



Escape options 100% of KAN Sedex Pb/Zn/Ag project with Homestake style gold targets

January 31, 2011 – Escape Gold Inc. (the "Company") is pleased to announce that it has entered into a letter of intent with Les Ressources Tectonic Inc. ("Tectonic"), with respect to an option (the "Option") to acquire a 100% undivided interest in the KAN property (the "Property") located in Nunavik Territory, northern Quebec.

The Property is 100% owned by Tectonic and is comprised of 68 claims, totalling 3,135 hectares covering 10km of favourable stratigraphy in the northern part of the Labrador Trough, located approximately 90km southwest of Kuujuaq, Quebec.

Early exploration on the property was initiated by Cominco Ltd. (Cominco) in 1965 with the discovery of a massive sulphide showing located under a sphalerite-galena-pyrite, glacial boulder train. Limited drilling by Cominco at the time failed to define the extensions of this sedimentary exhalative (Sedex) base metal showing. Work resumed in 1993-1996 by Kennecott Canada Inc. (Kennecott) and then in 1999-2000, Noranda Exploration Ltd. (Noranda). Kennecott discovered two more massive sulphide boulder trains located within 1.5km of the original discovery. The average grade of 28 of these boulders is 7.7% lead, 9.7% zinc, 276g/t silver and 0.65g/t gold. Dimensions of some of these boulders reach more than 2 meters across and their angular shapes point to local sources.

While Sedex base metals were the focus of exploration work on the Kan Property, several gold showings were recorded in the historic assessment reports. The first gold occurrences were located during a Labrador Trough precious metals reconnaissance campaign done by Noranda in 1987-88. Six grab samples reporting grades from 1.10g/t gold to 9.20 g/t gold were collected from an iron formation ridge located 1.5km east of the Kan showing. There was no follow-up done on these gold results and this area will be a priority target for Escape.

In 1993, during base metal reconnaissance work, Kennecott discovered a quartz vein cross-cutting iron formations located 7km NW of the Kan showing. This vein (the Ferricrete showing) reported surface channel assays of up to 280.8g/t gold over 0.30m and 143.4 g/t gold over 0.40m. Four holes were drilled under the showing to test both the vein and the host iron formations. Results from the drilling are reported below:

K94-11: 4.14g/t Au over 3.8m
K94-12: 6.29g/t Au over 3m and 1.24g/t Au over 2m
K94-21: 5.07g/t Au over 6m and 3.64g/t Au over 4m
K94-22: 4.01g/t Au over 1m and 1.64g/t over 1m.

Compilation by Les Ressources Tectonic of a Kennecott's B-horizon soil survey reported a strong gold anomaly extending 800m along the iron formation with several individual values of more than 1000ppb gold. The drilling was restricted to 100 meters of strike length and the intersected zones are wide open in all directions.

In the Southern part of the Property and within a radius of 2km of the Kan showing, drilling aimed at testing favorable stratigraphy hosting the base metal mineralization also intersected several iron formation sections reporting anomalous gold grades. Grades of 1.60g/t Au over 2.90m (Hole KE-00-12), 1.06g/t Au over 4.0m and 9.46g/t Au over 2.0m (Hole K94-16) and 6.72 g/t Au over 2.0m (Hole K94-13) were reported.

This compilation of the extensive database produced by Cominco, Kennecott and Noranda led to the definition of two strong gold in soil anomalies coincident to previously mapped folded iron formation units. The North anomaly extends 1000m by 75 to 200m and the South anomaly has an extension of 600m by 100m. Both show several impressive individual values higher than 1000ppb gold. The North and South gold anomalies are located respectively 1.4km NW and 0.80km West of the Kan showing.

All the gold showings located on the Property are hosted by extensive Proterozoic iron formation units similar in age and composition to the massive Homestake gold deposit located in South Dakota. The Homestake mine has produced more than 40M oz of gold during its operating history.

Exploration work planned for 2011 will begin with an extensive review and compilation of the historical Sedex exploration data. Geological mapping and prospecting will be conducted over the Homestake style gold anomaly within the iron formation with the objective of generating drill targets to be drilled as warranted and prospecting for the source of the known Pb/Zn/Ag boulder trains.

The Option requires the Company to pay an aggregate of \$105,000 and issue an aggregate of 650,000 common shares to Tectonic over the course of four years. The Company is also required to conduct aggregate exploration expenditures in the amount of \$750,000 over four years. The Option will be subject to a 2% net smelter royalty in favour of Tectonic. 1% can be repurchased for \$500,000 on or before the fourth anniversary date or \$1,500,000 thereafter. The completion of the transaction is also subject to a number of other conditions, including the acceptance by the TSX Venture Exchange. Any securities of the Company issued in connection with the transaction will be subject to a four month hold period.

T. John Magee, P.Geo., President and CEO of Escape is the Qualified Person who has reviewed and is responsible for the technical data contained in this news release.

ON BEHALF OF THE BOARD OF DIRECTORS OF
ESCAPE GOLD INC.

T. John Magee

Director

Neither the TSX Venture Exchange nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.

For further information please contact:

T. John Magee, President and CEO

Phone: (647) 436-0093

Website: www.escapegold.com