



RADIUS
GOLD INC.

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RDU: TSX-V

news release

November 3, 2011

Radius Receives Conditional Approval for Rackla Spin Out

Vancouver, Canada: Radius Gold Inc. (TSX-V: RDU) is pleased to announce that it has received conditional approval from the TSX Venture Exchange for the planned spin out of its Yukon assets into a new company, which will be called Rackla Metals Inc. The implementation of the spin out is subject to Radius shareholder approval, court approval and Rackla Metals Inc. completing the listing requirements of the TSX-V.

The shareholders' meeting of Radius to approve this arrangement will be held on December 2nd, 2011, and a management proxy circular containing full details of the spin out will be sent to the shareholders next week.

Simon Ridgway, the Chief Executive Officer of Radius, commented, "The management and board of directors of Radius believe that the proposed spin out will maximize the value to our shareholders of the geographically diverse assets within Radius. Rackla Metals will focus on Canadian exploration, while Radius will return to its roots as a Central American play."

Spin Out Terms

The terms of the spin out provide that one common share and one warrant in Rackla will be issued for every three Radius shares held. Each Rackla warrant will entitle the holder to purchase one common share of Rackla at \$0.30 for a period of 18 months after listing of Rackla. An application will be made to have the Rackla warrants listed for trading on the TSX-V. Following completion of the spin out, Radius will hold a 19.9% ownership interest in Rackla Metals Inc.

Asset Split

Radius will retain ownership of all Latin American property and royalty interests, including the HB project, the Tambor Project and the geothermal licences in Guatemala, and also the Nicaraguan portfolio currently under option to B2Gold Corp. It will also hold the Mexican properties under option to Fortuna Silver Mines Inc. plus shares owned in other listed companies acquired in relation to various Latin American properties. Rackla Metals Inc. will hold all of the staked and optioned properties of Radius located in the Yukon Territory including the Sixty Mile district, the Rackla belt properties, the Ten Mile property and various equity interests in other public companies previously acquired by Radius pursuant to existing Yukon option agreements.

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

“Ralph Rushton”

Ralph Rushton,
Director & Vice-President, Corporate Development

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

Some of the statements in this news release contain forward-looking information that involves inherent risk and uncertainty affecting the business of Radius Gold Inc. Actual results may differ materially from those currently anticipated in such statement.