



RADIUS
GOLD INC.

Marine Building
Suite 830-355 Burrard St.
Vancouver, BC V6C 2G8

Tel: 604-801-5432
Fax: 604-662-8829
Toll Free: 1-888-627-9378

info@radiusgold.com
www.radiusgold.com
RDU: TSX-V

news release

December 2, 2011

Radius Gold Announces Shareholder Approval for Spin-Out

Vancouver, Canada: Radius Gold Inc. (TSX-V: RDU) is pleased to announce that Radius shareholders have approved the plan of arrangement involving the spin-out of Radius's assets in the Yukon to Rackla Metals Inc. ("Rackla") as announced by Radius on May 27 and July 27, 2011 (the "Transaction"). The application to the British Columbia Supreme Court for the final order is expected to take place on December 5, 2011 and the Transaction is expected to close on December 8, 2011. A summary of the key dates for the Transaction are outlined below, subject to final approval from the TSX Venture Exchange (the "TSX-V"):

- Monday, December 5, 2011 – the last day to acquire Radius shares on the TSX-V and still receive Rackla shares and Rackla warrants upon closing of the Transaction.
- Thursday, December 8, 2011 – the Transaction closes. Radius shareholders of record as at 12:01 a.m. on December 8, 2011 will be entitled to receive Rackla shares and Rackla warrants as set out below.
- Friday, December 9, 2011 – the trading of Rackla shares and Rackla warrants is expected to commence on the TSX-V under the trading symbols RAK and RAK.WT, respectively.

Pursuant to the Transaction, Radius shareholders of record reflected as at 12:01 a.m. on December 8, 2011 on the register of shareholders maintained by Radius's registrar and transfer agent, will receive one Rackla share and one Rackla warrant in exchange for every three Radius shares held on said date.

About Radius

Radius has been exploring for gold in Latin America for nearly a decade. It has assembled interests in a portfolio of promising gold projects throughout the region, including carried stakes in two small-scale developing gold projects, one in Guatemala being developed by Dan Kappes of Kappes Cassidy and one in Nicaragua, and a number of 100% owned exploration plays, including the HB property in Guatemala. The Company also holds a large land position in the Yukon Territory which is the subject of the proposed spin out.

For further information on Radius and its holdings, please call toll free 1-888-627-9378 or visit our web site (www.radiusgold.com).

ON BEHALF OF THE BOARD

“Simon Ridgway”

Simon Ridgway,
President and CEO

Investor relations: Jaclyn Ruptash / Ralph Rushton

Symbol: TSXV-RDU; OTCBB-RDUFF

Shares Issued: 86.6-million

Neither the TSX Venture Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Statement

This news release includes certain forward-looking statements or information that involve inherent risk and uncertainty affecting the business of Radius. All statements other than statements of historical fact included in this news release, including, without limitation, statements regarding plans for the completion of the proposed Transaction, the structure of the plan of arrangement and other future plans and objectives of Radius are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Radius' plans or expectations include Radius' ability to obtain approval of the TSX Venture Exchange, the Supreme Court of British Columbia and general economic, market or business conditions, regulatory changes and other risks detailed herein and from time to time in the filings made by Radius. with securities regulators.