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**RDU: TSX-V**

## news release

September 2, 2010

### **Radius Project Update – Drilling Commences at Sixty Mile**

*Vancouver, Canada:* Radius Gold Inc. (TSX-V: RDU) is pleased to provide an update on the Company's broad portfolio of gold projects in Central America and the Yukon Territory.

Briefly:

- Drilling has commenced at Radius' 100% owned Sixty Mile project in the Yukon Territory and management anticipates that drilling will commence at the HB silver-gold project in Eastern Guatemala in October
- Radius' partner B2Gold is making progress on both the Trebol exploration project and the Pavon development project in Nicaragua
- Dan Kappes of Kappes Cassidy & Associates has filed the Environmental permit for production at the Tambor project in Guatemala; production plant is built and ready to ship
- Solomon Resources has raised the funds and is about to commence drilling on the Ten Mile Creek project in the Yukon Territory

VP Ralph Rushton commented, "The hard work that was put in during the downturn in 2008 restructuring RDU has now started to pay off for Radius's shareholders as our portfolio of joint ventured and wholly-owned projects matures."

### **Wholly-Owned Projects**

#### *Sixty Mile Project*

As reported on August 23, 2010, fieldwork is underway and drilling has now started at the Sixty Mile Project. The property consists of 741 Yukon Quartz Claims covering approximately 140 sq. km and 30 Alaska State claims covering 14 sq. km, straddling the Yukon/Alaska border north of Dawson City. Radius's exploration target is the bedrock source of the rich placer gold in the creeks of the Sixty Mile gold camp.

Soil geochemical surveys, Airborne geophysics, geological mapping/sampling, Auger and RAB drilling have identified several gold targets. These targets will be drill tested over the coming weeks, with results anticipated in October.

### ***HB Properties, Guatemala***

Radius holds a [large land position in Eastern Guatemala](#). The HB properties make up part of this land position. These granted concessions cover over 90 sq. km of pervasive alteration hosting epithermal gold mineralization. Initial drilling (> 5,000 meters) has defined a number of gold zones with lateral continuity. An extensive drill program is planned to commence in October. The program will have two phases: shallow resource definition drilling on the M28 and Pyramid Hill zones where previous drilling has confirmed potential ore grade mineralization over several kilometers. Phase 2 will include exploration drilling to target deeper, high grade gold/silver mineralization. Zones have been identified with silver grades up to 1,000 g/t Ag, previously drill tested.

Elsewhere in this region follow-up work on stream sediment anomalies continues to identify extensive epithermal alteration zones. The next stage is to define target areas for ore grade mineralization within these systems.

### ***Rivier Project, Yukon Territory***

The Rivier project consists of 100 quartz claims located in the Watson Lake Mining District of the Yukon Territory. The claims were acquired under an option to acquire a 100% interest by making cash and share payments over a three year period. The target is gold mineralization associated with Yukon Tanana group of rocks. A regional stream sediment program identified several gold and gold/arsenic anomalies. A follow up program is underway hopefully leading to the source of the identified anomalies.

## **Production Joint Venture Projects**

Radius has two production joint ventures being advanced in Central America, a high-grade, lode gold deposit in central Guatemala called Tambor, and a low-sulphidation, epithermal vein system in central Nicaragua called Pavon.

### ***Tambor Project, Guatemala*** (Kappes Cassiday & Associates has an option to earn 51%)

Radius's partner, Kappes Cassiday & Associates, continues to advance the Tambor mining project in Guatemala. KCA is engineering the mill for a target capacity of 150 tonnes per day or 52,500 tonnes per year. KCA is constructing the Tambor mill at its Reno, Nevada facility as a set of modular units mounted on 40-foot skids.

Permitting is underway and KCA is aiming to begin gold production early in 2011.

### ***El Pavon, Nicaragua*** (B2Gold has an option to acquire 60%)

B2 has now completed trenching at Pavon with a total of 47 trenches completed at Pavon Norte and 19 at Pavon Sur. No trenching was done at Pavon Central. As recently reported (July 28, 2010 press release) trench results continue to show good potential to develop an open pit gold resource at Pavon Norte. B2 is awaiting results from large bulk samples submitted for metallurgical tests.

Results have been received for trenches 33, 34, and 35. Trenches 33 and 34 yielded good intervals at 13.1m @ 1.7 g/t Au and 12.2m @ 2.7 g/t Au respectively. There is no significant mineralization in trench 35.

B2 is now compiling the trench data for Pavon Norte and preparing plans and sections to aid in generating a mineralization model and for completion of basic pit models in Q3 2010. Once this work is completed they will make a drill decision on how to advance the project towards production, as early as 2011. B2 currently has permission under the existing work plan for drilling.

## **Exploration Joint Venture Projects**

### **Yukon Territory Joint Ventures**

*Ten Mile Creek Project* (Solomon Resources Limited holds option to earn 51%)

As previously reported (August 19, 2010 press release) Solomon Resources Limited has completed soil geochemical surveys, geophysical surveys and mechanical trenching on the Ten Mile Creek Gold Project. The Company has retained a drill contractor and drilling is expected to commence shortly.

Previous work has identified gold mineralization associated with Mesozoic quartz monzonite intrusive bodies and associated Yukon Tannana sedimentary rocks. Trenching has identified several zones of gold mineralization with values grading up to 25m @ 1.7 g/t Au. Drilling will test these target areas.

*Snowcap Project* (Wesgold Minerals Inc. holds option to earn 60%)

Wesgold has completed a low-level, high-resolution, multisensor airborne geophysical survey to map lithological units, structure, and alteration zones at Snowcap at a cost of \$110,000. Target/anomaly selection is currently underway, incorporating the results of this survey with the historic data.

Wesgold has also carried out a small, deep soil sampling program to confirm and enhance gold and mercury soil anomalies identified in the 1980s. The anomalies occur close to a complex sequence of chalcidonic tuffs and phreatic breccias with sinter clasts associated with Tertiary felsic volcanic centers along a 15km long structural trend. The geological and geochemical setting is believed to be highly favourable for the location of low-sulphidation, structurally controlled, epithermal gold mineralization. Drilling will commence this year following acceptance of the geological report by the exchange and the listing of the company's shares on the TSX venture exchange, anticipated in the coming weeks.

### **Nicaragua Joint Venture**

B2Gold Corp. has provided its regular update to Radius on exploration activities at the Trebol and Pavon gold projects, both in Nicaragua. Radius's management is very pleased to note the substantial progress B2 has made on both projects and looks forward to reporting on further developments as they occur.

#### ***Trebol***

B2 continues to expand the area of known mineralization at the Trebol project, building on the early prospecting and drilling completed by Radius. B2 has defined a 22km long, northeast-southwest trending belt of epithermal, hot-springs type gold mineralization. Three broad zones have been identified to date:

- The Santa Martha area at the far northeast: highly anomalous gold in quartz boulders on a newly granted concession
- The original Trebol area (Cerro Domingo): a 6km long rock chip and soil anomaly, partially tested by Radius and B2
- Southwest Trebol: a newly discovered area of hydrothermal breccia with strong gold mineralization

The recently completed Lidar survey shows numerous faults and structures very clearly. There is a marked N30E set that appears to be major structures controlling and offsetting mineralization. There are also numerous N60W trending faults that offset the mineralized ridges at Trebol. In addition, the survey shows the existence of a group of low hills about 2km south of Cerro Domingo that have never been visited: past experience from the project, which is in low lying terrain, suggests that resistant silicified rocks and/or quartz veins form on slightly higher ground than the recessive weathering wall rocks.

B2 is planning to begin mapping, soil sampling, and some trenching on the Santa Martha zone in the area of the mineralized boulders. They are also planning to use the new Lidar survey to investigate new topographic highs over the entire property.

Drilling is likely to start at the main Cerro Domingo and will have 2 objectives:

- Determine the extent and average grade of the large tabular zone for resource calculation
- Test for possible feeder zones or down-faulted blocks

The Lidar information will also be used to generate sections for geological interpretation and plotting of proposed drill holes.

## **Mexico Joint Venture**

Fortuna Silver Mines Inc. has an option to acquire a 40% interest in the Tlacolula Silver Project in Oaxaca State, Mexico. A stream sediment sampling program carried out by Radius generated a number of anomalies ranging up to 819 ppb Ag and up to 53 ppb Au. Follow up work identified a NW trending zone of argillic alteration in andesites some 30 to 40m wide, with veins and breccia zones composed of mainly calcite and lesser quartz. Disseminated pyrrargyrite, acanthite, and pyrite were observed in the veins and in the breccias. The vein zone has been traced for over 1.5km. Fortuna intends to drill test these targets in the near future.

## **Available for Joint Venture**

### ***Geothermal Concessions, Guatemala***

In June 2010, Radius announced that it had been granted one highly prospective geothermal license in Guatemala and had filed applications for six other potential geothermal fields. The total area granted or under application is 200,700 hectares. When Radius first entered Guatemala in 2001, its successful gold exploration programs were guided in part using the presence of hot springs as an indicator of potential gold-related hydrothermal activity. On at least one occasion Radius's drill programs were halted because of large quantities of hot water and steam escaping from active drill holes, indicative of very high geothermal gradients.

Radius has received a number of enquiries regarding its geothermal concessions and concession applications in Guatemala, including one potential joint venture proposal to explore for potential geothermal resources on the concessions. Discussions are ongoing and more information will be released as and when these discussions are finalized.

### **New Website Launched**

Radius is pleased to welcome investors and stakeholders of the Company to the new website, ([www.radiusgold.com](http://www.radiusgold.com)), launched as part of a re-branding initiative for the fall.

#### *Qualified Person*

David Cass, Radius's Vice-President of Exploration, is a member of the Association of Professional Engineers and Geoscientists of British Columbia, and is the Company's Qualified Person as defined by National Instrument 43-101. Mr. Cass is responsible for the accuracy of the technical information in this news release and has verified that it is an accurate summary of the reports provided to Radius by B2, Solomon and Wesgold. Radius has not independently verified their results.

#### *About Radius*

Radius has been exploring for gold in Latin America for nearly a decade, and has assembled interests in a portfolio of promising gold projects throughout the region, including carried stakes in two small-scale developing gold projects in Guatemala and Nicaragua. Radius also has two 100% owned exploration plays, the HB property in Guatemala and the Sixty Mile property in the Yukon Territory. Drilling is underway in the Yukon, and anticipated to begin in Eastern Guatemala in October.

For further information on Radius and its properties, please call toll free 1-888-627-9378 or visit our new web site ([www.radiusgold.com](http://www.radiusgold.com)).

ON BEHALF OF THE BOARD

*"Simon Ridgway"*

Simon Ridgway, President & CEO

Investor relations: Ralph Rushton / Erin Ostrom

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Shares Issued: 73.1-million

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