



**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

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## Update on Tambor Gold Mine Project, Guatemala

*Vancouver, Canada:* Ralph Rushton, VP Corporate Development of Radius Gold Inc. (TSX-V: RDU), is pleased to provide an update on the Company's Tambor gold project in Guatemala. Good progress has been made by Radius's partner, Kappes, Cassidy & Associates (KCA), who reports that planning and engineering are well underway to put Tambor into production.

Simon Ridgway, the President of Radius, said: "Our partner, KCA, is making excellent progress in the engineering and development of our Tambor project. Much of the required plant has already been purchased and mine planning is well underway. We are now looking forward to commissioning the mine in 2010."

Radius has a production agreement with Kappes, Cassidy & Associates to develop the Tambor Gold Project into a 150 tonne per day gold mine, targeting production next year. The Tambor Gold Project is a grass roots Radius discovery with mineralization present in mesothermal quartz veins, hosted within greenstones and phyllites.

### Milling Plans

KCA is engineering the mill for a target capacity of 150 tonnes/day or 52,500 tonnes/yr. KCA is constructing the Tambor mill at its Reno Nevada facility, as a set of modular units mounted on 40-ft skids. To date, KCA has purchased the skids, a ballmill, and the flotation cells. A seven-person fabrication crew is currently engaged in building the mill plus an associated portable laboratory. KCA expects the mill to be completed and wet-tested in Reno to facilitate rapid installation on site. Crushing equipment is not yet purchased, but portable jaw and cone plants are commercially available and KCA expects to purchase one of these. KCA is aiming to begin gold production within 2 to 3 months after obtaining the mining permit.

### Permitting Process

In order to get the mining permits needed to develop Tambor, KCA will be submitting an environmental impact assessment (EIA) in November 2009. KCA has completed the mining and development plan which will also be submitted as part of the EIA. KCA anticipates that the relevant permits will be in place by May 2010 at which time mining operations can begin.

## Mining Plans

### *Guapinol South Underground*

KCA is planning to drive an incline suitable for small trackless mining equipment from the current face of the Guapinol South under-ground drift to the surface west of the Guapinol outcrop. The decline would parallel the ore in the hangingwall. Cross cuts into the mineralization will be driven on 12 meter vertical intervals, and then branched to become level drives in ore. Mineralization will be extracted using a simple shrinkage stoping method. The levels may be left open or backfilled depending on the stability of the walls.

### *Guapinol South Open Pit*

About one-third of the mineralization in the Guapinol South ore shoot will be mined from surface, and this will be done simultaneously with the underground mining.

### *Poza Del Coyote*

This area is not quite as well defined by drilling as Guapinol South, but appears to be a near-surface, more flat-lying system. Drilling indicates that Poza Del Coyote will provide about half the mill feed for the project mine life.

## Background on the Tambor Property

Radius owns 100% of the Tambor project which was discovered by Radius in 2000 and advanced by Gold Fields through a joint venture until 2003. 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).

The gold mineralization is classified as being of orogenic lode-gold type. Gold Fields drill tested the Guapinol, Laguna Norte, Poza del Coyote and Cliff zones, and a Technical Report prepared by Chlumsky, Armbrust and Meyer LLC of Lakewood Colorado (see Radius news release dated December 10, 2003) outlined a 43-101 compliant resource of 216,000 ounces of gold in inferred resources (2.55 million tonnes @ 2.64 g/t Au) and 57,800 ounces in indicated resources (456,000 tonnes @ 3.94 g/t Au) in three separate zones.

In 2007, an underground exploration drift and four cross cuts were completed at the Guapinol South zone, in order to provide information on the structural controls, continuity and grade of the high grade gold mineralization (See Radius news releases dated September 6 and October 22

2007). Crosscut CE-1, parallel to and 12.75m to the east of the main adit, intercepted 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

The main access adit also intercepted the vein on both sidewalls of the adit. The vein was sampled on both sidewalls of the adit and gave results of:

- 74.5 g/t Au over 3.40m\* from the vein on the east tunnel wall
- 77.7g/t Au over 2.40m from the vein on the west tunnel wall

\*includes 0.2m of quartz veining on HW

### Qualified Person

The scientific and technical information in this release was prepared under the supervision of 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 Inc. has been exploring for gold in Central America for nearly a decade, and management is currently assembling a portfolio of royalties on promising gold projects across the Americas. In Guatemala, under joint venture with Kappes Cassidy, Radius is developing a small, high grade gold mining operation on the Tambor project. Radius recently optioned the Nueva California project in Peru for 1-million shares in Focus Ventures and royalty interests in any future production from the project. In Nicaragua, B2Gold is exploring Radius's extensive land holdings and investigating early gold production opportunities from the Pavon project.

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

ON BEHALF OF THE BOARD

*"Ralph Rushton"*

Ralph Rushton, VP Corporate Development

Investor relations: Ralph Rushton / Erin Ostrom

Symbol: TSXV-RDU; OTCBB-RDUFF

Shares Issued: 53.5-million

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