



**RADIUS**  
GOLD INC.

**RADIUS GOLD INC.**  
Suite 830-355 Burrard Street  
Vancouver, BC Canada V6C 2G8

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

Email: [info@radiusgold.com](mailto:info@radiusgold.com)  
[www.radiusgold.com](http://www.radiusgold.com)  
RDU: TSX-V

# news release

June 3, 2008

## Radius Signs Agreement to Develop its Tambor Gold Deposit

Vancouver, Canada: Simon Ridgway, the President of Radius Gold Inc. (TSX-V: RDU), is pleased to announce that the Company has signed a binding Letter of Intent with Kappes, Cassiday & Associates (“KCA”) to develop the high-grade Tambor gold deposit located in central Guatemala.

The agreement envisages an initial 150 tonne per day operation from both underground and surface pits, exploiting gold mineralization hosted by a series of high-grade mesothermal quartz veins and stockworks. Metallurgical test work by both Gold Fields and Radius indicates that most of the gold is coarse and free milling, and recoveries of up to 66 percent can be achieved using gravity concentration alone.

KCA is an established Reno-based firm that specializes in development, engineering and metallurgical plants for mining projects. It is currently designing three large projects in Mexico and one in Bolivia. It recently successfully completed the \$104 million Ocampo project in Mexico for Gammon Lake Resources.

*Simon Ridgway, President of Radius, quotes* “We are very pleased to have Kappes Cassiday as our partners at Tambor, who represent some of the best project development expertise in the industry. The agreement will allow us to begin the permitting process and advance the Tambor deposit to production at a time when the gold price shows continuing strength.”

### *Terms of the Agreement*

Radius owns 100 percent of the Tambor project. KCA can earn a 51 percent interest in Tambor by spending a total of \$6.5M on the property within 4 years through staged annual expenditure commitments, or by putting the property into commercial production within 4 years. When KCA has earned its 51 percent, a joint venture will be formed between KCA and Radius.

Once commercial production has been achieved, KCA will receive preferential payback of 75 percent (Radius 25 percent) of after-tax cash flow from initial production until it receives an amount equal to its investment, less \$2 million. At that point, Radius will receive 75 percent of the after-tax cash flow (KCA 25 percent) until it too receives the amount of preferential cash flow received by KCA, after which revenues will be split on a 51:49 basis (KCA:Radius).

### *Background on the Tambor Property*

Tambor was a grass roots discovery made by Radius in 2000. Gold mineralization is present as a series of quartz veins, typical of mesothermal lode gold systems and hosted within greenstones and phyllites.

The property was advanced by Radius’s former joint venture partner, Gold Fields, who explored and drilled on 3 separate zones: Guapinol South, Laguna Norte and Poza del Coyote.

Gold Fields commissioned Chlumsky, Armbrust and Meyer LLC (CAM) of Lakewood, Colorado to complete a National Instrument 43-101 compliant Resource Estimate, which returned an estimate of 57,800 ounces gold in the indicated category, and 216,200 ounces gold in the inferred category from the Guapinol South, Laguna Norte and Poza del Coyote zones, based on widely-spaced drilling, and using a 0.3 g/t cut-off. The mineralization at Guapinol South and Poza de Coyote shows potential for both underground and open-pit mining. The Laguna Norte deposit contains an open-pittable NI 43-101 compliant resource of 122,000 ounces gold, and drilling intersected intervals including 18.3m @ 12.2 g/t Au.

In 2007, an underground exploration drift and four cross cuts were completed by Radius at the Guapinol South zone which demonstrated the along strike continuity of the structure and the persistence of the high gold-grades in the quartz bodies. Crosscut CE-1, parallel to and 12.75m to the east of the main adit, cut a vein zone with 3 veins, where it assayed:

- 65.6 g/t Au over 4.45m from the vein zone on the East tunnel wall
- 25.8 g/t Au over 4.38m from the vein zone on the West tunnel wall

Results of metallurgical testwork performed on a 90kg sample collected from the main crosscut at Guapinol South (see press release October 22, 2007) were extremely encouraging. The work confirmed the free milling, coarse grained nature of the gold and its amenability to gravity pre-concentration as the principal method of recovery, with leaching of tails giving total recoveries of up to 98 percent. The test results were similar to those undertaken by Goldfields in 2003 on similar material from the Laguna Norte deposit.

The potential to define additional resources by exploration and development is deemed excellent, and targets include two parallel east-west trending +50ppb gold-in-soil anomalies over a 7km trend between Laguna North and Guapinol South.

### **Assay Protocol & Qualified Person**

The scientific and technical information in this release was prepared under the supervision of Mr. David Cass, Radius's Vice-President of Exploration, who is a member of the Association of Professional Engineers and Geoscientists of British Columbia, and a "Qualified Person" in accordance with National Instrument 43- 101.

### ***About Radius***

Radius Gold is a well-funded, Canadian junior gold explorer with a portfolio of exploration properties in Mexico, Nicaragua, Guatemala, Ecuador and Peru. The Company's strategy is to build value for shareholders by the identification, acquisition and exploration of early-stage properties that show significant potential for the discovery of gold. The Company is currently drill testing several of its projects in Nicaragua.

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

*The TSX Venture Exchange has not reviewed and does not take responsibility for the adequacy or accuracy of this release*

ON BEHALF OF THE BOARD

*"Simon Ridgway"*  
Simon Ridgway, President

Investor relations: Ralph Rushton / Erin Ostrom  
Symbol: TSXV-RDU; OTCBB-RDUFF  
Shares Issued: 53.5-million