

Arius3D Corp. Announces Fiscal Year End Financial Results

TORONTO, ONTARIO--(Marketwire - July 29, 2010) - Arius3D Corp. ("**Arius3D**" or the "**Company**") (TSX VENTURE:LZR) announces financial results for the fiscal year ended March 31, 2010.

Financial Highlights

- Completed the reverse take-over qualifying transaction with Rebecca Capital Inc. on February 16, 2010. Began trading on the TSX Venture Exchange on February 24, 2010.
- Revenue of \$2.06 million in fiscal 2010.
- Amended agreements on key image library transaction signed in 2009 by increasing the Fixed Purchase Price payable to Arius3D from £10.0 million to £12.5 million.
- The first £7.5 million of that Fixed Purchase Price is to be received during the 2011 fiscal year of which £840,000 was received in July 2010.
- Business transition resulting in a focus on providing rich media content to the 3D Image Library nearing completion.

Operational Highlights

- Signed agreement for rights to scan a collection of more than 30,000 mammal skeletons, the largest collection of its kind in the world.
- Completed digitization of second complete human skeleton from the most widely respected collection of skeletons in the world. Agreed to accelerate digitization program in calendar 2010 and 2011 with collection managers.
- Delivered a life size replica of the largest mammal to ever walk on earth, which resulted in a widely recognized US institution verbally agreeing to a series of new projects during the next 12-18 months.
- Participated in the recent G8/G20 Summit in Toronto, one of six companies invited to display Canadian technologies.
- Delivered replicas of movie characters from scanned data to a large international entertainment company - future projects under discussion as a result.

Commercialization of Arius3D Image Library

In April 2009, Arius3D entered into agreements with third parties, AMG Limited ("AMG") and A3DL Limited ("A3DL"), pursuant to which A3DL agreed to pay Arius3D up to £190 million for the Arius3D image library and the production of Arius3D images over the next seven years. Terms included a fixed price of £10 million (the "Fixed Price") for the library plus image development payments of up to £180 million over the next seven years (timing based on generating revenue from the image library).

The Company and A3DL entered into discussions in March 2010 regarding the amount payable in respect of the Fixed Price and the timing of remittances to Arius3D. As a result of those discussions, the Fixed Price has been increased to £12,500,000 and payments of £7,500,000 from such amount (the "A3DL Funding Amount") originally scheduled to be made on or before May 31, 2010 were agreed to begin in July 2010. On July 18, 2010, £840,000 of the A3DL Funding Amount was received by the Company and the balance owing of approximately £6.6 million is scheduled to be remitted to Arius3D on or before March 31, 2011. Arius3D and A3DL contemplate that image licensing revenue will be generated beginning in the calendar year ending December 31, 2011 once initial payments of the Fixed Price have been received and utilized to create 3D images suitable for licensing purposes.

"The agreements with AMG and A3DL form a basis for value creation that will allow all parties to achieve their objectives," said Brian Mori, CEO of Arius3D. "We were able to negotiate a transaction that should lead to a commercial 3D image library funded and populated with the world's best 3D color images in the coming years."

Details of these agreements are more fully set out in the Company's Management's Discussion and Analysis for fiscal 2010.

Revenue

Revenue for the year ended March 31, 2010 was \$2,059,087 compared to \$4,548,977 for the previous year. The decline in revenue from the prior year was a result of a decline in system sales due to two primary factors (i) the Company focusing on completing the Qualifying Transaction and (ii) a more direct focus on the image library strategy.

Expenses

Expenses, including direct costs, for the year ended March 31, 2010 were \$5,865,058, compared to \$5,330,120 in the prior year. The largest increase in expenses arose from accounting for the financing expense of issuing warrants during the year, a total of \$1,273,324 in fiscal 2010 as compared to none for 2009. This increase was offset somewhat by a decrease in direct costs from \$1,029,181 in fiscal 2009 to \$200,000 for fiscal 2010. Direct costs, which is comprised primarily of variable expenses and royalty expenses payable to the National Research Council of Canada in respect of licenses held by the Company, were significantly lower in fiscal 2010 when compared to fiscal 2009 as system sales revenue was lower as a result of efforts to complete the Qualifying Transaction and the business focus on image library content creation. Compensation expenses, including salaries, benefits and stock based compensation remained basically consistent with the prior year expense. Other expenses were higher year-over-year due to an approximately \$39,000 increase in general and administrative expense, the fact that bad debt expenses increased by approximately \$31,000 (a result of one account being delinquent in paying for life size replica creation services that were provided), and interest expense increasing by approximately \$67,000 (due to an increase in the principal amount of debentures being outstanding).

Net Loss

The Company reported a net loss for the year ended March 31, 2010 of \$4,372,161, an increase of \$3,603,079 over the net loss of \$769,082 for fiscal 2009. The increase in net loss is primarily attributable to \$1,273,324 in expenses resulting from the issuance of warrants pursuant to financing activities, lower revenue, as well as a loss on foreign exchange totaling \$566,190 (\$34,130 - comparative year). The increase in the loss on foreign exchange is attributable to the strengthening of the Canadian dollar against currencies in which the Company does significant business and which were unable to be effectively hedged on a cost effective basis.

Selected Financial Highlights

	2010	2009
Total Revenue	\$2,059,087	\$4,548,977
Net income (loss) for the period	(\$4,372,161)	(\$769,082)
Basic and diluted income (loss) per share	(\$0.06)	(\$0.01)
Total Assets	\$3,997,982	\$2,062,068
Total liabilities	\$2,942,722	\$3,348,850
Total shareholders' equity(deficiency)	\$1,055,260	(\$1,286,782)

About Arius3D Corp.

Classified as an "Information Technology" company, Arius3D is publicly traded and listed on the TSX Venture Exchange trading under the symbol LZR. Arius3D creates imaging solutions that allow organizations to capture and share unique physical objects in digital form. Arius3D offers 3D imaging systems and services to a growing 3D image library. The Arius3D technology supports wide ranging applications in culture and heritage, entertainment, education and product design with a primary focus of generating image license recurring revenues from rich media content. Arius3D has its head office located in Mississauga, Ontario. Visit our website at <http://www.arius3d.com> to understand more about the Company.

This press release contains forward-looking statements based on current expectations. These forward-looking statements

entail various risks and uncertainties, including those related to liquidity and financing requirements of the Company, that could cause actual results to differ materially from those reflected in these forward-looking statements. Risks and uncertainties about Arius3D's business are more fully discussed in the Company's disclosure materials filed with the securities regulatory authorities in Canada, which are available for review on www.sedar.com. All amounts are stated in Canadian dollars unless noted otherwise.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.

For more information, please contact

Arius3D Corp.
David Beutel
Chairman
905 270 7999
dbeutel@belweather.com
www.arius3d.com