



MARIANA RESOURCES LIMITED

(Incorporated in Guernsey, Registered No. 44276)

HALF YEAR REPORT

30 June 2010

Contents

Chairman's Review	1
Consolidated Statement of Comprehensive Income	3
Consolidated Statement of Financial Position	4
Consolidated Statement of Changes in Equity	5
Consolidated Statement of Cash Flows	6
Notes to the Financial Statements	7

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Mariana Resources Limited

Incorporated in Guernsey Reg. No. 44276

Half-yearly Report, Period Ended 30 June 2010

Chairman's Review

Dear Shareholder,

This has been another outstanding six months for the Company, and the Mariana team is to be congratulated on an excellent performance. The continuing support of shareholders is also acknowledged.

Exploration over the first half of the 2010 year has added significant value to the Company's portfolio of properties. A high level of activity has been maintained both through Mariana's own efforts and those in partnership with joint venturers.

The increase in value is largely thanks to continuing exploration success at the 100% owned Las Calandrias project in the Deseado Massif in Southern Argentina. At the time of writing, the Deseado Massif is very much in the market spotlight, vindicating Mariana's strong belief in the region as a place where junior explorers can add wealth for shareholders through discovery. Over a period of just 12 months, Las Calandrias has moved rapidly from a grass roots prospect within Mariana's extensive Santa Cruz portfolio to the stage where we have commenced follow up drilling over the two exceptional bonanza grade gold-silver intersections at Calandria Norte and will proceed to the resource drilling at Calandria Sur which contains the significant disseminated gold deposit.

The company has commenced preliminary metallurgical testing with results anticipated later this year.

Funding to support this expenditure was achieved with a GBP6.75 million capital raising in June which was well supported by major shareholders and allowed the introduction of large new investors. These funds have paved the way for the current 10,000m drill programme, the prime target of which is extension to the vein-breccia bonanza gold-silver intersections at Calandria Norte (among the best encountered to date in the Deseado Massif).

In parallel with the follow up drilling, intensive exploration of the entire 11sq.km. rhyolite dome field is well underway. This includes geophysics (magnetics, 3D IP), geochemistry and geological mapping. It is anticipated that new targets will be generated from this work. It is also becoming quite clear that we are dealing with a much larger volcanic system at Las Calandrias than was contemplated at the end of 2009. Exploration to date has essentially focussed on just two rhyolite domes. Preliminary indications are that several other domes may be equally prospective for multiple mineralised zones, both bonanza vein-breccia and breccia-hosted disseminated style. With just 53 holes drilled by the end of May 2010, these are early days when compared to most advanced projects in Santa Cruz. Nevertheless, a key objective of the current drilling is to achieve a maiden resource in Q1 2011.

In Argentina, Mariana's focus is obviously Las Calandrias but work is ongoing at other key projects in the Deseado Massif including the Sierra Blanca Joint Venture (Mariana 70%, IAMGOLD 30%) with drilling of silver-gold targets planned for Q1 2011 and Los Amigos (Mariana 49%, Hochschild Mining 51%) with drill target definition work progressing. Further north at La Borita in Catamarca Province, Mariana is planning to scout drill a concealed porphyry copper target in Q4 2010 (option to acquire 100%).

In Chile, the Mariana-Cliffs Natural Resources Joint Venture is in full swing with drilling at the Buenaventura IOCG project and evaluation of new properties in progress. Meanwhile, Mariana in its own right, continues to assess quality opportunities in areas outside the joint venture area.

The board has made the decision to obtain a dual listing on the TSX, by way of a compliance listing, particularly considering the recent successes of TSX listed companies with projects in Santa Cruz, Argentina. The intention is to achieve this dual listing before the end of 2010.

The next six months promises to be equally exciting and regular updates will be provided to shareholders as results come to hand.

Financial

The Mariana group made a consolidated loss of £1,052,075 for the half-year (2009: £390,016). At 30 June 2010 Mariana had cash and cash equivalents of £3,321,619.

On 5 March 2010 the Company issued 2,945,000 options exercisable at 20p per share and expiring on 31 January 2014 to employees of the Company under its Employee Option Plan and 1,550,000 options to directors with the same exercise price and expiry date.

On 28 June 2010 Mariana arranged a placement of 24,107,143 shares at 28p per share to raise £6.75 million from institutional and other qualified investors. During the half-year various holders exercised 5,758,385 options, raising an additional £803,257 working capital for the Company.

On behalf of the Board,

J. R. Horsburgh
Chairman
27th. September 2010

Mariana Resources Limited and its controlled entities.

Consolidated Statement of Comprehensive Income for the half-year ended 30 June 2010

	Half-year 30 June 2010	Half-year 30 June 2009	Full year 31 December 2009
	Unaudited	Unaudited	Audited
	£	£	£
Revenue	70	767	1,243
Employee benefits expense	(480,891)	(98,270)	(371,377)
Depreciation expense	(12,423)	(7,118)	(21,814)
Professional services expense	(174,975)	(107,839)	(211,838)
Impairment of deferred exploration costs	-	-	(364,543)
Exchange gains/(losses)	(150,431)	(31,666)	(135,834)
Other expenses	(233,425)	(145,890)	(188,258)
Loss before Tax	(1,052,075)	(390,016)	(1,292,421)
Tax	-	-	-
Loss for the year	(1,052,075)	(390,016)	(1,292,421)
Other comprehensive income:			
Exchange differences on translation of foreign operations	110,756	325,142	110,537
Total comprehensive income for the year	(941,319)	(64,874)	(1,181,884)
	Pence	Pence	Pence
Loss per share – basic and diluted	(0.8)	(0.5)	(1.4)

Mariana Resources Limited and its controlled entities.

Consolidated Statement of Financial Position at 30 June 2010

	30 June 2010	30 June 2009	31 December 2009
	Unaudited £	Unaudited £	Audited £
NON-CURRENT ASSETS			
Deferred exploration costs	4,237,527	2,108,155	2,924,144
Property, plant and equipment	158,486	90,246	101,750
Total non-current assets	<u>4,396,013</u>	<u>2,198,401</u>	<u>3,025,894</u>
CURRENT ASSETS			
Other receivables and pre-payments	6,268,133	297,017	419,515
Cash and cash equivalents	3,321,619	1,039,346	2,576,729
Total current assets	<u>9,589,752</u>	<u>1,336,363</u>	<u>2,996,244</u>
CURRENT LIABILITIES			
Trade and other payables	1,558,580	53,465	105,746
Provisions	55,572	33,212	41,598
Total current liabilities	<u>1,614,152</u>	<u>86,677</u>	<u>147,344</u>
NET CURRENT ASSETS	<u>7,975,600</u>	<u>1,249,686</u>	<u>2,848,900</u>
NET ASSETS	<u>12,371,613</u>	<u>3,448,087</u>	<u>5,874,794</u>
EQUITY			
Issued share capital	15,869	10,449	12,823
Share premium account	17,611,595	7,453,055	10,416,847
Other reserves	1,157,614	443,568	806,514
Accumulated losses	(6,413,465)	(4,458,985)	(5,361,390)
TOTAL EQUITY	<u>12,371,613</u>	<u>3,448,087</u>	<u>5,874,794</u>

Mariana Resources Limited and its controlled entities.

Consolidated Statement of Changes in Equity for the half-year ended 30 June 2010

	Share capital and premium £	Share based payments reserve £	Foreign currency translation losses £	Accumulated losses £	Total £
Balance at 31 December 2007	4,940,371	71,600	20,682	(1,905,909)	3,126,744
Issue of share capital	874,287				874,287
Share based payments		214,726			214,726
Foreign Exchange losses			(17,430)		(17,430)
Net loss for the period				(970,009)	(970,009)
Balance at 30 June 2008	5,814,658	286,326	3,252	(2,875,918)	3,228,318
Issue of share capital	596,611				596,611
Share based payments		47,891			47,891
Foreign Exchange gains/(losses)			401,754		401,754
Net loss for the period				(1,193,051)	(1,193,051)
Balance at 31 December 2008	6,411,269	334,217	405,006	(4,068,969)	3,081,523
Issue of share capital	1,052,236				1,052,236
Foreign Exchange gains/(losses)			(325,142)		(325,142)
Share based payments		29,487			29,487
Net loss for the period				(390,016)	(390,016)
Balance at 30 June 2009	7,463,505	363,704	79,864	(4,458,985)	3,448,088
Issue of share capital	2,966,165				2,966,165
Share based payments		156,600			156,600
Foreign Exchange gains/(losses)			206,346		206,346
Net loss for the period				(902,405)	(902,405)
Balance at 31 December 2009	10,429,670	520,304	286,210	(5,361,390)	5,874,794
Issue of share capital	7,197,794				7,197,794
Share based payments		240,344			240,344
Foreign Exchange gains/(losses)			110,756		110,756
Net loss for the period				(1,052,075)	(1,052,075)
Balance at 30 June 2010	17,627,464	760,648	396,966	(6,413,465)	12,371,613

Mariana Resources Limited and its controlled entities.

Consolidated Statement of Cash Flows for the half-year ended 30 June 2010

	Half-year 30 June 2010	Half-year 30 June 2009	Full year 31 December 2009
	Unaudited £	Unaudited £	Audited £
Cash flow from operating activities			
Payments to suppliers & employees	(1,123,101)	(435,658)	(692,091)
Interest received	70	767	1,243
	<hr/>	<hr/>	<hr/>
Net cash used in operating activities	(1,123,031)	(434,891)	(690,848)
Cash flow from investing activities			
Payments for purchase of property, plant & equipment	(69,158)	-	(20,063)
Payments for exploration expenditure	(1,089,157)	(280,447)	(1,317,966)
Proceeds from joint venture partner	894,230	-	-
	<hr/>	<hr/>	<hr/>
Net cash used in investing activities	(264,085)	(280,447)	(1,338,029)
Cash flow from financing activities			
Proceeds from issue of share capital	2,132,006	1,052,236	3,870,201
Net cash flow from financing activities	<hr/> 2,132,006	<hr/> 1,052,236	<hr/> 3,870,201
Net increase/(decrease) in cost and cash equivalents	<hr/> 774,890	<hr/> 336,898	<hr/> (1,841,324)
Effect of exchange rate fluctuations on cash held	-	(45,550)	(12,593)
Cash and cash equivalents at the beginning of the period.	<hr/> 2,576,729	<hr/> 747,998	<hr/> 747,998
Cash and cash equivalents at the end of the period	<hr/> <hr/> 3,321,619	<hr/> <hr/> 1,039,346	<hr/> <hr/> 2,576,729

Mariana Resources Limited and its controlled entities.

Notes to the Consolidated Financial Statements for the half-year ended 30 June 2010

NOTE 1 General information and accounting policies

General information.

These condensed interim financial statements are for the period 1 January 2010 to 30 June 2010.

The financial reports for the half-years ended 30 June 2010 and 30 June 2009 are unaudited, and do not constitute statutory accounts.

This condensed interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with any public announcements made by Mariana Resources Limited during the interim reporting period. This half-yearly financial report is in compliance with International Accounting Standard (IAS) 34: Interim Financial Reporting.

(a) Basis of preparation of the half-year financial report

These condensed financial statements have been prepared under the historical cost convention. The same accounting policies and methods of computation are followed in the half-yearly financial report as for the last annual financial report

(b) Basis of consolidation

The consolidated condensed financial statements incorporate the assets and liabilities of all entities controlled by Mariana Resources Limited and the results of all controlled entities for the period. Mariana Resources Limited and its controlled entities together are referred to in this financial report as the consolidated entity. The effects of all transactions between entities in the consolidated entity are eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

(d) Earnings per share

Basic earnings per share

Basic earnings per share is determined by dividing net loss after income tax attributable to members by the weighted average number of ordinary shares outstanding during the financial period.

Diluted Earnings per Share

As the company incurred a loss for the half year, basic earnings per share and diluted earnings per share are the same.

NOTE 2 SEGMENT INFORMATION

The consolidated entity operates predominantly in the mineral exploration industry, in Argentina and Chile.

NOTE 3 OTHER RECEIVABLES

At 30 June 2010 the company held irrevocable commitments amounting to £5,065,789 for subscriptions to the placing of ordinary shares on 28 June 2010 at 28p per share. Settlement was completed by 5th July 2010.

NOTE 4 ISSUED CAPITAL

The total number of ordinary shares of .01 pence on issue at 30 June 2010 was 158,093,763 (31 December 2009: 104,494,235). Movements in issued shares during the half year were:

Issued shares at 31 December 2009	128,228,235
Issued during the half-year following exercise of options.	5,758,385
Placement at 28 pence per share June 2010.	24,107,143
Issued shares at 30 June 2010.	158,093,763

NOTE 5 OPTIONS

At 30 June 2010 the company had 10,386,291 options on issue (31 December 2009: 13,300,348), each of which entitles the holder to receive on exercise, one ordinary share in the company. Movements in options during the half-year were:

Outstanding at 31 December 2009	13,300,348
Issued during the half-year	2,945,000
Exercised, expired or cancelled during the half-year	5,859,057
Outstanding at 30 June 2010.	10,386,291

NOTE 6 RELATED PARTY TRANSACTIONS

On 12 February 2010, the Company issued 150,500 shares to a director John Horsburgh following his exercise of 6p options expiring 31 May 2012.

On 21 May 2010, the Company issued 400,000 shares to a director John Sutcliffe following his exercise of 8p options expiring 15 June 2010.

In June 2010, director Ray Angus exercised 150,000 15p options expiring 1 July 2010 and the resulting shares were issued 7 July 2010.

Employees exercised 90,000 8p options expiring 2 February 2010.

On 5 March 2010 the company issued 1,395,000 options to employees under the company's Employee Option Plan, exercisable at 20 pence per share and expiring 31 January 2014. At the same time directors received 1,550,000 options exercisable at 20 pence per share and expiring 31 January 2014.

NOTE 7 INTANGIBLE ASSETS

All costs directly relating to the acquisition, exploration and development incurred by the company or its subsidiary undertakings on its mineral properties are carried as intangible assets until such time as it is determined that there are commercially exploitable reserves at which time such costs will be transferred to tangible fixed assets to be amortised over the expected productive life of the asset. Such costs include appropriate technical and administrative expenses but not general overheads. The directors periodically review the intangible assets for impairment and where a project is abandoned or is considered not to be economically viable, the related costs are written off.

NOTE 8 POST BALANCE SHEET DATE EVENTS

On 30 July 2010 the company issued 2,220,000 options to employees under the company's Employee Option Plan, exercisable at 30 pence per share and expiring 31 July 2014. At the same time directors received 1,750,000 options exercisable at 30 pence per share and expiring 31 July 2014.

For news releases go to the company's web site at www.marianaresources.com.

Signed by authority of the Board.

J. R. Horsburgh
Chairman

G.W. Parsons
Director- CFO

27th September 2010