

ESPERANZA SILVER CORPORATION

(An Exploration-Stage Company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

March 31, 2009

The accompanying unaudited interim financial statements of Esperanza Silver Corporation for the three months ended March 31, 2009 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These financial statements have not been reviewed by the Company's external auditors.

ESPERANZA SILVER CORPORATION

(An Exploration-Stage Company)

Interim Consolidated Balance Sheets

(Unaudited – Prepared by Management)

	March 31, 2009	December 31, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 8,033,296	\$ 8,429,832
Receivables	605,718	1,089,455
Prepaid expenses	33,726	21,578
	<hr/> 8,672,740	<hr/> 9,540,865
Equipment (Note 3)	61,398	77,415
Mineral properties (Note 4)	12,002,705	11,632,343
	<hr/> \$ 20,736,843	<hr/> \$ 21,250,623

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:

Accounts payable and accrued liabilities	\$ 177,537	\$ 189,308
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Shareholders' equity:

Share capital (Note 5)	34,611,921	34,611,921
Contributed surplus (Note 5)	5,763,672	5,752,140
Deficit	(19,816,287)	(19,302,746)
	<hr/> 20,559,306	<hr/> 21,061,315

	\$ 20,736,843	\$ 21,250,623
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Nature of operations (Note 1)

Contingencies and commitments (Note 9)

See accompanying notes to the interim consolidated financial statements.

Approved on behalf of the Board

“George Elliott” Director

“William J. Pincus” Director

ESPERANZA SILVER CORPORATION

(An Exploration-Stage Company)

Interim Consolidated Statements of Operations and Deficit

(Unaudited – Prepared by Management)

	Three months ended March 31,	
	2009	2008
Operating expenses:		
Accounting and legal	\$ 23,269	\$ 24,232
Amortization	6,521	5,719
Administration	187,853	228,552
Directors' fees	23,500	19,750
Exploration expenses	122,610	67,988
Foreign exchange	29,767	2,081
Investor relations and shareholder information	58,263	136,017
Office and sundry	61,021	79,196
Rent	27,235	24,653
Stock-based compensation (Note 5 (e))	11,532	929,997
Transfer agent and regulatory fees	16,215	20,058
Travel	7,795	7,682
Loss before other items	(575,581)	(1,545,925)
Other income (Expenses)		
Interest income	62,040	137,360
Net loss and comprehensive loss for the period	(513,541)	(1,408,565)
Deficit, beginning of period	(19,302,746)	(14,173,501)
Deficit, end of period	\$(19,816,287)	\$(15,582,066)
Basic and diluted loss per share	\$ (0.01)	\$ (0.03)
Weighted average number of shares outstanding	47,521,823	46,959,321

See accompanying notes to the interim consolidated financial statements.

ESPERANZA SILVER CORPORATION

(An Exploration-Stage Company)

Interim Consolidated Statements of Cash Flows

(Unaudited – Prepared by Management)

	Three months ended March 31,	
	2009	2008
Cash provided by (used in):		
Operations:		
Loss for the period	\$ (513,541)	\$ (1,408,565)
Items not affecting cash:		
Amortization	6,521	5,719
Stock-based compensation	11,532	929,997
Changes in non-cash working capital items:		
Receivables	483,737	(230,581)
Prepaid expenses	(12,148)	(3,073)
Accounts payable and accrued liabilities	(40,848)	(722,585)
	(64,747)	(1,429,088)
Investments:		
Mineral properties	(331,789)	(1,308,005)
	(331,789)	(1,308,005)
Financings:		
Shares issued for cash	-	245,800
	-	245,800
Increase (decrease) in cash and cash equivalents	(396,536)	(2,491,293)
Cash and cash equivalents, beginning of period	8,429,832	15,571,201
Cash and cash equivalents, end of period	\$ 8,033,296	\$ 13,079,908
Supplementary information:		
Cash interest received	\$ 18,730	\$ 137,800
Amortization capitalized to mineral properties	9,497	8,479
Shares issued for mineral property (Note 5 (b))	-	30,000

See accompanying notes to the interim consolidated financial statements.

ESPERANZA SILVER CORPORATION

(An Exploration-Stage Company)

Notes to the Interim Consolidated Statements

(Unaudited – Prepared by Management)

March 31, 2009

1. Nature of operations

Esperanza Silver Corporation's (the "Company" or "Esperanza") principal business activities include the acquisition and exploration of resource properties. The Company is in the process of exploring its mineral properties and has not yet determined whether they contain resources that are economically recoverable. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete their exploration and development, confirmation of the Company's interest in the underlying claims and leases, and future profitable production or proceeds from the disposition of the mineral properties.

2. Basis of Presentation

These unaudited interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, the accompanying financial information reflects all adjustments, consisting primarily of normal recurring adjustments, which are, in the opinion of management, necessary for a fair presentation of results for the interim periods. Operating results for the three months ended March 31, 2009, are not necessarily indicative of the results that may be expected for the year ending December 31, 2009. These interim consolidated financial statements follow the same accounting policies as the annual consolidated financial statements of the Company for the year ended December 31, 2008

Recent Accounting Pronouncements

Convergence with International Financial Reporting Standards

A Decision of the CICA Accounting Standards Board (the "AcSB") will require the Company to report under International Financial Reporting Standards in fiscal 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. The Company has completed a scoping study which identifies the mandatory and optional exemptions from retrospective application of IFRS accounting policies and provides a comparison of the Company's current accounting policies with those prescribed under IFRS. The Company is reviewing and assessing this information but has not determined the impact on the consolidated financial statements at this time.

3. Equipment

	March 31, 2009		December 31, 2008	
Cost	Accumulated Amortization	Net Book Value	Net Book Value	
Equipment	\$ 188,644	\$ 127,246	\$ 61,398	\$ 77,415

ESPERANZA SILVER CORPORATION

(An Exploration-Stage Company)

Notes to the Interim Consolidated Statements

(Unaudited – Prepared by Management)

March 31, 2009

4. Mineral Properties

The continuity of expenditures on mineral properties is as follows:

	Mexico	Peru	Total
Balance, December 31, 2008	\$ 10,241,374	\$ 1,390,969	\$ 11,632,343
Acquisition Costs	-	931	931
Exploration and Development:			
Assays	11,332	3,646	14,978
Consulting	102,495	3,980	106,475
Environmental /permitting	21,922	-	21,922
Field costs	36,698	7,304	44,002
Office and administrative	-	9,935	9,935
Property tax and license fees	9,609	9,251	18,860
Road and access costs	-	431	431
Salaries and benefits	61,654	52,542	114,196
Travel and related costs	6,677	5,457	12,134
Vehicle costs	26,135	363	26,498
	276,522	93,840	370,362
Balance March 31, 2009	\$ 10,517,896	\$ 1,484,809	\$ 12,002,705

(a) San Luis, Peru

During the year ended December 31, 2005, the Company announced the acquisition of the San Luis project via claim-staking, with Silver Standard Resources Inc. (“Silver Standard”), a company that had a director in common until February, 2008. The Company and Silver Standard formed a 50%-50% joint-venture for the San Luis project. Under the terms of the agreement, Silver Standard has increased its ownership to 55% by funding the first US\$500,000 of exploration expenditures subsequent to the acquisition of the property. Silver Standard has subsequently elected to increase its ownership to 70 percent by funding all activities required to complete a feasibility study and it may further increase its ownership to 80 percent by funding all development activities necessary to place the property into production.

(b) Pucarana, Peru

In May 2007, the Company announced that it had finalized an earn-in agreement whereby it can earn up to a 60% interest in Canadian Shield’s Pucarana Gold Property (“Pucarana”), located in southern Peru. The Company has the right to earn a 60% interest in Pucarana by expending US\$1,300,000 over a four year period commencing upon receipt of a drill permit (the “Effective Date”), and by making payments of US\$80,000 to Gallant Minerals Peru Ltd. S.A. (Canadian Shield’s Peruvian subsidiary). The Company must make the following expenditures: US\$200,000 prior to the first anniversary of the Effective Date; US\$450,000 prior to the second anniversary of the Effective Date; US\$325,000 prior to the third anniversary of the Effective Date; and US\$325,000 prior to the fourth anniversary of the Effective Date. The Company must also make the following cash payments: US\$30,000 upon signing the agreement (paid) and US\$50,000 upon exercising the option to earn an additional 9% interest. The work commitments for the first twelve months from the Effective

ESPERANZA SILVER CORPORATION

(An Exploration-Stage Company)

Notes to the Interim Consolidated Statements

(Unaudited – Prepared by Management)

March 31, 2009

4. Mineral Properties (continued)

Date and the first payment are a firm commitment and all additional work commitments and payments are at the sole discretion of the Company. Upon the Company earning either its 51% interest, or 60% interest if it so elects, the two companies will form a joint venture in which all future expenditures shall be made on a pro rated basis, with standard dilution formulas applied if either party elects not to participate in funding further exploration expenses. In the event either party is diluted to a joint venture interest of 10% or less, that interest will be converted to a 2% NSR with the right of the other party to purchase each 0.5% interest in the NSR for US\$500,000. If the price of gold exceeds US\$500, the purchase price for the NSR increases proportionately to the price of gold. The Company has not received a drill permit at this time and accordingly the Effective Date of the agreement has not been determined.

(c) Cerro Jumil, Mexico

On May 11, 2009, the Company announced that it has begun a preliminary economic assessment study of its Cerro Jumil gold project in Morelos, Mexico.

5. Share Capital

(a) Authorized

An unlimited number of common shares without par value

(b) Issued and outstanding

	Number Of Shares	Stated Value	Contributed Surplus
Balance as of December 31, 2008	47,521,821	\$ 34,611,921	\$ 5,752,140
Stock-based compensation	-	-	11,532
Balance as at March 31, 2009	47,521,821	\$ 34,611,921	\$ 5,763,672

ESPERANZA SILVER CORPORATION

(An Exploration-Stage Company)

Notes to the Interim Consolidated Statements

(Unaudited – Prepared by Management)

March 31, 2009

(c) Options

As at March 31, 2009, stock options are outstanding enabling the holders to acquire up to 3,918,500 common shares with a weighted average exercise price of \$1.79 per share, as follows:

Grant Date	Number Outstanding	Exercise Price	Number Vested	Expiry Date
9-Sep-04	250,000	0.53	250,000	9-Sep-09
14-Jun-05	425,000	0.40	425,000	14-Jun-10
5-Jul-05	5,000	0.355	5,000	5-Jul-10
23-Sep-05	75,000	0.65	75,000	23-Sept-10
18-May-06	735,500	1.56	735,500	18-May-11
8-Jan-07	25,000	3.70	25,000	8-Jan-12
22-Jan-07	100,000	3.35	100,000	22-Jan-12
18-Apr-07	867,500	3.48	628,333	18-Apr-12
2-Aug-07	35,000	2.41	23,333	2-Aug-12
12-Sep-07	200,000	1.91	133,333	12-Sept-12
8-Feb-08	890,500	1.40	890,500	8-Feb-13
27-Feb-08	200,000	1.40	200,000	27-Feb-13
20-Aug-08	10,000	0.73	10,000	20-Aug-13
6-Oct-08	100,000	0.69	100,000	6-Oct-13
Balance, March 31, 2009	3,918,500	1.79	3,600,999	

(d) Warrants

On February 8, 2009, 2,055,000 warrants with an exercise price of \$4.35 expired unexercised.

(e) Stock-based compensation and contributed surplus

During the three months ended March 31, 2009, the Company did not grant any stock options. The Company accrued stock-based compensation of \$11,532 with the corresponding offset to contributed surplus. The accrual was for options that were granted in 2007 but have not yet vested.

6. Segmented information

The Company operates in a single reportable operating segment, being exploration and development of mineral properties.

7. Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties. Esperanza relies mainly on equity issuances to raise new capital and on entering joint venture agreements on certain properties which enables it to conserve capital and to reduce risk. In the management of capital, the Company includes the components of shareholders' equity as well as cash. The Company prepares annual estimates of exploration expenditures and monitors actual expenditures compared to the estimates to ensure that there is sufficient capital on hand to meet ongoing obligations. The Company's investment policy is to invest its cash in highly

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(An Exploration-Stage Company)

Notes to the Interim Consolidated Statements

(Unaudited – Prepared by Management)

March 31, 2009

7. Management of capital (continued)

liquid short-term deposits with terms of one year or less and which can be liquidated after thirty days without interest penalty. The Company currently has sufficient capital to fund its exploration programs and to cover its administrative costs for the next twelve months.

8. Management of financial risk

The Company's financial instruments are exposed to certain financial risks, which include currency risk, credit risk, liquidity risk and interest rate risk.

(a) Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada, the United States, Mexico and Peru. The Company funds cash calls to its subsidiary companies outside of Canada in US dollars and a portion of its expenditures are also in the other local currencies. The greatest risk is the exchange rate of the Canadian dollar relative to the US dollar and the Mexican peso and a significant change in these rates could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations. As at March 31, 2009, the Company is exposed to currency risk through the following assets and liabilities denominated in US dollars and Mexican pesos:

	US\$	Pesos
Cash and cash equivalents	97,700	5,955,000
Receivables	6,500	5,121,400
Accounts payable and accrued liabilities	(26,100)	(29,700)
Net exposure	78,100	11,046,700

Based on the above net exposures as at March 31, 2009 and assuming that all other variables remain constant, a 10% change in the value of the Canadian dollar against the US dollar and Mexican peso would result in an increase / decrease of approximately \$105,600 in the loss from operations. At at March 31, 2009, one US dollar equaled \$1.2496 Canadian dollars and one Mexican peso equaled \$.0868 Canadian dollars.

(b) Credit Risk

The Company's cash and cash equivalents are mainly held through large Canadian or US financial institutions and at March 31, 2009 are mainly held in guaranteed investment certificates and accordingly credit risk is minimized. The Company's receivables are mainly VAT receivable from the Mexican government.

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(An Exploration-Stage Company)

Notes to the Interim Consolidated Statements

(Unaudited – Prepared by Management)

March 31, 2009

8. Management of financial risk (continued)

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital resources as outlined in note 7.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's cash is held mainly in term deposits and therefore there is currently minimal interest rate risk.

9. Contingencies and commitments

At March 31, 2009, the Company had a commitment on an office lease in Denver which expires June 30, 2012. The estimated total rent payable on the remaining portion of the lease is US\$230,430.