



## **Escape Gold to Acquire Rio Silver Exploration Ltd.**

**March 7, 2011, Toronto, Ontario, Canada** – Escape Gold Inc. (the "Company") is pleased to announce that it has signed a Letter of Intent to acquire (the "Acquisition") 100% of the outstanding shares of Rio Silver Exploration Ltd. ("Rio Silver") and its wholly owned Peruvian, subsidiary, Minera Rio Plata S.A.C., through an amalgamation, merger or plan of arrangement.

Rio Silver is a private Alberta company engaged in the acquisition and exploration of mineral properties in the Huancavelica silver district of Peru. Rio Silver's founding shareholder is Jeff Reeder, P.Geo., who 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 the Pinaya copper gold porphyry in southern Peru. Upon the successful closing of this Acquisition, he has agreed to join the Board of Director's of the Company.

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. None of the projects have been explored since early 2003 when silver was trading in the US \$5 per ounce range and they represent exciting exploration targets in this precious metal, commodity boom.

### **Ninobamba Silver project:**

The most advanced of the properties is the 900 hectare Ninobamba silver project located approximately 330 km southeast of Lima in the Department of Ayacucho, Peru. The Ninobamba claim block is adjacent to claims owned by Southern Peru Copper and Newmont, in an historic silver district with positive infrastructure, in a mining friendly jurisdiction. Mineralization demonstrates the potential for a large, bulk tonnage, disseminated silver project.

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 861 metres. Anglo's drilling highlights included DDH-2 which reported assay results of 87.0 gpt silver over a drilled interval of 130 metres starting from a depth of 9 metres and DDH-4 reporting 54.0 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 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 reinterpreted 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. Once the Acquisition is completed the Company will consult with all local stakeholders in anticipation of permitting a 2011 drill program.

**Ichupata-Plata project:**

Ichupata-Plata project comprises three claim blocks totaling 4,491 hectares located northeast of the Huachocolpa Mine and approximately 20 km west of the Julicani Mine. The main Ichupata 1,992 hectare claim block is also adjacent to claims held by Minas Buenaventura and Pan American Silver. Recent regional mapping and geological sampling by Rio Silver has identified a widespread alteration system with disseminated, anomalous gold and silver values in a potential high sulphidation epithermal system.

**Rayusca and Rumicruz projects:**

The 1,220 hectare Rayusca and the 600 hectare Rumicruz projects are located just south and east of Mina Huachocolpa. Both targets were identified by Rio Silver's geologists as an area of interest due to the wide spread hydrothermal alteration and localized surface samples taken in vuggy silca alteration zones within the Tertiary volcanic rocks.

**Terms of the Acquisition**

- Pursuant to the Acquisition, subject to regulatory approval including that of the TSX Venture Exchange (the "Exchange") the Company shall acquire 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 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.

Completion of the Acquisition is subject to a number of conditions including Exchange acceptance, completion of due diligence, execution of formal documentation and requisite shareholder approval of Rio Silver. There can be no assurance that the transaction will be completed as proposed or at all.

The securities of the Company to be issued on the Acquisition will be subject to a four month hold period. The parties to the proposed transaction are at arm's length.

**Update on Quebec projects:**

**Chibougamau Camp:**

The Company has two 100% owned projects within the Frotet-Evans greenstone belt north of Chibougamau, Quebec. One 2216 hectare claim block located approximately 7 km north east of the Tortigny, VMS, project of Beaufield Resources Inc. The second 2113 hectare claim block located approximately 12 km south east from the Troilus Gold Mine. (see, October 28, 2010 and November 8, 2010 news releases). The Company will be requesting proposals for two airborne geophysical surveys prior to the beginning of the 2011 summer field season.

**KAN Au-Ag-Pb-Zn project:**

The Letter of Intent ("LOI") between Les Ressources Tectonic Inc. and the Company has been replaced with a signed Definitive Agreement pursuant to the terms of the LOI. The company recently staked an additional 3,929 hectares of favourable stratigraphy to secure possible extensions of the known iron formation hosted gold mineralization and to cover the previously reported SEDEX potential (see January 31, 2011 news release).

The 2011 exploration program will consist of geological mapping and prospecting over the Homestake style gold anomaly within the iron formation with the objective of generating drill targets as warranted and prospecting for the source of the known Pb/Zn/Ag boulder trains.

**Ontario update:**

The Company maintains a 100 % interest in a prospective 6,784 hectare base metal project in north western Ontario. The project was first identified by a major Canadian mining company conducting reconnaissance geophysical surveys looking for VMS style mineralization in Archean greenstone belts. The Company considers this project to be a material and strategic asset and will continue to evaluate the best way to move forward with this project.

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.***

*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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