

RADIUS GOLD INC.

(An Exploration Stage Company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2007

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

UNAUDITED FINANCIAL STATEMENTS: In accordance with National Instrument 51-102 of the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the six months ended June 30, 2007.

RADIUS GOLD INC.
(An Exploration Stage Company)
INTERIM CONSOLIDATED BALANCE SHEETS
AS AT JUNE 30, 2007
(Unaudited - Prepared by Management)
(Expressed in Canadian Dollars)

	June 30, 2007	December 31, 2006
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 1,883,820	\$ 933,697
Marketable securities (Note 3)	6,709,528	9,023,890
Advances and other receivables	122,074	838,139
GST receivable	17,131	13,688
Due from related parties (Note 6)	108,630	147,870
Prepaid expenses and deposits	100,955	96,744
	8,942,138	11,054,028
PROPERTY & EQUIPMENT	235,601	330,962
MINERAL PROPERTIES	14,775,501	13,438,248
	\$ 23,953,240	\$ 24,823,238
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 220,480	\$ 213,689
Due to related party (Note 6)	-	10,510
	220,480	224,199
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 7)	42,486,069	42,486,069
CONTRIBUTED SURPLUS	3,563,487	3,443,487
	46,049,556	45,929,556
DEFICIT	(22,351,290)	(21,330,517)
ACCUMULATED OTHER COMPREHENSIVE INCOME (Note 12)	34,494	-
	23,732,760	24,599,039
	\$ 23,953,240	\$ 24,823,238

Nature of operations (Note 1)

APPROVED BY THE DIRECTORS:

“signed” _____, Director
Simon Ridgway

“signed” _____, Director
Mario Szotlender

(See Accompanying Notes)

RADIUS GOLD INC.
(An Exploration Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2007
(Unaudited - Prepared by Management)
(Expressed in Canadian Dollars)

	Three Month Period Ended		Six Month Period Ended	
	June 30,		June 30,	
	2007	2006	2007	2006
EXPENSES				
Amortization	\$ 15,169	\$ 10,572	\$ 26,033	\$ 23,347
Consulting fees	10,400	10,015	41,762	6,942
Donations	349	-	824	-
Geological costs	3,464	1,115	2,887	1,115
Legal and accounting fees	10,096	14,985	10,096	26,552
Management fees & salaries (Note 6)	15,000	15,000	30,000	30,000
Non-cash compensation charge (Note 7)	120,000	-	120,000	1,230,750
Office and miscellaneous	15,017	11,347	30,630	20,030
Public relations	20,597	34,696	53,402	51,741
Rent and utilities	5,619	6,974	11,986	13,779
Repair and maintenance	1,003	-	2,199	-
Salaries and wages (Note 6)	45,569	32,938	76,804	67,335
Telephone and fax	3,352	3,663	6,196	6,598
Transfer agent and regulatory fees	4,920	5,080	12,436	13,240
Travel and accommodation	17,283	20,275	44,238	29,992
	<u>287,836</u>	<u>166,660</u>	<u>469,491</u>	<u>1,521,421</u>
OTHER INCOME (EXPENSES)				
Foreign currency exchange	(568,083)	(7,610)	(555,373)	(18,087)
Loss on uncollectible receivable	-	-	(22,172)	-
Loss on disposal of asset	(63,436)	-	(63,436)	-
Interest income	10,543	13,051	73,499	115,188
Other income	3,735	5,710	16,201	15,185
Write off of deferred exploration costs	-	-	-	(307,861)
	<u>(617,242)</u>	<u>11,151</u>	<u>(551,282)</u>	<u>(195,575)</u>
Net loss for the period	(905,078)	(155,509)	(1,020,773)	(1,716,996)
Deficit, beginning of the period	<u>(21,446,212)</u>	<u>(18,328,198)</u>	<u>(21,330,517)</u>	<u>(16,766,711)</u>
Deficit, end of the period	<u>\$ (22,351,290)</u>	<u>\$ (18,483,707)</u>	<u>\$ (22,351,290)</u>	<u>\$ (18,483,707)</u>
LOSS PER SHARE	<u>\$ (0.02)</u>	<u>\$ (0.00)</u>	<u>\$ (0.02)</u>	<u>\$ (0.03)</u>
NUMBER OF WEIGHTED AVERAGE SHARES	<u>53,385,988</u>	<u>53,006,043</u>	<u>53,385,988</u>	<u>52,935,988</u>

(See Accompanying Notes)

RADIUS GOLD INC.
(An Exploration Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS)
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2007
(Unaudited - Prepared by Management)
(Expressed in Canadian Dollars)

	Three month period ended June 30, 2007	Six month period ended June 30, 2007
NET LOSS	\$ (905,078)	\$ (1,020,773)
Other comprehensive income, net of tax		
Unrealized gain/ (loss) on available for sale marketable securities	<u>(30,653)</u>	<u>(1,942)</u>
COMPREHENSIVE LOSS	<u>\$ (935,731)</u>	<u>\$ (1,022,715)</u>

(See Accompanying Notes)

RADIUS GOLD INC.
(An Exploration Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2007
(Unaudited - Prepared by Management)
(Expressed in Canadian Dollars)

	Three Month Period Ended		Six Month Period Ended	
	June 30, 2007	2006	June 30, 2007	2006
OPERATING ACTIVITIES				
Net (loss) income for the period	\$ (905,078)	\$ (155,509)	\$ (1,020,773)	\$ (1,716,996)
Items not involving cash				
Loss from settlement of old debt	29,578	-	22,172	-
Amortization	15,169	10,572	26,033	23,347
Loss from disposal of asset	63,436	-	63,436	-
Realized and unrealized foreign exchange	10,063	-	10,063	-
Write off of deferred exploration costs	-	-	-	307,861
Non-cash compensation charge (Note 7)	120,000	-	120,000	1,230,750
	(666,832)	(144,937)	(779,069)	(155,038)
Changes in non-cash working capital items	1,188,178	367,466	715,202	94,649
	521,346	222,529	(63,867)	(60,389)
FINANCING ACTIVITIES				
Proceeds on issuance of common shares	-	51,000	-	51,000
INVESTING ACTIVITIES				
Marketable securities	1,007,095	1,008,949	2,356,263	1,208,556
Due to related parties (Note 6)	(9,896)	139	(10,510)	(34,634)
Due from related parties (Note 6)	27,014	27,856	39,240	69,659
Expenditures on deferred exploration costs	(825,311)	(544,859)	(1,337,253)	(1,210,176)
Purchase of property & equipment	(29,819)	(2,352)	(33,750)	(4,636)
	169,083	489,733	1,013,990	28,769
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	690,429	763,262	950,123	19,380
Cash and cash equivalents - beginning of period	1,193,391	679,672	933,697	1,423,554
CASH AND CASH EQUIVALENTS - END OF PERIOD	<u>\$ 1,883,820</u>	<u>\$ 1,442,934</u>	<u>\$ 1,883,820</u>	<u>\$ 1,442,934</u>
Supplementary disclosure of cash flow information:				
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Non-cash Transactions - Note 8

(See Accompanying Notes)

RADIUS GOLD INC.
(An Exploration Stage Company)
INTERIM CONSOLIDATED SCHEDULE OF MINERAL PROPERTIES COSTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2007
(Unaudited - Prepared by Management)
(Expressed in Canadian Dollars)

	Guatemala	Nicaragua		Mexico		Other	Ecuador	Peru	Period Ended	Year Ended
	Mineral	General	Mineral	General	Mineral	General	Cerro	General	June 30,	December 31,
	Concessions	Exploration	Concessions	Exploration	Concessions	Exploration	Colorado	Exploration	2007	2006
ACQUISITION COSTS										
BALANCE - BEGINNING OF PERIOD	\$ 4,142,864	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 113,130	\$ -	\$ 4,255,994	\$ 3,986,273
Cash	-	-	5,863	-	-	-	-	-	5,863	391,325
Write-off Acquisition Costs	-	-	-	-	-	-	-	-	-	(121,604)
BALANCE - END OF PERIOD	4,142,864	-	5,863	-	-	-	113,130	-	4,261,857	4,255,994
DEFERRED EXPLORATION COSTS										
BALANCE - BEGINNING OF PERIOD	\$ 5,753,974	\$ 682,117	\$ 2,737,301	\$ -	\$ -	4,129	\$ 4,734	\$ -	\$ 9,182,255	\$ 9,745,591
Property Payment/Investigation	-	-	1,240	-	-	-	6,750	-	7,990	41,680
Automobile	6,382	20,360	16,536	10,025	263	-	-	-	53,565	97,027
Camp, food and supplies	8,018	10,746	12,682	9,306	216	-	805	-	41,773	85,141
Drafting, maps and printing	88	687	318	4,095	1,897	-	-	-	7,086	10,449
Exploration administration	3,014	5,056	26,784	919	-	-	-	72	35,845	56,347
Foreign Exchange	(37)	642	520	742	-	-	-	-	1,867	-
Environment	-	-	4,239	-	-	-	-	-	4,239	6,641
Geochemistry	-	3,689	63	20,578	-	-	-	-	24,330	252,321
Geological consulting (Note 6)	32,535	77,949	51,299	138,122	23,250	-	8,574	24,700	356,429	896,503
Other consulting	13,242	2,274	11,522	24,175	-	-	-	-	51,213	125,761
Legal and accounting	3,940	8,444	3,120	30,408	2,125	-	-	-	48,038	82,373
Licenses, rights and taxes	5,325	5,412	73,036	13,702	59,880	-	-	-	157,355	126,357
Linecutting & trenching	52,202	2,662	1,395	1,301	-	-	-	-	57,561	37,140
Underground development	221,857	-	-	-	-	-	-	-	221,857	-
Materials	5,763	2,857	5,432	647	-	-	-	-	14,700	17,850
Maintenance	1,398	1,112	4,923	408	-	-	-	-	7,840	16,839
Miscellaneous	2,048	466	441	453	-	-	-	-	3,409	10,547
Medical expenses	4,325	2,573	2,512	2,570	376	-	-	-	12,356	36,532
Rent and utilities	16,081	6,615	9,049	3,959	-	-	-	-	35,704	83,575
Rental equipment	-	26	6,256	-	-	-	-	-	6,282	14,645
Salaries and wages	21,601	21,126	25,509	14,121	-	-	-	-	82,357	194,944
Shipping	185	648	1,035	4,036	-	-	-	-	5,903	18,550
Telephone and communications	2,715	4,911	6,451	4,447	-	-	-	177	18,700	38,517
Travel and accommodation	10,263	13,278	12,530	17,780	-	-	3,253	17,887	74,991	118,122
	410,945	191,533	276,891	301,794	88,008	-	19,382	42,836	1,331,389	2,367,861
Write-off Exploration Costs	-	-	-	-	-	-	-	-	-	(2,931,198)
BALANCE - END OF PERIOD	6,164,919	873,650	3,014,192	301,794	88,008	4,129	24,116	42,836	10,513,644	9,182,254
TOTAL MINERAL PROPERTIES -										
END OF PERIOD	\$ 10,307,783	\$ 873,650	\$ 3,020,054	\$ 301,794	\$ 88,008	\$ 4,129	\$ 137,246	\$ 42,836	\$ 14,775,501	\$ 13,438,248

Radius Gold Inc.

An Exploration Stage Company

Notes to the Interim Consolidated Financial Statements

(Unaudited – Prepared by Management)

For the six month period ended June 30, 2007

Expressed in Canadian Dollars

1. Nature and Continuance of Operations

Radius Gold Inc. (The Company) was formed by the amalgamation of Radius Explorations Ltd. (Radius) (formerly RDU – TSXV) and PilaGold Inc. (PilaGold) (formerly PRI – TSXV) which became effective on July 1, 2004.

The Company is engaged in acquisition and exploration of mineral properties located primarily in Central and South America. The amounts shown for the mineral properties represent costs incurred to date and do not reflect present or future values. The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain reserves that are economically recoverable. Accordingly, the recoverability of these capitalized costs is dependant upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete their development and upon future profitable production or disposition thereof.

2. Basis of Presentation

Management has prepared the period ending June 30, 2007 interim consolidated financial statements of the Company in accordance with Canadian generally accepted accounting principles. All financial summaries included are presented on a comparative and consistent basis showing the figures for the corresponding period in the preceding year. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates. The financial statements have, in management's opinion, been properly prepared using careful judgement and within the framework of the significant accounting policies summarized below.

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries:

- i) Minerales Sierra Pacifico S.A. and Exploraciones Mineras de Guatemala S.A., companies incorporated under the laws of Guatemala;
- ii) Minerales de Nicaragua S.A. and Desarrollo Geologico Minerao, S.A., companies incorporated under the laws of Nicaragua;
- iii) Recursos Del Cibao, S.A., a company incorporated under the laws of the Dominican Republic;
- iv) Radius Panamá Corporation, Weltern Resources Corp. and Corporación Geológica de Panamá, companies incorporated under the laws of Panamá.
- v) Radius (Cayman) Inc. and Pavon (Cayman) Inc., companies incorporated under the laws of Cayman Island; and
- vi) Geometalos Del Norte-Geonorte, a company incorporated under the laws of Mexico.

All significant inter-company transactions have been eliminated upon consolidation.

3. Change in Accounting Policies

On January 1, 2007, the Company adopted the provisions of CICA Sections 1530 "Comprehensive Income", 3251 "Equity", 3855 "Financial Instruments – Recognition and Measurement", 3861 "Financial Instruments – Presentation and Disclosure", and 3865 "Hedges" which were effective for the fiscal years beginning on or after October 1, 2006. These sections address the classification, recognition and measurement of financial instruments and hedges in the financial statements and inclusion of other comprehensive income.

As a result of adopting these new standards at January 1, 2007, the Company recorded an unrealized gain of \$36,436 (Note 12) for the change in accounting for financial assets classified as "available-for-sale" and measured at fair value instead of cost. This increase is reported as a one-time cumulative effect to other comprehensive income.

Radius Gold Inc.

An Exploration Stage Company

Notes to the Interim Consolidated Financial Statements

(Unaudited – Prepared by Management)

For the six month period ended June 30, 2007

Expressed in Canadian Dollars

3. Change in Accounting Policies (cont'd)

The Company has made the following classifications:

The marketable securities have been classified as “available-for-sale”. They are initially recorded at cost which is equal to their fair value. Subsequent changes to the market value of the investments are recorded as changes to other comprehensive income.

Cash and cash equivalents, accounts receivable and prepaid expenses, due from related parties, and accounts payable and accrued liabilities have been classified as “held-for-trading”. The fair values of these financial instruments approximate their carrying values due to their short-term nature or capacity of prompt liquidation.

4. Cash and Cash Equivalents

Cash and cash equivalents included highly liquid investments with original maturities of three months or less.

Foreign Currency Translation

Monetary items denominated in a foreign currency are translated into Canadian dollars at exchange rates prevailing at the balance sheet date and non-monetary items are translated at exchange rates prevailing when the assets were acquired or obligations incurred. Foreign currency denominated revenue and expense items are translated at exchange rates prevailing at the transaction date. Gains or losses arising from the translations are included in operations.

5. Property and Equipment

	Six months ended June 30, 2007			
	Cost	Accumulated Amortization	Disposal	Net
Land	\$ 103,077	\$ -	\$ 103,077	\$ -
Leasehold improvements	15,322	14,950		372
Trucks	214,615	137,846		76,769
Computer equipment	98,824	55,302		43,522
Furniture and equipment	173,799	82,975		90,824
Geophysical equipment	36,446	13,417		23,029
Website	4,800	3,716		1,084
	<u>\$ 646,883</u>	<u>\$ 308,205</u>	<u>\$ 103,077</u>	<u>\$ 235,601</u>

	Year ended December 31, 2006		
	Cost	Accumulated Amortization	Net
Land	\$ 103,077	\$ -	\$ 103,077
Leasehold improvements	15,322	13,417	1,905
Trucks	195,765	122,427	73,338
Computer equipment	87,305	49,219	38,086
Furniture and equipment	170,511	82,725	87,786
Geophysical equipment	36,445	10,942	25,503
Website	4,800	3,533	1,267
	<u>\$ 613,225</u>	<u>\$ 282,263</u>	<u>\$ 330,962</u>

Radius Gold Inc.

An Exploration Stage Company

Notes to the Interim Consolidated Financial Statements

(Unaudited – Prepared by Management)

For the six month period ended June 30, 2007

Expressed in Canadian Dollars

6. Related Party Transactions

The Company incurred the following expenditures charged by officers and companies which have common directors with the Company:

	For the six months ended June 30,	
	2007	2006
Expenses:		
Management fees	\$ 30,000	\$ 30,000
Consulting	10,400	-
Salaries and benefits	48,035	42,294
Mineral property costs:		
Geological consulting fees	65,250	93,995
	<u>\$ 153,685</u>	<u>\$ 166,289</u>

These expenditures were measured by the exchange amount which is the amount agreed upon by the transacting parties.

Advances and other receivables include \$43,266 (Dec. 31, 2006: \$20,193) due from directors and officers of the Company. These were funds advanced for Company expenses and any balance owed will be paid back in the normal course of business.

Due from related parties of \$108,630 (Dec. 31, 2006: \$147,870) are amounts due from companies which have a common director with the Company and arose from shared administrative costs. The balance owing is repayable in the normal course of business.

Accounts payable and advances include \$2,646 (Dec. 31, 2006: \$17,570) payable to a company with a common director and to an officer of the Company.

Due to related parties is \$nil (Dec. 31, 2006: \$10,510) which are the amounts due to a company which have a common director with the Company and arose from shared administrative costs.

7. Share Capital**Escrow Shares**

As at June 25, 2007, all of the 375,000 common shares held in escrow (December 31, 2006: 375,000) were released..

Stock Options

The Company has established a formal stock option plan in accordance with the policies of the TSX-V under which it is authorized to grant options up to 10% of its outstanding shares to officers, directors, employees and consultants. The exercise price of each option is not less than the market price of the Company's stock as calculated on the date of grant. The options are for a maximum term of five years.

Radius Gold Inc.

An Exploration Stage Company

Notes to the Interim Consolidated Financial Statements

(Unaudited – Prepared by Management)

For the six month period ended June 30, 2007

Expressed in Canadian Dollars

7. Share Capital (cont'd)

Stock option transactions and the number of stock options outstanding are summarized as follows:

	June 30, 2007		December 31
	Number of Options	Weighted Average Exercise Price	Number of Options
Outstanding, beginning of period	3,475,000	\$0.70	2,558,332
Expired Unexercised	(230,000)	0.70	(1,743,332)
	(20,000)	0.68	
	(50,000)	1.00	
	(150,000)	0.52	
Granted	1,025,000	0.52	2,735,000
	50,000	0.56	
	50,000	0.62	
Exercised	-	-	(75,000)
Outstanding, end of period	<u>4,150,000</u>	<u>\$0.66</u>	<u>3,475,000</u>

At June 30, 2007, there were 4,150,000 stock options outstanding entitling the holders thereof the right to purchase one common share for each purchase option held:

Number	Exercise Price(\$)	Expiry Date
100,000	0.70	Sept 26, 2007
670,000	0.68	Jan 7, 2008
2,405,000	0.70	Feb 21, 2011
875,000	0.52	Apr 16, 2012
50,000	0.56	Apr 22, 2012
50,000	0.62	May 31, 2012
<u>4,150,000</u>		

Stock-Based Compensation

The Company has a stock-based compensation plan as disclosed in Note 6, whereby stock options are granted in accordance with the policies of regulatory authorities. The fair value of all share purchase options are expensed over their vesting period with a corresponding increase to contributed surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital.

The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's share purchase options.

The Company uses the fair value based method of accounting for stock options granted to consultants, directors, officers and employees. The non-cash compensation charge for the six months ending June 30, 2007 of \$120,000 (June 30, 2006 \$1,230,750) is associated with the granting of options to consultants and employees.

Radius Gold Inc.

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Notes to the Interim Consolidated Financial Statements

(Unaudited – Prepared by Management)

For the six month period ended June 30, 2007

Expressed in Canadian Dollars

7. Share Capital (cont'd)

Share Capital

Authorized:

Unlimited common shares without par value

<u>Issued:</u>	<u>Number of Shares</u>	<u>Price Per Share \$</u>	<u>Amount \$</u>
Balance December 31, 2005	53,310,988		42,402,819
Exercise of stock options	75,000	0.68	51,000
Transfer of contributed surplus on exercise of options	-	75,000	32,250
Balance December 31, 2006 & June 30, 2007	<u>53,385,988</u>		<u>42,486,069</u>

8. Non-cash Transactions

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows.

9. Comparative Figures

Certain of the comparative figures have been reclassified to conform with the current year's presentation.

10. Segmented Information

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operation decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. All of the Company's operations are within the mining sector relating to gold exploration. Due to the geographic and political diversity, the Company's exploration operations are decentralized whereby exploration managers are responsible for business results and regional corporate offices provide support to the exploration programs in addressing local and regional issues. The Company's operations are therefore segmented on a district basis. The Company's assets are located in Canada, Caymans, Guatemala, Nicaragua, Panama, Ecuador, and Mexico.

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Notes to the Interim Consolidated Financial Statements

(Unaudited – Prepared by Management)

For the six month period ended June 30, 2007

Expressed in Canadian Dollars

10. Segmented Information (cont'd)

Details of identifiable assets by geographic segments are as follows:

	Six Months Ended June 30, 2007	Year Ended December 31, 2006
Total Assets		
Canada	\$8,123,332	\$ 10,787,157
Caymans	618,263	85,195
Ecuador	137,246	117,864
Guatemala	10,433,532	10,017,783
Nicaragua	4,164,913	3,705,119
Mexico	474,060	108,325
Other	1,894	1,795
	<u>\$ 23,953,240</u>	<u>\$ 24,823,238</u>
Property & Equipment		
Canada	\$ 42,740	\$ 34,874
Guatemala	44,383	55,220
Nicaragua	129,528	218,416
Mexico	18,949	22,453
	<u>\$ 235,601</u>	<u>\$ 330,963</u>
Resource Properties Acquisition		
Ecuador	\$ 113,130	\$ 113,130
Guatemala	4,142,864	4,142,864
Nicaragua	5,863	-
	<u>\$ 4,261,857</u>	<u>\$ 4,255,994</u>
Deferred Exploration Costs		
Ecuador	\$24,116	\$ 4,734
Canada	4,129	4,129
Guatemala	6,164,919	5,753,973
Peru	42,836	-
Mexico	389,802	-
Nicaragua	3,887,842	3,419,418
	<u>\$ 10,513,644</u>	<u>\$ 9,182,254</u>

11. Financial Instruments

a) Credit risk:

For advances and other receivables, the Company estimates, on a continuing basis, the probable losses and provides a provision for losses based on the estimated realizable value.

b) Foreign currency risk:

The Company is exposed to fluctuations in foreign currencies through its operations in foreign countries. The Company monitors this exposure, but has no hedge positions. As at June 30, 2007, cash totalling \$1,631,084 (Dec. 31, 2006 - \$336,559) was held in US dollars, \$127,506 (Dec. 31, 2006 - \$8,450) in Nicaragua Cordoba, \$24,780 (Dec. 31, 2006 - \$2,415) in Guatemala Quetzal and \$61,264 (Dec. 31, 2006 - \$20,001) in Mexican Pesos.

Radius Gold Inc.

An Exploration Stage Company

Notes to the Interim Consolidated Financial Statements

(Unaudited – Prepared by Management)

For the six month period ended June 30, 2007

Expressed in Canadian Dollars

12. Accumulated Other Comprehensive Income

	<u>June 30, 2007</u>
Balance at December 31, 2006	\$ -
Cumulative impact of accounting changes	<u>36,436</u>
Adjusted balance January 1, 2007	36,436
Unrealized loss on available for sale marketable securities	<u>(1,942)</u>
Balance at June 30, 2007	<u><u>\$ 34,494</u></u>