AURCANA CORPORATION
(A Development Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

Three Month Period Ended – 31 March 2008
(Un-audited – prepared by Management)

Canadian Funds

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MANAGEMENT COMMENT

These interim consolidated financial statements for the three months ended March 31, 2008 of Aurcana Corporation have been prepared by management and have not been subject to review by the Company's auditors.

AURCANA CORPORATION
Consolidated Balance Sheets
Unaudited – Prepared by Management

ASSETS		31 March 2008		31 December 2007
Current				
Cash and cash equivalents	$	**7,313,640**	$	11,690,382
Accounts receivable - trade		**2,186,397**		1,558,468
- other		**2,639,627**		1,721,635
Prepaid expenses and advances		**914,533**		210,898
Due from joint venture partner		**231,326**		181,553
Inventory *(Note 4)*		**595,909**		643,966
		13,881,432		16,006,902
Property, Plant and Equipment *(Note 5)*		**5,751,640**		5,666,389
Mineral Properties *(Note 7)*		**14,205,039**		14,184,404
	$	**33,838,111**	$	35,857,695
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$	**1,335,089**	$	1,609,749
Current portion of notes payable *(Note 8)*		**2,158,457**		2,245,741
		3,493,546		3,855,490
Due to Reyna Mining & Engineering S.A. de C.V. *(Note 6)*				-
Notes Payable *(Note 8)*		**316,279**		1,627,335
Asset Retirement Obligation *(Note 9)*		**935,638**		921,238
		4,745,463		6,404,063
SHAREHOLDERS' EQUITY				
Capital Stock *(Note 10)*		**45,615,710**		45,615,710
Obligation to Issue Shares *(Note 6)*		**200,000**		200,000
Contributed Surplus *(Note 10)*		**4,757,256**		4,679,823
Deficit		**(21,480,318)**		(21,041,901)
		29,092,648		29,453,632
	$	**33,838,111**	$	35,857,695

Commitments *(Note 13)*
Subsequent Event *(Note 14)*

Approved on behalf of the Board:

__________________, Director
Ken Booth

__________________, Director
Brian Flower

- See Accompanying Notes -

AURCANA CORPORATION
Consolidated Statements of Operations, Comprehensive Income (Loss) and Deficit
Three months ended 31 March
Unaudited - Prepared by Management

	2008	2007
REVENUES		
Sales *(Note 12)*	**$ 3,347,273**	$ -
Cost of sales	**(2,311,463)**	-
Gross Margin	**1,035,810**	-
EXPENSES		
Administrative expense	**281,965**	128,045
Amortization	**134,650**	597
Depletion of mineral properties	**559,585**	-
Accretion of asset retirement obligation	**14,400**	-
Foreign exchange loss	**236,804**	319,880
Interest and financing	**3,118**	(77,003)
Investor relations	**97,484**	52,552
Listing and filing fees	**13,441**	21,991
Professional fees	**36,511**	21,951
Property evaluation	**46,893**	-
Stock-based compensation *(Note 10)*	**77,433**	2,863,621
	1,502,284	3,331,634
Loss Before the Under-Noted	**(466,474)**	(3,331,634)
Other income	**28,057**	-
Net Loss and Comprehensive Loss for the Period	**(438,417)**	(3,331,634)
Deficit, beginning of period	**(21,041,901)**	(17,887,528)
Deficit, End of Period	**$ (21,480,318)**	$ (21,219,162)
Loss Per Share	**$ (0.00)**	$ (0.04)
Weighted average number of shares - Basic and Diluted	**90,543,933**	75,157,635

AURCANA CORPORATION
Consolidated Statement of Cash Flows
Three months ended 31 March
Unaudited – Prepared by Management

Cash Resources Provided by (Used In)	**2008**	2007
Operating Activities		
Net Loss and comprehensive loss for the period	**$ (438,417)**	$ (3,331,634)
Items not involving cash		
Amortization	**134,650**	597
Depletion of mineral property	**559,585**	-
Stock-based compensation	**77,433**	2,863,621
Accretion of asset retirement obligation	**14,400**	
Unrealized foreign exchange gain	**42,094**	
	389,745	(467,416)
Net change in non-cash working capital	**(2,476,159)**	817,310
	(2,086,414)	349,894
Investing Activities		
Purchase of plant and equipment	**(216,494)**	(138,504)
Expenditures on mineral properties	**(580,220)**	(2,161,753)
	(796,714)	(2,300,257)
Financing Activities		
Due to joint venture partner	**(49,773)**	(64,737)
Share capital issued for cash	**-**	21,132,750
Share issuance costs	**-**	(1,198,392)
Loan Payable	**(1,443,841)**	509,593
	(1,493,614)	20,379,214
Net Increase (Decrease) in Cash and Cash Equivalents	**(4,376,742)**	18,428,851
Cash and cash equivalents - beginning of period	**11,690,382**	2,011,458
Cash and Cash Equivalents - End of Period	**$ 7,313,640**	$ 20,440,309

1. NATURE OF BUSINESS

The Company was originally incorporated under the laws of Ontario in 1917 and on 14 September 1998 was continued under Section 187 of the Canada Business Corporations Act. Its principal business activity is the production of copper and zinc and the exploration and development of natural resource properties.

2. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

These financial statements include the accounts of: Aurcana Corporation and its wholly-owned subsidiaries, Aurcana de Mexico S.A. de C.V. and Minera Aurcana S.A. de C.V., both Mexican corporations. The Company's 80% interest in the joint venture, Real de Maconi S.A. de C.V., a Mexican corporation are accounted for by the proportionate consolidation method. Under this method, the Company includes in its accounts its proportionate share of the assets, liabilities, revenues and expenses. The joint venture has a 100% interest in Minera La Negra S.A. de C.V., a Mexican Corporation. All significant inter-company balances and transactions have been eliminated.

These interim financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles ("GAAP") based on accounting policies and practices consistent with those used in the preparation of the annual audited consolidated financial statements. The interim consolidated financial statements do not include all information and note disclosures required by Canadian GAAP for annual financial statements, and therefore should be read in conjunction with the Company's audited consolidated financial statements for the year ended 31 December 2007.

Inventory

Mine stores and finished concentrates are valued at the lower of average cost and net realizable value. Cost of finished concentrates inventory includes direct mining and production costs, direct mine overhead costs, amortization and depletion. Cost of sales includes costs of finished concentrates plus shipping costs less amortization and depletion, which is disclosed separately in the statement of income.

Amortization, Depletion and Impairment

Mining machinery, plant and property are depleted on a unit of production basis, based on estimated recoverable reserves. Estimated recoverable reserves include proven and probable reserves and the portion of mineralized zones expected to be classified as reserves.

The carrying values of producing mineral properties and property, plant and equipment, are reviewed when events or changes in circumstances arise that may result in impairments in the carrying value of those assets. An impairment loss would be recognized when the carrying amount of a long-lived asset is not recoverable based on a comparison to the undiscounted future net cash flows. The impairment loss is based on the present value of expected future net cash flow. Estimated future net cash flows calculated for each property using: estimated recoverable reserves; estimated future metal price realization (considering historical and current prices, price trends and related factors); and, estimated operating, capital and other cash flow. Estimates of future cash flow are subject to risks and uncertainties. It is possible that changes could occur which may affect the recoverability of the carrying value of mineral properties.

Plant and equipment is amortized on a straight-line basis over their estimated useful lives. Amortization begins when Property plant and equipment are put into use.

2. SIGNIFICANT ACCOUNTING POLICIES – *continued*

Amortization, Depletion and Impairment – *continued*

In accordance with EIC 152 - “Mining Assets - Impairment and Business Combinations” the Company includes value beyond proven and probable reserves in its estimate of future cash flow when testing for impairment and determining fair value.

Mineral properties

The Company capitalizes all costs related to investments in mineral property interests on a property-by-property basis. Such costs include mineral property acquisition costs and exploration and development expenditures, net of any recoveries. Costs are deferred until such time as the mineral property is abandoned or sold, or mineralization has been determined and the mineral property interests are either developed or the Company’s mineral rights are allowed to lapse.

All deferred mineral property expenditures are reviewed, at least annually, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, or the Company’s assessment of its inability to sell the property for an amount exceeding the deferred costs, provision is made for the impairment in value.

The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written-off, if the properties are abandoned, sold or the claims are allowed to lapse.

From time-to-time, the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received. When the amount of recoveries exceeds the total amount of capitalized costs of the property, the amount in excess of costs is credited to income.

3. FINANCIAL INSTRUMENTS

Fair value - The carrying values of cash, accounts receivable, accounts payable and accrued liabilities, approximate their fair values because of the short-term maturity of these financial instruments.

The carrying value of notes payable approximates their fair value as this financial instrument bears interest at an approximate market rate of interest.

Credit risk - The Company's financial assets that are exposed to credit risk consist primarily of cash and accounts receivable. This risk is minimized to the extent that cash is placed with major financial institutions and accounts receivable consist of amounts due from Government Agencies.

Currency risk - The Company is exposed to foreign currency fluctuations to the extent expenditures incurred by the Company are not denominated in Canadian dollars. As at 31 March, the Company had investments in mineral properties that require the Company to make payments in US dollars and Mexican pesos, and US dollar and Mexican pesos work commitments. The Company's ability to make these payments to satisfy its obligations for work commitments will be affected by foreign currency rate fluctuations. The Company does not utilize derivatives or other techniques to manage foreign currency risk.

4. INVENTORY

	31 March 2008	31 December 2007
Supplies inventory	**$ 552,962**	$ 461,634
Stockpile inventory	**4,235**	55,152
Concentrates and in-process inventory	**38,712**	127,180
Total inventory	**$ 595,909**	$ 643,966

5. PROPERTY, PLANT AND EQUIPMENT

Details are as follows:

31 March 2008	**Cost**	**Accumulated Amortization**	**Net Book Value**
Land	**$ 1,055,300**	**$ -**	**$ 1,055,300**
Plant & equipment	**4,439,425**	**482,303**	**3,957,122**
Vehicles	**320,607**	**44,298**	**276,309**
Computer equipment	**385,818**	**61,647**	**324,172**
Other	**139,944**	**1,206**	**138,737**
	$ 6,341,094	**$ 589,454**	**$ 5,751,640**
31 December 2007			
Land	$ 1,055,300	$ -	$ 1,055,300
Plant & equipment	4,276,984	368,260	3,908,724
Vehicles	310,540	35,122	275,418
Computer equipment	349,330	49,346	299,984
Other	132,446	5,483	126,963
	$ 6,124,600	$ 458,211	$ 5,666,389

6. ACQUISITION

In March 2006, the Company entered into a joint venture agreement with Reyna Mining & Engineering S.A. de C.V. ("Reyna") to operate Real Maconi S.A. de C.V. ("Maconi") through which they are jointly developing the La Negra mine in Queretaro State, Mexico as held in the 100% subsidiary of Maconi, Minera La Negra S.A. de C.V. ("La Negra")

As its 20% contribution to the joint venture Reyna contributed all the legal rights and obligations it held to acquire a 100% interest in La Negra, valued in the JV Agreement at US $1,500,000.

The Company acquired its 80% interest in the Joint Venture by making the following contributions to the Joint Venture:

Upon subscription by the Company	$	2,000,000	Paid
Within 10 days of the first anniversary of the Company's subscription	$	1,000,000	(i)
Within 5 days of the JV 100% acquisition of La Negra	$	1,500,000	Paid
Within 60 working days of the 100% acquisition of La Negra	$	1,500,000	Paid
	$	6,000,000	

(i) contributed by common shares in the Company fair valued at $1,170,361

Under the terms of the JV Agreement, the Company has agreed to make the following payments or commitments to Reyna as consideration for signing the JV Agreement:

		Cash		Shares of the Company	
Upon signing	$	25,000	(i)		
Within 30 days of the date of acquisition of La Negra		-		1,000,000	(ii)
Within 12 months of the acquisition of La Negra		500,000	(i)	1,000,000	(iii)
Within 24 months of the acquisition of La Negra		725,000		1,000,000	
	$	1,250,000		3,000,000	

(i) paid
(ii) issued at a fair value of $200,000 during 2006
(iii) issued at a fair value of $200,000 during 2007

The capital stock obligations were measured at the fair value of the Company's common shares on the agreement date ($600,000) and those unfulfilled have been reflected as "Obligation to Issue Shares".

The Company also issued to Reyna 1,000,000 warrants, each warrant entitling Reyna to purchase one common share for $0.25 on or before 18 May 2008. The warrants were fair valued at $293,099 using the Black Scholes option pricing model. The cash, common shares and fair value of warrants paid to Reyna have been included in the investments in and expenditures on mineral properties. A finder's fee of US $170,000 was paid in cash.

During May 2006, Maconi entered a formal purchase agreement with Penoles S.A. de C.V. ("Penoles") whereby the Joint Venture acquired 100% of Minera La Negra for US $3,000,000 (the "purchase price") the agreement was subsequently amended and paid as follows:

		Cash	Shares
Upon execution of the purchase agreement	$	2,000,000	-
Within 12 months of execution of the purchase agreement (i)		-	1,114,631

(i) Under the initial terms of the agreement the requirement was for $1,000,000. This was settled under the amended terms for a fair value issuance of shares (fair value $1,170,361).

6. ACQUISITION - *Continued*

The Company's 80% proportionate interest on acquisition of La Negra is as follows:

Purchase price	$	2,579,280
Fair market value of net assets acquired		
Cash		2,355
Accounts receivable		32,225
Plant		824,976
Mineral property		1,747,580
		2,607,136
Liabilities		(27,856)
		2,579,280
Purchase price discrepancy	$	-

7. Mineral Properties

Expenditures incurred on mineral properties are as follows:

		La Negra, Mexico	Rosario, Mexico		Total
Balance 31 December 2006	$	8,163,982	-	$	8,163,982
Acquisition costs			253,474		253,474
Mineral property expenditures		1,809,906	98,373		1,908,279
Balance 31 March 2007	$	9,973,888	351,847	$	10,325,735
Balance 31 December 2007	$	10,307,924	3,876,480	$	14,184,404
Mineral Property expenditures		-	580,220		580,220
Depletion		(559,585)	-		(559,585)
Balance, 31 March 2008	$	9,748,339	4,456,700		14,205,039

La Negra Mine, Queretaro State, Mexico

The Company holds an 80% interest in the La Negra Property (note 6). On 01 July 2007, the Company entered into commercial production.

Rosario Property, Mexico

On 22 February 2007, the Company received Exchange approval to enter into an Option Agreement to acquire, through its subsidiary, Aurcana de Mexico, a 100% interest in a silver-zinc-lead-gold Property, Rosario ("Rosario") located in Sinaloa State, Mexico for $US 3,000,000 (Note 15).

Under the terms of the Option Agreement, the Company had the exclusive option to purchase the Rosario Property ("Option to Purchase"). Following its technical and legal review of the Rosario Property, the Company on 7 August 2007 exercised the Option to Purchase and executed a Sale and Purchase Agreement to acquire a 100% undivided interest in Rosario, under the following terms

On or before 22 February 2007	US$	250,000	(i)
On or before 7 August 2007	US$	250,000	(i)
On or before 7 February 2008	US$	1,250,000	(i)
On or before 7 February 2009	US$	1,250,000	
	US$	3,000,000	

(i) paid

8. NOTES PAYABLE

Details are as follows:

		31 March 2008		31 Dec. 2007
Capital equipment contracts, repayable in quarterly payments totalling US$112,336 at 8.68% per annum, maturing between December 2009 and February 2010 and secured by the related equipment *(Note 5)*	**$**	**583,026**	$	691,510
Notes payable to the Company's principal customer *(Note 14)*, repayable in monthly instalments totalling $US150,000 bearing interest at LIBOR plus 2% per annum. The note is guaranteed by the Company		**608,585**		706,318
Note payable to IMMSA for the acquisition of the Rosario property, non-interest bearing *(Note 7)*		**1,283,125**		2,475,248
		2,474,736		3,873,076
Less: Current Portion		**(2,158,457)**		(2,245,741)
	$	**316,279**	$	1,627,335

Scheduled principal repayments are as follows:

Twelve months ended 31 March		
2008	$	2,158,457
2009		316,279
	$	2,474,736

9. ASSET RETIREMENT OBLIGATION

During the year ended December 31, 2007 the Company revised its estimate of asset retirement obligations, associated with the La Negra Mine.

Management has estimated reclamation and closure costs for the current mine workings using its best judgment of such future costs and based on an anticipated mine life of five years. The ultimate value of the asset retirement obligation is uncertain and may change in future years based on updated estimates of costs, mine life, and other new information. Any future changes in the estimate of the asset retirement obligation will be recognized prospectively in the year such adjustment is made.

The Company has estimated the fair value of the asset retirement obligation at 31 December 2007 to be $1,039,200. The obligation has been calculated using a discount rate of 5% and an inflation rate of 2.50%.

Details for the periods ended 31 March are as follows:

	2008		2007
Total asset retirement obligation – beginning of period	921,238	$	-
Total accretion during the period	14,400	$	-
Total asset retirement obligation – end of period	935,638	$	-

10. CAPITAL STOCK

Authorized

Unlimited number of common shares

Issued and outstanding:

	31 March 2008			31 March 2007		
	Shares		**Amount**	Shares		Amount
Balance – Beginning of period	**90,543,933**	**$**	**45,615,710**	70,929,302	$	24,205,811
Private placement	**-**		**-**	16,850,000		21,000,000
Issuance for acquisition liability	**-**		**-**	1,114,631		1,170,361
Exercise of options	**-**		**-**	225,000		132,750
Fair value of options exercised	**-**		**-**	-		101,250
Share issue costs	**-**		**-**	-		(1,198,390)
Balance – End of period	**90,543,933**	**$**	**45,615,710**	88,118,933	$	45,411,782

During the periods ended 31 March 2008 and 2007, the Company had the following capital stock transactions:

On March 7, 2007, the Company closed the brokered portion of a private placement and issued 4,000,000 Units at a price of $1.25 per Unit for total gross proceeds of $5,000,000.

On March 9, 2007, the Company closed a non-brokered private placement for 12,800,000 Units at a price $1.25 per Unit for total gross proceeds of $16,000,000.

Each Unit consists of one common share and one-half of one common share purchase warrant for a total of 8,400,000 share purchase warrants. Each whole warrant entitles the holder to acquire one additional common share of the Company at any time up to 18 months after the closing of the private placement at a price of $1.85 per share; provided that if the closing price of the Company's shares as traded on the Exchange, subsequent to four months from closing, is at or over $3 per share for 20 consecutive trading days, the Company will have the right to accelerate the expiry of the Warrants upon giving 30 days' notice to the holders thereof.

The Company paid the Agent a commission of $350,000 representing 7% of the gross proceeds of the private placement and issued the Agent 50,000 common shares (fair value $62,500) of the Company in payment of a corporate finance fee. In addition, the Agent received 280,000 Agent's warrants (fair value $146,808) representing 7% of the Units sold. Each Agent's Warrant is exercisable at any time up to 18 months following the closing of the private placement at an exercise price of $1.50 per share.

The Company, in connection with the non-brokered private placement, paid a finder's fee of 5% of the gross proceeds and 426,950 warrants (fair value $223,857) representing 5% of the gross units sold on a portion of the financing. The warrants are exercisable at any time up to 18 months following the closing of the private placement at an exercise price of $1.50 per share.

Issued 1,114,631 (fair value $1,170,361) shares to Penoles to retire the acquisition liability *(Note 6).*

10. CAPITAL STOCK - *continued*

Stock options

The Company has a stock option plan whereby the Company may grant options to directors, officers, employees and consultants of up to 10% of the common shares outstanding at the time of grant. The exercise price, term and vesting period of each option are determined by the board of directors within regulatory guidelines.

During the period ended 31 March 2008 the change in stock options was as follows:

	2008	2007
Opening	**5,525,000**	3,075,000
Granted	**-**	2,500,000
Exercised	**-**	(225,000)
Options outstanding – End of period	**5,525,000**	5,350,000

The weighted average exercise price of the stock options outstanding at 31 March 2008 was $1.07 and the weighted average remaining life of the options is 3.10 years.

Stock options outstanding and exercisable as at 31 March 2008 are as follows:

Expiry Date	Exercise Price	Number of Shares
28 September 2008	$0.13	20,000
18 November 2008	$0.14	5,000
18 August 2011	$0.59	1,800,000
24 August 2011	$0.59	600,000
22 March 2012	$1.50	2,200,000
30 March 2012	$1.65	300,000
7 September 2009	$1.25	500,000
12 December 2012	$0.64	100,000
		5,525,000

The options granted during the period were granted in accordance with the terms of the Company's 10% Rolling Stock Option Plan approved 11 August 2006, which can be exercised for periods of between two to five years.

As at 31 March 2008, 5,275,000 of the outstanding options have vested, leaving a balance of 250,000 remaining to vest.

Stock Based Compensation

For the period ended 31 March 2008, the Company applied the fair value method in accounting for all awards of stock options by using the Black-Scholes option pricing model. The Black-Scholes Option Pricing Model was created for use in estimating the fair value of freely tradable fully transferable options. The Company's stock options have characteristics significantly different from those of traded options and, because changes in the highly subjective input assumptions can materially affect the calculated values, management believes that the accepted Black-Scholes model does not necessarily provide a reliable measure of the fair value of the Company's stock option awards.

10. CAPITAL STOCK - *continued*

For the period ended 31 March the stock-based compensation expense was $77,433 (2007 - $2,863,621). The fair value of stock options granted as above is calculated using the following weighted average assumptions:

	2008	2007
Risk free interest rate	**4.03%**	4.00%
Expected stock price volatility	**101.29%**	98.26%
Expected dividend yield	**0.00%**	0.00%
Expected option life in years	**4.5**	5.0

Contributed surplus

During the period ended 31 March the change in contributed surplus was as follows

	2008	2007
Balance - Beginning of period	$ **4,679,823**	$ 1,555,853
Fair value of stock-based compensation	**77,433**	2,863,621
Fair value of stock options exercised	**-**	(101,250)
Balance - End of period	$ **4,757,256**	$ 4,318,224

Share purchase warrants

During the periods ended 31 March the change in share purchase warrants was as follows:

	2008	2007
Balance - Beginning of period	**10,106,950**	1,000,000
Issued	**-**	9,106,950
Exercised	**-**	
Balance - End of period	**10,106,950**	10,106,950

The weighted average exercise price of share purchase warrants outstanding at 31 March 2008 was $1.67 and the weighted average life of the share purchase warrants outstanding at 31 March 2008 was 0.56 years

Share purchase warrants outstanding as at 31 March 2008 are as follows:

Expiry Date	Exercise Price	Number of Warrants
June 18, 2008	$ 0.25	1,000,000
November 7, 2008	$1.85	2,000,000
November 9, 2008	$1.85	6,400,000
November 9, 2008	$1.50	706,950
		10,106,950

11.RELATED PARTY TRANSACTIONS

During the 3 month period ended 31 March 2008, the Company paid or accrued

- Management fees of $58,000 (2007 - $68,000) to a company controlled by common directors;
- Administrative management fees of $120,000 (2007 - $Nil) to a company controlled by a director.
- Technical, geological and consulting services of $40,000 (2007 - $30,000) to a company controlled by a director;
- Consulting fees of $44,000 (2007 - $Nil) to officers or a company controlled by an officer;

As at 31 March 2008:

- Prepaid expenses and deposits included an amount of $9,000 (2007 - $6,625) for management fees paid to a company controlled by common directors; and consulting fees of $7,000 (2007 $Nil) to a company controlled by an officer.

These fees were measured at the exchange amount, which is the amount agreed upon by the transacting parties.

12.Sales and Economic Dependence

Details of sales generated from customers that individually account for approximately 10% or more of consolidated sales are as follows:

Number of large customers	**1**
Amount of sales to large customers	**3,347,273**
Total consolidated sales	**3,347,273**
Total percentage of consolidated sales generated from large customers	**100%**

The Company has signed an exclusive multi-year sales agreement for the sale of all or substantially all of its copper and zinc concentrate from the La Negra mine *(Note 15)*. The Company is economically dependent upon a single customer and upon the successful renewal or replacement of this contract at economic rates.

13.Commitments

Supply agreement

On 14 November 2006, Minera La Negra signed a purchase contract with Trafigura Beheer B.V. (“Trafigura”) whereby Trafigura agreed to purchase 100%, evenly spread from January to December, of copper concentrate to be produced during the years 2007, 2008 and 2009 by the La Negra Mine. Production is estimated to be 8,000 to 10,000 tonnes per year for prices based on the published prices in the Metal Bulletin in London in US dollars *(Note 9).*

Acquisition of Rosario property

The Company has commitments, through its subsidiary Aurcana de Mexico S.A. de C.S.V., on the acquisition of the Rosario property requiring payment of US$1,250,000 on each of 07 February 2008 *(paid)* and 2009. *(Notes 7 and 8)*.

Office Lease
Effective 01 May 2007, the Company executed a lease for new office space for a period of 36 months, expiring on 31 May 2010. The minimum annual payments are as follows:

2008	$	49,331
2009	$	50,391
2010	$	21,180

14. Subsequent Event

On 03 April 2008 the company announced that it has agreed to acquire a 100% interest in the Shafter Silver Mine ("Shafter") from Shafter Standard Resources Inc. The acquisition terms require Aurcana to pay Silver Standard $23 million in cash; issue 15 million Aurcana common shares; and issue a $10 million convertible debenture paying a 3% coupon with a three year term and convertible into 6.62 million Aurcana common shares at $1.51 per share. The acquisition is subject to the signing of a definitive agreement and a closing on or before June 30, 2008. The acquisition is subject to certain conditions including acceptance of the TSX Venture Exchange.

The Company granted 150,000 options at $0.58 exercisable for a five year period to 15 May 2013, to an officer of the Company.