506	167.45	1,061
		78,844	**0.47**	**0.24**	**1.03**	**1,180**	**421.53**	**2,582**

1. *Cut-off grade of 0.18 g/t Au*
2. *Au = Gold. Cu = Copper*
3. *The mineral resource estimates are in accordance with CIM and JORC standards*
4. *The effective date of the mineral resource estimates is March 3, 2008*
5. *The estimates are based on geostatistical data assessment and preliminary computerised IDW^3, Ag grade wireframe restricted, linear block modelling*

The “Qualified Person”, as such term is defined in NI 43-101, who prepared the above mineral resource estimates, is Mr. James Hogg. Mr. Hogg was at the time these estimates were prepared an employee of A.C.A. Howe International Limited and a member of the Australian Institute of Geoscientists and Prospectors and Developers Association of Canada.

An updated NI 43-101 compliant mineral resource estimate is expected during the third quarter of 2008 and will include the results from all of the drill holes from the Phase-1 drill programme. The drilling has indicated that both the ‘North’ Zone and ‘South’ Zone mineralised areas appear to be open in multiple directions and to depth.

The Company has also undertaken a preliminary regional exploration programme. A number of gossans have been identified and sampled with encouraging assay results.

Additional information in respect of the Tepal Project is contained in a technical report prepared by A. C. A. Howe International Limited dated April 25 2008 and entitled “Resource Estimation Study on the Tepal Gold-Copper Prospect, Michoacán, Mexico”. A copy of this report can be obtained from SEDAR at www.sedar.com.

Calicanto Project, Zacatecas District, Zacatecas State

The Calicanto Project consists of seven adjacent mining concessions totalling 75.5Ha, namely: Calicanto, Vicochea I, Vicochea II, Misie 1 and Misie 2, and Missie 1 and Missie 2 properties, collectively known as the “Calicanto Group”. The concessions are located in the historic mining district of Zacatecas. The Calicanto Group of concessions comprises at least four main mineralised vein systems.

During the period all major exploration at the Calicanto Group was deferred as drilling focussed on the San Jose and Tepal properties. The Calicanto and San Buenaventura ramps were each extended 10m, and work focussed on improving site safety with fences erected around all open shafts and mine workings. In addition, mapping and sampling continued at the property to allow Arian to further evaluate the potential of the Calicanto Group.

The Company has designed a Phase-2 6,000m core drill programme, forecast to be started later this year, to further target the high-grade intercepts the Company reported during the Phase-1 drill programme. Planned work also includes dewatering the historic workings down to the 120m Level to allow mapping and surveying to take place.

In June 2008 the Company paid the final option instalment of $184,000 on the Calicanto Group and the relevant title documents have been notarised and registered.

Additional information in respect of the Calicanto Project is contained in a technical report prepared by A. C. A. Howe International Limited dated March 20, 2006 and entitled “Technical Report on the Calicanto and San Celso Projects, Zacatecas, Mexico”. A copy of this report can be obtained from SEDAR on www.sedar.com.

Financial Statements follow at the end of this release.

For further information please contact:

Arian Silver Corporation
Jim Williams - CEO
(London) +44 (0)207 529 7511 / email: jwilliams@ariansilver.com

Fuad Sillem – Investor Relations
(London) +44 (0)207 529 7511 / email: info@ariansilver.com

Bishopsgate Communications Limited
Nick Rome
(London) +44 (0)207 562 3350 / email: Nick.Rome@bishopsgatecommunications.com

Vicarage Capital Limited
Martin Wood
(London) +44 (0)207 060 1303 / email: martin@vicaragecapital.com

Grant Thornton Corporate Finance
Gerry Beaney
(London) +44 (0)207 385 5100 / email: gerry.d.beaney@gtuk.com

CHF Investor Relations
Alison Tullis
(Canada) +1 416 868 1079 Ext. 233 / email: Alison@chfir.com

Arian Silver Corporation is a silver exploration company listed on London’s AIM and “PLUS”, on Toronto’s TSX Venture Exchange and on the Frankfurt Stock Exchange. Arian is active in Mexico, the world’s largest silver producing country. The Company’s main projects are the Calicanto Group and San Jose, in Zacatecas state, and the

Tepal project in Michoacán State. Part of Arian's forward-looking strategy lies in the envisaged use of large scale mechanised mining techniques over wider mineralised structures, which reduces the overall operating cost per ounce of silver, and to build up National Instrument 43-101 compliant resources.

Further information can be found by visiting Arian's website: www.ariansilver.com or the Company's publicly available records at www.sedar.com.

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Cautionary Note Regarding Forward-Looking Statements

This press release contains certain "forward-looking statements". 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 (including, without limitation, the mineral resource estimates contained in this press release, statements regarding exploration results, potential mineralisation, potential mineral resources, future production and the Company's exploration and development plans and objectives) are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and even if such actual results are realised or substantially realised, there can be no assurance that they will have the expected consequences to, or effects on the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things, failure to establish estimated mineral reserves, the possibility that future exploration results will not be consistent with the Company's expectations, uncertainties relating to the availability and costs of financing needed in the future, changes in commodity prices, changes in equity markets, political developments in Mexico, changes to regulations affecting the Company's activities, delays in obtaining or failures to obtain required regulatory approvals, the uncertainties involved in interpreting exploration results and other geological data, and the other risks involved in the mineral exploration and development industry. Any forward-looking statement 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 statement, 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 statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

The mineral resource figures disclosed in this press release are estimates and no assurances can be given that the indicated levels of minerals will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While the Company believes that the resource estimates included in this press release are well established, by their nature resource estimates are imprecise and depend, to a certain extent, upon statistical inferences, which may ultimately prove unreliable. If such estimates are inaccurate or are reduced in the future, this could have a material adverse impact on the Company.

Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that mineral resources can be upgraded to mineral reserves through continued exploration.

Arian Silver Corporation
Consolidated Balance Sheets (Unaudited)
At June 30, 2008 and December 31, 2007
(In U.S. dollars)

	2008 $'000	2007 $'000
Assets		
Property, plant and equipment	238	181
Intangible assets	7,480	4,407
Total non-current assets	7,718	4,588
Trade and other receivables	1,132	714
Cash and cash equivalents	900	3,134
Total current assets	2,032	3,848
Total assets	9,750	8,436
Equity		
Share capital	32,629	29,852
Share-based payment reserve	2,232	2,068
Foreign exchange translation reserve	(795)	(865)
Retained loss	(24,499)	(22,955)
Total equity	9,567	8,100
Trade and other payables	183	336
Total current liabilities	183	336
Total liabilities	183	336
Total equity and liabilities	9,750	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 thee and six months ended June 30, 2008 and June 30, 2007
(In U.S. dollars)

	3 Months ended June 30		6 Months ended June 30	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Administrative expenses	(643)	(1,564)	(1,564)	(2,625)
Operating loss before financing costs	(643)	(1,564)	(1,564)	(2,625)
Finance income	2	10	20	28
Net financing costs	2	10	20	28
Loss before tax	(641)	(1,554)	(1,544)	(2,597)
Loss for the period	(641)	(1,554)	(1,544)	(2,597)
Basic and diluted loss per share ($)	(0.01)	(0.01)	(0.01)	(0.02)
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	(7)	26	(3)	23
- in respect of presentation of financial statements in United States dollars	71	(29)	73	(30)
Loss for the period	(641)	(1,554)	(1,544)	(2,597)
Total recognised income and expense for the period	(577)	(1,557)	(1,474)	(2,604)

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

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 Cash Flows (Unaudited)
For the three and six months ended June 30, 2008 and June 30, 2007
(In U.S. dollars)

	3 Months ended June 30		6 Months ended June 30	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Cash flows from operating activities				
Loss for the period	(643)	(1,564)	(1,564)	(2,625)
Adjustments for:				
Depreciation	12	8	23	14
Exchange Difference	(188)	80	(238)	53
Equity-settled share-based payment transactions	104	715	164	834
	(715)	(761)	(1,615)	(1,724)
Change in trade and other receivables	(276)	(92)	(405)	(189)
Change in trade and other payables	(183)	129	(154)	112
Net cash used in operating activities	(1,174)	(724)	(2,174)	(1,801)
Cash flows from investing activities				
Interest received	2	10	20	28
Acquisition of intangibles	(1,776)	(923)	(2,963)	(1,288)
Acquisition of property, plant and equipment	(45)	(24)	(80)	(51)
Net cash used in investing activities	(1,819)	(937)	(3,023)	(1,311)
Cash flows from financing activities				
Proceeds from issue of share capital	2,777	846	2,777	1,264
Bank overdraft	-	-	-	(6)
Net cash from financing activities	2,777	846	2,777	1,258
Net increase in cash and cash equivalents				
Cash and cash equivalents opening balance	851	2,190	3,134	3,193
Effect of exchange rate fluctuations on cash held	265	(127)	186	(91)
Cash and cash equivalents at June 30	900	1,248	900	1,248

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 Changes in Equity (Unaudited)
For the six months ended June 30, 2008
(In U.S. dollars)

	Share Capital	Share based payment reserve	Foreign exchange translation reserve	Retained Earnings	Total
	$'000	$'000	$'000	$'000	$'000
Period to June 30, 2007					
Opening Balance	22,448	947	(910)	(18,062)	4,423
Shares issued for cash	(94)	-	-	-	(94)
Fair value of share options	-	833	-	-	833
Proceeds from options exercised	238	-	-	-	238
Proceeds from warrants exercised	1,101	-	-	-	1,101
Net loss	-	-	-	(2,596)	(2,596)
Foreign exchange loss	-	-	(7)	-	(7)
Balance June 30, 2007	23,693	1,780	(917)	(20,658)	3,898
Period to June 30, 2008					
Opening Balance	29,852	2,068	(865)	(22,955)	8,100
Fair value of share options	-	60	-	-	60
Net loss	-	-	-	(903)	(903)
Foreign exchange loss	-	-	(8)	-	(8)
Balance March 31, 2008	29,852	2,128	(873)	(23,858)	7,249
Fair value of share options	-	104	-	-	104
Shares issued for cash	2,938	-	-	-	2,938
Share issuance costs	(161)	-	-	-	(161)
Net loss	-	-	-	(641)	(641)
Foreign exchange gain	-	-	78	-	78
Balance June 30, 2008	32,629	2,232	(795)	(24,499)	(9,567)

Arian Silver Corporation
Notes to the Consolidated Financial Statements

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 ("IFRSs" or "IFRS").

ASC is a company domiciled in the British Virgin Islands. The consolidated financial statements of the Company 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 Company's current cash balances are such that it will require additional funding within the next month to meet its working capital requirements. In addition a property option payment is due in December 2008 which will need to be paid in order to maintain that property interest in good standing. The aggregate funding requirement is currently estimated to be circa $2 million in the short-term.

The only sources of funds currently available to the Company are through the issue of equity capital, the possible exercise of outstanding share options and warrants, the sale of its interests in one of more of its projects, or the entering into of joint ventures.

Management of the Company intends to obtain such funding via the equity markets. Since the Company is at an early stage of development, it will likely only be able to raise such funds in several discrete tranches, which is not uncommon for junior mineral exploration companies. Although the Company has been successful in the past in raising equity finance, there can be no assurance that the funding required by the Company will be made available to it when needed or, if such funding were to be available, that it would be offered on reasonable terms. The terms of such financing might not be favourable to the Company and might involve substantial dilution to existing shareholders.

The directors of the Company currently believe that the required additional funding can be obtained by the Company in the near future. In view of this, they consider it appropriate to prepare the Company's financial statements on a going concern basis. However, if the Company is unable to raise sufficient financing, it may not be able to meet its ongoing working-capital and other expenditure requirements. If these circumstances arose this would cast significant doubt on the Company's ability to continue as a going concern.

2. Intangible assets

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 existence of economically recoverable reserves is established 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 economically recoverable 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.