



## **Escape Gold announces Private Placement**

**June 2, 2011, Toronto, Ontario, Canada-** Escape Gold Inc. (TSX-V:EGT) (the "Company") is pleased to announce a non brokered private placement ("the Offering") of up to 2,000,000 Flow Through Units ("FT Units") and 2,000,000 Non Flow Through Units ("NFT Units") for gross proceeds of up to \$1,000,000, with an over-allotment right to further increase the Offering by up to 15%. Each FT Unit will be offered at \$0.25 per unit and will consist of one common share and one half common share purchase warrant. Each full warrant entitles the holder to acquire one non flow through common share at a price of \$0.40 per share for a period of two years from closing.

Each NFT Unit will be offered at \$0.25 per unit and will consist of one common share and one common share purchase warrant. Each warrant will entitle the holder to acquire one common share at a price of \$0.40 per share for a period of two years from closing.

The proceeds from the Flow Through Units will be used to incur eligible Canadian Exploration Expenses ("CEE") as defined by the Income Tax Act (Canada), at the KAN Au, Pb-Zn-Ag project in the Labrador Trough area of Northern Quebec. Proceeds from the NFT Units will be used for general corporate purposes. The Company will pay certain finders' fees in connection with a portion of the Offering pursuant to Exchange policies. The securities issued herein will be subject to a four month statutory hold period. The closing of the Offering is subject to the approval of the TSX Venture Exchange.

### **KAN Au, Pb-Zn-Ag project**

The 7200 hectare KAN project is located in the northern sector of the Labrador Trough approximately 85 km SW of Kuujuaq, Nunavik Territory, Quebec.

Early exploration on the property was initiated by Cominco Ltd. in 1965 with the discovery of a massive sulphide showing located under a sphalerite-galena-pyrite, glacial boulder train. Kennecott Canada Inc. sampled 28 of these boulders and the average reported grade was 7.7% lead, 9.9% zinc, 276g/t silver and 0.65 g/t gold. The Chain Lakes area of the KAN project has been the focus of the historical exploration programs in search of the source of the known lead/zinc/silver boulder trains. Mapping of glacial features in outcrop and the size and shape of these boulders suggest that they have been transported from a proximal source. While sedimentary exhalative ("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 original KAN showing. In 1995 a detailed 50m x 50m B horizon geochemical soil survey covering approximately two square kilometres was performed by Kennecott at the Ferricrete showing. Several strong gold anomalies were identified and this area will be a priority target this field season. All the gold showings located on the property are hosted by extensive Proterozoic iron formation units similar in age and composition to the historic Homestake gold deposit.

Exploration work planned for 2011 will begin with a helicopter-borne geophysical survey. Geotech Ltd. of Aurora, Ontario has proposed a proprietary VTEM, Versatile Time-Domain Electromagnetic survey for 822 line-km. Upon completion of this VTEM survey an initial exploration program will commence with geological mapping and

prospecting over the Homestake style gold anomaly within the iron formation. Another priority exploration target will be prospecting for the source of the lead/zinc/silver massive sulphide boulder trains.

T. John Magee, P.Ge., 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.***

*This news release includes forward-looking statements that are subject to risks and uncertainties. All statements within, other than statements of historical fact, are to be considered forward looking. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. There can be no assurances that such statements will prove accurate and, therefore, readers are advised to rely on their own evaluation of such uncertainties. We do not assume any obligation to update any forward-looking statements.*

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