RADIUS GOLD INC.
Form 20-F/A
May 15, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

AMENDMENT No. 2

[ ]

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

[X]

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2006**

OR

[ ]

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

OR

[ ]

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

Commission File Number:

001-32556

RADIUS GOLD INC.

(Exact name of Registrant as specified in its charter)

British Columbia, Canada

(Jurisdiction of incorporation or organization)

355 Burrard Street, Suite 830, Vancouver, British Columbia, Canada V6C 2G8

(Address of principal executive offices)

Securities to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name on each exchange on which registered
None	**None**

Securities to be registered pursuant to Section 12(g) of the Act:

Common Shares, without par value

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer s classes of capital or common stock as of the close of the period covered by the annual report. 53,385,988 Common Shares, no par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ___ No **X**

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ___ No **X**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 12 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past ninety days. Yes **X** No ____

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.

Large accelerated filer ___ Accelerated filer ___ Non-accelerated filer **X**

Indicate by check mark which financial statement item the registrant has elected to follow:

Item 17 **X** Item 18 ___

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No **X** N/A

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GLOSSARY OF TECHNICAL TERMS

In this Annual Report, the following technical terms have the following meanings:

vein , veinlet (small)	A tabular mineral deposit formed within or adjacent to faults or fractures by the deposition of minerals from hydrothermal fluids.
AA	Atomic absorption.
Adit	A passage driven horizontally into a mountainside providing access to a mineral deposit from the surface of the working of a mine.
Ag	The elemental symbol for silver.
alteration	The chemical and mineralogical changes in a rock mass resulting from the passage of hydrothermal fluids.
Anomalous or anomalies	A sample or location in which either (i) the concentration of an element(s) or (ii) geophysical response is significantly different from the average background values that typify an area.
anomaly	The geographical area corresponding to anomalous geochemical or geophysical values.
argillite	Unusually hard, fine-grained sedimentary rocks, such as shale, mudstone, siltstone, and claystone. Commonly black.
arsenopyrite	A sulphide of arsenic and iron.
As	The elemental symbol for arsenic.
Assay	An analysis to determine the presence, absence or quantity of one or more elemental components.
Au	The elemental symbol for gold.
Au Eq. g/t	Denotes gold equivalent grades: gold grade plus silver grades which have been converted to gold grades by using a ratio generally based on

	the prevailing spot prices of gold and silver.
auriferous	Containing anomalous concentrations of gold.

background	The average concentration of an element or typical geophysical response in an area.
breccia	A rock consisting of sharp fragments in fine grained material.
channel sample	A sample which has been collected by continuous sampling across a measured interval, and is considered to be representative of the area sampled.
Cretaceous.	The geologic period extending from 135 million to 63 million years ago.

development	Preparation of a mineral deposit for commercial production including installations of plant and machinery and the construction of all related facilities.
Diamond drill	A type of rotary drill in which the cutting is done by abrasion rather than percussion. The cutting bit is set with diamonds and is attached to the end of long hollow rods through which water is pumped to the cutting face. The drill cuts a core of rock which is recovered in long cylindrical sections, an inch or more in diameter.
dip	The angle which a geological structure forms with a horizontal surface, measured perpendicular to the strike of the structure.
epidote	Calcium, aluminium, iron silicate mineral commonly occurring in hydrothermally altered carbonate-bearing rocks.
epithermal	A term applied to high-level hydrothermal systems which form at depths of ~1 km to surficial hotspring settings.
exploration	The prospecting, mapping, sampling, remote sensing, geophysical surveying, diamond drilling and other work involved in the searching for ore bodies.
FA	Fire assay.
fault	A fracture in a rock across which there has been displacement.
fracture	Breaks in a rock, usually planar.
Gangue	Minerals that occur with ore minerals, but are sub-economic to recover.

Gold Dore	A gold and silver alloy produced at a mine prior to refinement into high purity metal.
GPS	Global Positioning System a space based satellite positioning system whereby receiver units on the ground or in the air use triangulation from known satellite signals to derive a location in three dimensional

	space.
graben	A downthrown block between two parallel faults.
grab sample	A sample of selected rock chips collected from within a restricted area of interest.
grade	The concentration of an ore metal in a rock sample, given either as weight percent for base metals (e.g. Cu, Zn, Pb) or in grams per tonne (g/t) or ounces per short ton (oz/t) for precious metals. The grade of an ore deposit is calculated, often using sophisticated statistical procedures, as an average of the grades of a very large number of samples collected from throughout the deposit.
g/t	Grams of per metric tonne. Usually used in association with gold or silver.
Heap leach	A process used for the recovery of metals from crushed ore in heaps using a suitable leaching solution.
ha or hectare	An area totaling 10,000 square metres.
Hg	The elemental symbol for mercury.
highly anomalous	An anomaly which is 50 to 100 times average background.
Host rock	The body of rock in which mineralization of economic interest occurs.
hydrothermal	Pertaining to hot fluids, dominantly water, in the earth s crust which may carry metals and other compounds in solution to the site of ore deposition or wall rock alteration.
ICP	A type of assay technique.
intrusive	A rock mass formed below earth s surface from magma which has intruded into a preexisting rock mass

limonite (limonitic)	A mixture of hydrated iron oxides and iron hydroxides. (Pertaining to or containing limonite.)
mesothermal	

A hydrothermal ore deposit typically a vein system- formed at intermediate temperatures (200-300ºC) and pressures/depths.

mineral resource,

measured mineral resource,

indicated mineral resource,

inferred mineral resource

Under CIM standards, a mineral resource is a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the earth s crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge.

The terms mineral resource , measured mineral resource , indicated mineral resource , and inferred mineral resource used in this Joint Information Circular are mining terms defined under CIM standards and used in accordance with Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects. They are not defined terms under United States standards and generally may not be used in documents filed with the SEC by U.S. companies. See Joint Information Circular Notice to United States Securityholders .

A mineral resource estimate is based on information on the geology of the deposit and the continuity of mineralization. Assumptions concerning economic and operating parameters, including cut-off grades and economic mining widths, based on factors typical for the type of deposit, may be used if these factors have not been specifically established for the deposit at the time of the mineral resource estimate. A mineral resource is categorized on the basis of the degree of confidence in the estimate of quantity and grade or quality of the deposit, as follows:

inferred mineral resource: Under CIM standards, an inferred mineral resource is that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

indicated mineral resource: Under CIM standards, an indicated mineral resource is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine

planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

measured mineral resource: Under CIM standards, a measured mineral resource is that part of a mineral resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

mineralization	Minerals of value occurring in rocks.
Mt	A million tonnes.
ore	A natural aggregate of one or more minerals which, at a specified time and place may be mined, processed and sold at a profit, or from which some part may profitably be separated.
Ounce / oz	Troy ounce, equal to approximately 31.103 grams.
outcrop	An exposure of rock at the earth s surface.
Paleozoic	The geological era ranging from 600 million to 230 million years ago.
phyllite	A cleaved metamorphic rock having affinities to both schists and slates.
Pleistocene	A division of the Tertiary period.
Pliocene	A division of the Tertiary period.

pseudomorph	One mineral occurring in the crystal form of another.
quartz	A common rock-forming mineral (SiO2) that is frequently a dominant constituent of veins, especially those containing gold and silver mineralization.
Quaternary	The latest period of geological time in the stratigraphic column from 0 to 2 million years ago.
RC	Reverse Circulation drilling.
rhyolite	A silica-rich volcanic rock chemically equivalent to granite. Usually light colored, very fine-grained or glassy-looking.

Sb	The elemental symbol for antimony.
scorodite	A hydrated iron arsenate, oxidation product of arsenopyrite.
sericite	A white variety of muscovite mica.
Silicification / silicified	Complete or partial replacement of a rock by quartz, often during hydrothermal alteration.
Stibnite	An antimony sulphide mineral.
stockwork	A densely packed network of small veins, veinlets or fissures which may be filled with mineralized material.
strike	Azimuth of a plane surface aligned at right angles to the dip of the plane used to describe the orientation of stratigraphic units or structures.
Tertiary	The geological period extending from the end of the Cretaceous (65 million years ago) to approximately 2 million years before the present time.
Tl	The elemental symbol for thallium.
Tonne	A metric tonne, 1000 kilograms or 2,204.6 pounds.
travertine	Calcium carbonate deposited by precipitation from carbonate-saturated waters, particularly from hot springs.
UTM	The UTM (**U**niversal **T**ransverse **M**ercator) system is a world-wide geographic coordinate system defined in meters.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements within the meaning of section 21E of the United States Securities Exchange Act of 1934, as amended (the Exchange Act), which represent expectations or beliefs of the Company about future events. These statements can be identified generally by forward-looking words such as expect , believe , anticipate , plan , intend , estimate , may , will or similar words. Information concerning the inte drill results and mineral resource estimates also may be deemed to be forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those described in Item 3.D. of this Annual Report under the heading, Risk Factors , and elsewhere in this Annual Report.

The Company s forward-looking statements contained in this Annual Report are made as of the respective dates set forth in this Annual Report. Such forward-looking statements are based on the beliefs, expectations and opinions of management as of the date the statements are made. The Company does not intend to update these forward-looking

statements. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

PART I

Item 1.

Identity of Directors, Senior Management and Advisers.

A.

Directors and Senior Management.

Not Applicable

B.

Advisers.

Not Applicable

C.

Auditors.

Not Applicable

Item 2.

Offer Statistics and Expected Timetable.

Not Applicable

Item 3.

Key Information.

A.

Selected Financial Data.

The following tables set forth and summarize selected consolidated financial data for the Company, prepared in accordance with Canadian generally accepted accounting principles (Canadian GAAP). The tables also summarize certain corresponding information prepared in conformity with United States generally accepted accounting principles (U.S. GAAP). Canadian GAAP, as applied to the Company, materially differs from U.S. GAAP, as set forth in Note 14 to the Consolidated Financial Statements of the Company.

The information presented in the tables was extracted from the financial statements of the Company. The information presented for the fiscal years ended December 31, 2006, 2005 and 2004 and as at December 31, 2006, 2005 and 2004 was extracted from financial statements of the Company which were audited by Amisano Hanson, Chartered Accountants.

The selected financial data should be read in conjunction with Item 5, Operating and Financial Review and Prospects and in conjunction with the Consolidated Financial Statements of the Company and the Notes thereto contained elsewhere in this Annual Report. The Company s fiscal period ends on December 31 of each year.

The following is a summary of certain selected financial information for the Company s most recently completed fiscal year and for the Company s four preceding fiscal years.

Canadian GAAP

Under Canadian GAAP resource property acquisition costs and exploration costs may be deferred and amortized to the extent they meet certain criteria. Under US GAAP, resource property acquisition costs are considered tangible assets and must be capitalized unless the resource properties do not have proven reserves. The Company has expensed resource property cost as incurred and will capitalize resource property acquisition costs when it has been determined that a resource property can be economically developed as a result of a final feasibility study establishing proven and probable reserves. Costs incurred prospectively to develop the property are capitalized as incurred and are amortized using the units of production method over the estimated life of the ore body based on estimated recoverable ounces mined from proven and probable reserves. Therefore, additional expenses are required under US GAAP for the years ended December 31, 2006, 2005 and 2004.

The following information has been reconciled for U.S. GAAP. See Note 14 to the Consolidated Financial Statements of the Company.

	(CDN$ in 000, except per share data)				
	As at 12/31/06	As at 12/31/05	As at 12/31/04	As at 12/31/03	As at 12/31/02
Working Capital	10,830	13,765	17,071	14,795	1,952
Resource Properties (Cdn GAAP)	13,438	13,732	16,820	7,657	6,714
Resource Properties (US GAAP)	0	0	0	0	0
Long Term Debt (Cdn GAAP)	0	0	0	0	0
Long Term Debt (Cdn GAAP)	0	0	0	0	0
Shareholder s Equity (Cdn GAAP)	(24,599)	(27,881)	(34,265)	(22,606)	(8,707)
Shareholders Equity (US GAAP)	(11,161)	(14,149)	(17,445)	(14,948)	(1,993)
Total Assets (Cdn GAAP)	24,823	28,168	34,612	23,108	8,826
Total Assets (US GAAP)	11,385	14,436	17,792	15,450	2,112
Revenue	0	0	0	0	0
Net Income(Loss) (Cdn GAAP)	(4,564)	(6,679)	(3,908)	(1,722)	(643)
Earnings(Loss) Per Share (Cdn GAAP)	(0.09)	(0.13)	(0.09)	(0.06)	(0.04)
Net Income(Loss) (US GAAP)	(4,218)	(3,338)	(12,969)	(2,601)	(2,384)

Earnings (Loss)Per Share (US GAAP)	(0.08)	(0.07)	(0.29)	(0.09)	(0.14)
Dividends Per Share (Cdn GAAP)	0	0	0	0	0
Dividends Per Share (US GAAP)	0	0	0	0	0
Wtd.Avg.No.Shares (Cdn GAAP)	52,991	52,899	44,917	28,446	18,056
Wtd.Avg.No.Shares (US GAAP)	52,991	52,899	44,917	28,446	17,306

Except where otherwise indicated, all information extracted from or based on the Consolidated Financial Statements of the Company are presented in accordance with Canadian GAAP.

No dividends have been declared in any of the years presented above.

Exchange Rate Information

In this Annual Report, unless otherwise specified, all dollar amounts are expressed in Canadian Dollars. References in this document to $ and CDN$ refer to Canadian dollars, unless otherwise specified; and references to US$ refer to US dollars.

The following table sets forth the high and low rates of exchange for the Canadian dollar, expressed as Canadian dollars per U.S. dollar, for each month during the previous six months and the average of such exchange rates during the five most recent years ended December 31. The average rates presented in the table below represent the average of the exchange rates on the last day of each month during a year for the past five fiscal years. Exchange rates represent the noon buying rate in New York City for cable transfers payable in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York. The noon rate of exchange on June 8, 2007 as reported by the United States Federal Reserve Bank of New York for the conversion of Canadian dollars into United States dollars was US$1.00 = CDN$1.0622.

	Exchange Rate U.S. Dollars into Canadian Dollars	
	High	**Low**
Month ended May 31, 2007	$1.1136	$1.0701
Month ended April 30, 2007	$1.1583	$1.1068
Month ended March 31, 2007	$1.1810	$1.1530
Month ended February 28, 2007	$1.1852	$1.1586
Month ended January 31, 2007	$1.1824	$1.1647
Month ended December 31, 2006	$1.1652	$1.1415

	Average
Fiscal year ended December 31, 2006	$1.1307
Fiscal year ended December 31, 2005	$1.2083
Fiscal year ended December 31, 2004	$1.3015
Fiscal year ended December 31, 2003	$1.4015
Fiscal year ended December 31, 2002	$1.5704

B.

Capitalization and Indebtedness.

Not Applicable

C.

Reasons for the Offer and Use of Proceeds.

Not Applicable

D.

Risk Factors.

No Guarantee of Success of Business

There is no assurance that the business of the Company will be successful.

Foreign Countries and Regulatory Requirements

The mineral projects in which the Company has an interest are located in Nicaragua, Guatemala, Mexico and Ecuador. Mineral exploration and mining activities in these countries may be affected in varying degrees by political instability and government regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Future operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriations of property, environmental legislation and mine safety.

Exploration and Mining Risks

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At present, there are no known bodies of commercial ore on any of the Company s properties and the proposed exploration programs are an exploratory search for ore. Unusual or unexpected formation, formation pressures, fires, power outages, labour disruptions, flooding, explorations, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs. Although the management of the Company has experience in the exploration and development of mineral properties, it has relied on and may continue to rely upon consultants and others for exploration and operating expertise. The economics of developing mineral properties is affected by many factors including the cost of operations, variation of the grade of minerals mined and fluctuations in the price of any minerals produced.

Financing Risks

The Company may not have enough financial resources to complete its currently planned work programs on its properties. There is no assurance that sufficient funding will be available to it for all of such work programs or for the further properties that the Company may acquire. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its

projects with the possible loss of such properties.

Uninsurable Risks

Hazards such as unusual or unexpected formations and other conditions are involved in mineral exploration and development. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the Company s financial position.

Titles to Property

While the Company has obtained the usual industry standard title reports with respect to its properties which confirms ownership and that there are no registered encumbrances against the properties, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects or native land claims.

Permits and Licenses

The operations of the Company may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

Mineral Prices

Even if the Company s exploration programs are successful, factors beyond the control of the Company may affect the marketability of any minerals discovered. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Company s control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

Competition

The mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for the recruitment and retention of qualified employees.

Item 4.

Information on the Company.

A.

History and Development of the Company

The Company was incorporated under the name Radius Explorations Ltd. on September 9, 1997 pursuant to the British Columbia Company Act by registration of its Memorandum and Articles. On July 1, 2004, the Company and PilaGold Inc. amalgamated (the Amalgamation) under the British Columbia Business Corporations Act by registration of a Notice of Articles with the new name Radius Gold Inc. . See Item 4D, Property, Plant and Equipment, for information regarding capital expenditures made by the Company on its properties.

B.

Business Overview.

The Company is a natural resource property exploration company in the exploration stage with no history of cash flows from operations. In 1997, it commenced activities by carrying out exploration work in the Yukon Territory, Canada. In 1999, the Company changed its focus to Latin America and acquired property interests in Mexico and Guatemala. In February, 2001, the Company and its joint venture partner, Barrick Gold Corporation, decided to discontinue exploration work on the El Salitre Project in Mexico. In 2003, the Company commenced exploration in Nicaragua, and as a result of the Amalgamation in 2004, acquired property interests in the Dominican Republic. Also in 2004, the Company returned to Mexico to investigate several prospective properties. In 2005, the Company conducted property investigations in Colombia and Argentina, and in 2006, acquired an interest in a property in Ecuador.

Currently, the Company has property interests in Guatemala, Nicaragua, Mexico and Ecuador. Its exploration activities are largely focused in Nicaragua and Mexico, with some ongoing low-level activity in Guatemala and Ecuador. (See Property and Equipment, below, and Note 5, Notes to the Financial Statements).

Presently, the Company is in the exploration stage and its properties do not contain a known commercially viable minable deposit. There is no assurance that a commercially viable mineral deposit exists on any of the Company s properties, and further exploration is required before a final evaluation of the economic and legal feasibility is determined.

C.

Organizational Structure.

The following table sets forth the name of each material subsidiary of the Company, the jurisdiction of its incorporation and the direct or indirect percentage ownership by the Company of such subsidiary.

Name	Date of Incorporation	Jurisdiction	Percentage Owned
Exploraciones Minera de Guatemala, S.A.	July 5, 1996	Guatemala	100%
Minerales Sierra Pacifico, S.A.	November 17, 1999	Guatemala	100%

Minerales de Nicaragua S.A.	November 18, 2002	Nicaragua	100%
Radius (Cayman) Inc.	January 31, 2005	Cayman Isl.	100%
Pavon (Cayman) Inc.	January 31, 2005	Cayman Isl.	100%
Geometalos Del Norte-Geonorte	May 2, 2005	Mexico	100%

D.

Property and Equipment

The Company holds rights to properties in Guatemala, Nicaragua and Mexico, as set out in the following map and more particularly described below:

Guatemala

In Guatemala, exploration concessions are granted for an initial period of three years. Thereafter, an extension of two years may be obtained, and then a final extension of two years, for a total of seven years. Thereafter, the concession is

either converted to an exploitation concession, or forfeited.

In order to keep its properties in Guatemala in good standing, the Company must pay filing fees to the Guatemala government, paid annually in advance, equal to US$48.81 per square kilometer, or fraction thereof, for the first three years after the granting of a concession, and US$97.62 per square kilometer, or fraction thereof, for the fourth and fifth years, if so extended, and US$146.43 per square kilometer, or fraction thereof, for the sixth and seventh years, if so extended. The Company must also file annual exploration reports.

1.

Tambor Project

The Tambor Property consists of 5 exploration concessions located in south-central Guatemala as set out in the following map:

The concessions are described as follows:

Name	Size (Acres)	Expiry Date
Santa Margarita (includes former concession Unidad Tipo)	5,189.18	Extension to Feb. 4, 2009 requested
Carlos Antonio	889.57	November 11, 2007
El Injerto	123.55	October 31, 2007
La Laguna	494.21	October 29, 2007
Progreso VII	9,172.97	November 6, 2008
	15,869.48	

The Company entered into an agreement in 2001 with Orogen Holding (BVI) Limited (Orogen), an affiliate of Gold Fields Explorations Inc., pursuant to which Orogen acquired the right to acquire a 55% beneficial interest in the Tambor Project in consideration for incurring exploration expenses of at least US$5,000,000. Orogen subsequently conducted exploration work on the Tambor Project in the approximate amount of US$3,250,000. In 2003, the Company re-acquired from Orogen all of its interest in the Tambor Project in consideration for the issuance and delivery of 1,300,000 common shares of the Company (issued) to Orogen.

During the year ended December 31, 2004, the Company granted an option to Fortuna Silver Mines Inc. (Fortuna) to earn a 60% interest in the El Tambor Project in consideration of Fortuna incurring exploration expenditures totalling

US$4,000,000 over four years. During the year ended December 31, 2005, this agreement was terminated by Fortuna.

George A. Armbrust, PhD., CPG of the firm, Chlumsky, Armbrust and Meyer, LLC of Lakewood, Colorado, prepared a National Instrument 43-101 Technical Report compliant gold resource estimate on the Tambor Project for Radius. That report is dated January 7, 2004 and there are no material changes to the property since the date of this report. The Technical Report has been filed in SEDAR.com. The following is a summary, prepared by Greg Smith, B.Sc., PGeo of the Technical Report, prepared by George A. Armbrust, PhD., CPG.

During late 2006, the Company initiated the planning and development of an underground exploration adit on the Guapinol zone at Tambor.

Exploration and Development History

The Tambor Project is located in south-central Guatemala. Tambor is a metasediment and greenstone hosted, structurally controlled mesothermal lode gold deposit. Quartz-gold-arsenopyrite mineralization occurs in veins and breccias localized by kink bands in sheared host rocks. The project hosts at least 13 gold-bearing mineral occurrences spread over a 14km by 6km area.

The Tambor property received progressively more-detailed work programs between 2000 and 2003. The bulk of the work was completed by Gold Fields Ltd who formed a joint venture with The Company in 2001 to explore the property. The initial exploration program included the establishment of 100 line-kilometers of grid and soil sampling. A total of 3,958 soil samples were collected over an 11 square kilometer area. The grid area was also geologically mapped and over 1,400 rocks samples were collected along the 7-kilometer gold trend.

Early work focused on the Bella Vista area, including the Laguna North, Laguna South and JNL targets and on the Tierra Blanca area, all in the western end of the JV property. In the Bella Vista area, 15 hand trenches were excavated on six of the nine known soil anomalies.

During 2002, Gold Fields conducted initial scout drilling on seven areas, mainly on the western end and east end of the JV properties. Of these seven areas, only the Laguna North area has received follow up drilling. In the final months of 2002, high grade quartz vein hosted mineralization with visible gold was located at Guapinol South. Hand excavated trenches there returned values up to 10.1m of 31g/t Au in trench GP-5.

In early 2003, Gold Fields made a new high grade discovery 200 m east of the Guapinol South veins in an area called Poza del Coyote. The first trench on this zone returned a high-grade core of 10.93m at 66.83 g/t Au within a broader lower grade mineralized zone. An initial ten-hole reverse circulation (RC) drilling program returned high grade intercepts in five holes with moderate-grade intercepts in four additional holes.

After completing the first stage drilling at Poza del Coyote, Gold Fields moved a core drill onto the Guapinol South area and had completed 31 core holes by the end of July 2003. About half the holes had high grade intercepts, although some were fairly narrow (1.5 to 2.0 meter core length). The core drill was then moved to Poza del Coyote and the Cliff Zone between there and Coyote. The results from the cliff zone returned some high grade intercepts.

In late 2003, the Company commissioned Chlumsky, Armbrust and Meyer (CAM) to complete a resource estimate on Tambor which was completed (see above).

During February and March 2004, the Company completed a geophysical orientation survey over the Tambor gold project in Guatemala. The survey was designed to test the suitability of a new 3D Induced Polarization (IP) method to locate additional mineralization. At total of 18 line km of surveying was completed on the Guapinol and Laguna Norte zones, over drill sections containing known mineralized intercepts. Initial interpretations suggest that there is a correlation between the known geochemical anomalies and the 3D IP geophysical anomalies.

Management is currently investigating various options for advancing Tambor in the context of recent developments in the gold price. Options include: i) additional exploration of the property by Radius, with bulk sampling of the higher grade quartz lenses completed from limited underground development; and ii) looking for another joint venture partner, such as an established mid-cap gold producer, to advance the project to development. The broader land package at Tambor also includes a number of high priority gold-in-soil anomalies which have yet to be drill tested and that have potential to add to the known resources at Tambor.

Radius is conducting an underground exploration program at the Tambor Project in Guatemala. Tambor hosts an orogenic lode gold belt, discovered by Radius in 2000.

Geology, Mineral Deposits and Resources

Current understanding of the gold mineralization on the Tambor property suggests that it is a classic example of an orogenic (mesothermal) lode gold deposit. Specifically, Tambor is a metasediment and greenstone hosted, structurally controlled mesothermal lode gold deposit. Quartz-gold-arsenopyrite mineralization occurs in veins and breccias localized by kink bands in sheared host rocks. The project hosts at least 13 gold-bearing mineral occurrences spread over a 14km by 6km area.

Gold mineralization is associated with the convergence of the North American and Caribbean plates along major structures which evolved from transpressional to transcurrent movement. Mineralization is post-peak metamorphism. The gold zones are structurally controlled discordant veins, quartz-crush zones and vein stock works associated with

shear zones.

Gold Fields prepared several resource estimates for Tambor JV properties but has not made them public. The main part of the resource is in the Guapinol South, Cliff and Poza del Coyote area.

In December 2003, Chlumsky, Armbrust and Meyer LLC (CAM) of Lakewood Colorado completed a NI43-101 compliant gold resource estimate for the Tambor Gold Project. Tambor contains 216,000 ounces of gold in inferred resources and 57,800 ounces in indicated resources, according to the independent resource estimate prepared by George A. Armbrust, Ph.D. CPG, Kenneth L. Meyer, Robert L. Sandefur P.E. and William Walker, PhD of CAM.

George A. Armbrust, PhD., a consulting geologist and a Registered Geologist with the State of Wyoming (PG-2903), is the Qualified Person responsible for the preparation of the technical report. The CAM report serves as an independent report prepared by a Qualified Person as defined by the Canadian National Instrument 43-101 and the Companion Policy 43-101CP. The definitions of the measured, indicated and inferred resources conform to CIM Guidelines as defined in CIM Standards on the Mineral Resources and Reserves Definitions and Guidelines, dated August 20, 2000.

To assess the mineable continuity of a deposit and hence how far resources may reasonably be projected, CAM used indicator variograms at an approximate mining cutoff. Using reasonable economic criteria in effect when the resource estimate was prepared in late 2003 of: a gold price of $250 per ounce; gold recovery of 70% for a heap leach operation; and an operating cost of $4.00 per tonne, results in a calculated economic cutoff grade of 0.5 g/t Au. For purposes of the initial resource assessment, a cutoff grade of 0.3 g/t Au was selected.

CAM is of the opinion that using a cutoff grade of 0.3 g/t Au is appropriate for resource estimation because of the demonstrated continuity of gold mineralization at this grade. Material included in the resource having a grade between 0.3 g/t Au and 0.5 g/t Au can be considered internal dilution that may need to be mined with the ore. The average grade of the resource estimate at the 0.3 g/t Au cutoff is 2.83 g/t Au, well above the economic cutoff grade. It should be noted that selection of a final cutoff for the deposit will require detailed metallurgical testing.

CAM s resource estimate is tabulated below:

Cautionary Note to U.S. Investors concerning estimates of Indicated Resources

This section uses the term indicated resources . We advise U.S. investors that while those terms are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize them. **U.S. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves.**

Tambor: Indicated Resource Estimate

Area	**Tonnes**	**Grade (g/t Au)**	**Contained Gold (Ounces)**
Guapinol South Cliff Zone	336,000	3.910	42,200