



### Escape Gold increases private placement

**June 30, 2011, Toronto, Ontario, Canada-** Escape Gold Inc. (TSX-V: EGT) (the "**Company**") is pleased to announce a non brokered private placement (the "**Offering**") previously announced on June 2, 2011 has been increased to an aggregate of \$1,200,000 from \$1,000,000. All other terms of the Offering remain unchanged.

As previously announced the Offering will be a combination of flow through units (the "**FT Units**") and non flow through units (the "**NFT Units**"). This revised Offering is fully subscribed and the securities 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.

3,600,000 FT Units will be offered at \$0.25 per FT Unit for proceeds of \$900,000 and each FT Unit will consist of one common share and one half of one full common share purchase warrant (a "**Warrant**"). 1,200,000 NFT Units will be offered at \$0.25 per NFT Unit for proceeds of \$300,000 and each NFT Unit will consist of one common share and one full 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.

SIDEX Limited Partnership subscribed for \$200,000 for the initial exploration program at the KAN property in northern Quebec. SIDEX was established by the Government of Quebec and the Solidarity Fund QFL to stimulate the mineral exploration activities of companies developing new exploration models throughout Quebec.

The Company is also pleased to report that MineralFields Group subscribed in the financing by investing a total of \$450,000 in a combination of FT Units and NFT Units. MineralFields Group (a division of Pathway Asset Management), based in Toronto, Vancouver, Montreal and Calgary, is a mining fund with significant assets under administration that offers tax-advantaged super flow through limited partnerships throughout Canada as well as hard-dollar resource limited partnerships to investors throughout the world. Information about MineralFields Group is available at: [www.mineralfields.com](http://www.mineralfields.com).

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 KAN exploration and general corporate purposes.

The Company will pay certain finders' fees in connection with a portion of the Offering pursuant to Exchange policies.

## **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 been contracted to conduct a proprietary VTEM, Versatile Time-Domain Electromagnetic survey covering 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.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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