



## **Escape Gold closes Rio Silver Acquisition**

**May 31, 2011, Toronto, Ontario, Canada-** Escape Gold Inc. (TSX-V: EGT) (the "**Company**") is pleased to announce that the Company has closed the acquisition of Rio Silver Exploration Ltd. ("**Rio Silver**") following the Company's initial announcement on March 7, 2011 of the acquisition (the "**Acquisition**") of 100% of the outstanding shares of Rio Silver and its wholly owned Peruvian, subsidiary, Minera Rio Plata S.A.C.

Rio Silver's subsidiary, Minera Rio Plata S.A.C. owns the mineral rights to several silver and gold exploration properties totaling in excess of 7,200 hectares. Each of the projects is owned 100% by Minera Rio Plata with no royalties or exploration expenditure commitments. The Company is looking forward to working in Peru and has begun the compilation of the exploration data base acquired in this Acquisition. None of the projects have been explored since early 2003 when silver was trading in the US \$5 per ounce range.

Rio Silver's founding shareholder, Jeff Reeder, P.Geo., is also the President and CEO of Duran Ventures Inc. and has over 17 years of exploration success in Peru. Mr. Reeder was the founder of the Aguila copper molybdenum porphyry project in northern Peru and he has agreed to join the Board of Director's of the Company.

### **Terms of the Acquisition**

Pursuant to the Acquisition, the Company acquired 10,940,001 common shares of Rio Silver representing all of the issued and outstanding share capital of Rio Silver in consideration for issuing CDN \$1,200,000 in Escape common shares at a deemed price of \$0.22 for a total number of shares to be issued to Rio Silver being 5,545,545 through a three-cornered amalgamation involving the Company's wholly-owned subsidiary amalgamating with Rio Silver to form an amalgamated company, which will be a wholly-owned subsidiary of the Company.

The Company received approval from the TSX Venture Exchange (the "**Exchange**") for the transaction and the securities of the Company to be issued on the Acquisition will be subject to a four month hold period expiring on September 26, 2011. The Company also announces that it has granted, under its Share Option Plan, incentive stock options to certain directors, officers and consultants to the Company to purchase 900,000 common shares. The options will be exercisable for a period of up to five years from the date of grant at a price of \$0.25.

### **Investor Relations Contract**

The Company has also received Exchange approval for the Investor Relations contract (the "**Contract**") with Bay Street Connect (the "**Consultant**") [www.baystreetconnect.com](http://www.baystreetconnect.com) to provide investor relations and corporate communications services to the Company. The Contract has a term of twelve months and under the Contract the Company has agreed to pay the Consultant \$4,000 per month and grant 300,000 options exercisable at \$0.25 for a period of two years. These options shall be governed by the Company's option plan, vest quarterly and comply with Policy 4.4 of the Exchange. The Consultant and its principal, Gaspare Garisto, operating out of Toronto, Ontario, provide corporate development and investor relations services, are at arm's length to the Company.

## **Niñobamba silver project:**

The 900 hectare Niñobamba silver project is located approximately 330 km southeast of Lima in the Department of Ayacucho, Peru. The Niñobamba claim block is adjacent to claims owned by Southern Peru Copper and Newmont, in an historic, mining friendly jurisdiction.

Originally explored by AngloGold Exploracion Peru S.A.C. ("**Anglo**") in 2001, Anglo focused on an area of intense hydrothermal surface alteration and drilled five widely spaced core holes totaling 861metres. Anglo's drilling highlights included DDH-2 which reported assay results of 87 gpt silver over a drilled interval of 130 metres starting from a depth of 9 metres and DDH-4 reporting 54 gpt silver over a drilled interval of 96 metres starting from 23 metres. In 2003 Bear Creek Mining signed an option agreement to earn a 60% joint venture interest from Anglo and an additional eight holes were drilled totaling 1001 metres. Results of this limited exploration program outlined two distinct zones of silver mineralization reported to be open along strike and at depth. This new geological information has been interpreted by Rio Silver's geologist's as a high sulphidation epithermal silver system in parallel, north-east trending structures hosted within a Tertiary volcanoclastic unit.

Rio Silver's geologists have worked closely with the Company and have defined the highest priority drill targets for the initial exploration program. The Company will now consult with all local stakeholders in anticipation of permitting a 2011 drill program.

T. John Magee, P.Geo., President and CEO of the Company 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.***

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