



Escape Gold closes private placement and begins work at the KAN Project

July 21, 2011, Toronto, Ontario, Canada- Escape Gold Inc. (TSX-V: EGT) (the "Company") is pleased to announce that a non brokered private placement (the "Offering") previously announced on June 2, 2011 to raise a total of \$1,200,000 has been completed and received final TSX Venture Exchange approval. The securities issued under the Offering will be subject to a four month hold period expiring on November 21, 2011.

As previously announced the Offering consisted of a combination of flow through units (the "FT Units") and non flow through units (the "NFT Units"). 3,600,000 FT Units were sold at \$0.25 per FT Unit for gross proceeds of \$900,000 and each FT Unit consists of one flow through common share and one half of one full common share purchase warrant (a "Warrant"). 1,200,000 NFT Units were sold at \$0.25 per NFT Unit for gross proceeds of \$300,000 and each NFT Unit consists of one non-flow-through common share and one full Warrant. Each full Warrant entitles the holder to acquire one non flow through common share at \$0.40 per share until July 20, 2013.

The Company received a \$200,000 investment in NFT Units, from the SIDEX Limited Partnership 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 participated 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.

The proceeds from the FT 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, Nunavik, Quebec. Proceeds from the NFT Units will be used for KAN exploration and general working capital purposes.

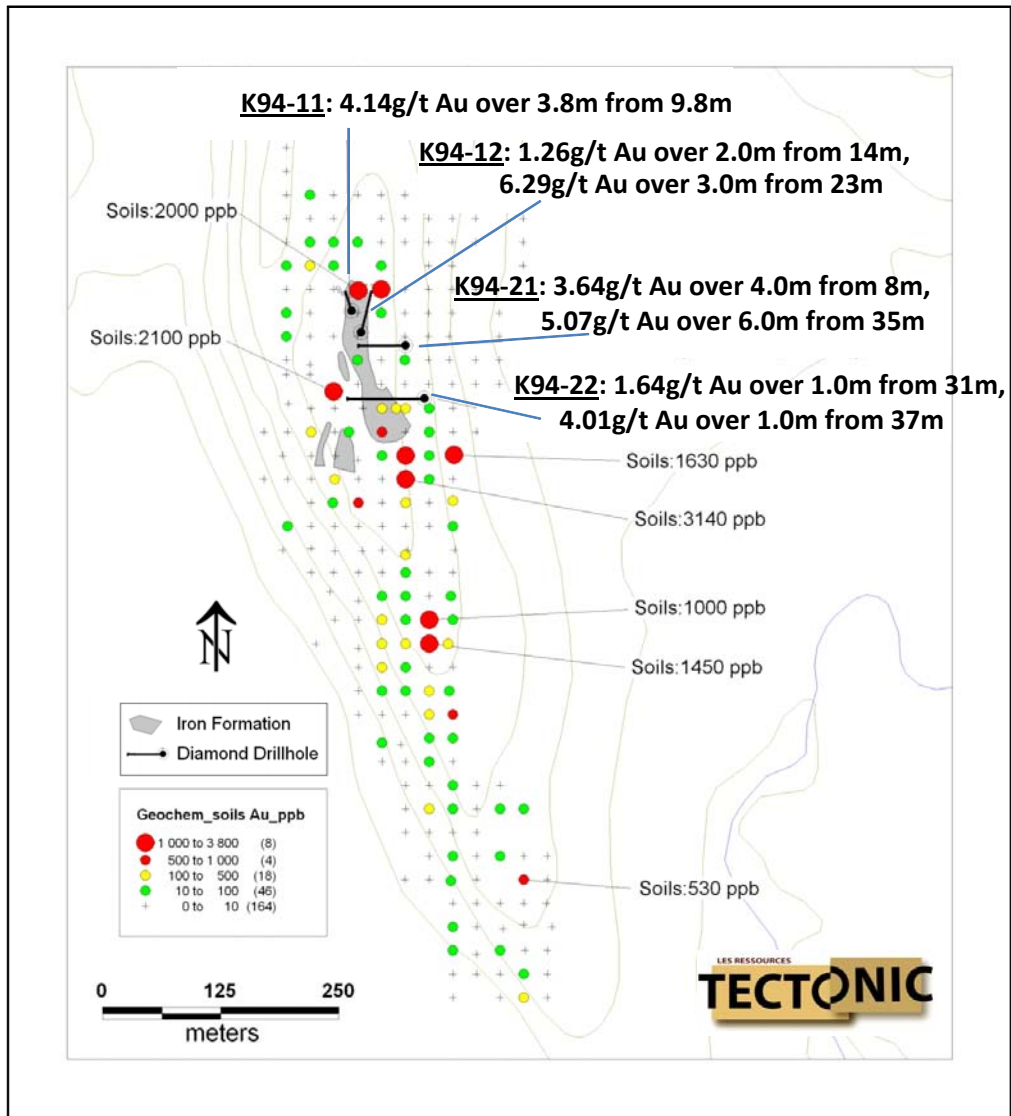
The Company has paid finders' fees consisting in aggregate of \$38,375 in cash, 112,000 broker warrants entitling the holder to acquire a FT Unit at \$0.25 and 14,000 broker warrants entitling the holder to acquire a NFT Unit at \$0.25, in connection with a portion of the Offering pursuant to Exchange policies.



ESCAPE GOLD INC.

KAN PROJECT

Ferricrete showing – Labrador Trough, Nunavik, Quebec



Source Data Notes:

- 1) The technical data in this presentation is historical in nature and not NI 43-101 compliant.
- 2) This information was filed with the Quebec MRN by Kennecott Canada Inc.
- 3) Geochem data compiled by: Les Ressource Tectonic Inc.

The 7200 hectare KAN project is located in the northern sector of the Labrador Trough approximately 85 km SW of Kuujuaq, Nunavik Territory, Quebec. The 2011 exploration campaign will involve consultation with the local community stakeholder's in Kuujuaq and the initial base camp will be operated out of Kuujuaq.

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. 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. Kennecott's initial exploration program was at the Chain Lakes prospect where they drilled several SEDEX targets and reported gold values in K94-13: 6.72 g/t gold over 2m from 114m and in K94-16: 9.46 g/t gold over 2m from 79m. Follow up geological prospecting and mapping resulted in the discovery of the Ferricrete gold showing approximately 7km north of the Chain Lakes prospect.

A detailed 50m x 50m B horizon geochemical soil survey covering approximately two square kilometres was performed by Kennecott at the Ferricrete showing in addition to a limited diamond drill program to test the iron formation. (see attached map) Several gold geochemical soil anomalies were identified in this area including a quartz vein hosted within interbedded carbonate-silicate iron formation. From the Kennecott assessment reports two of the most significant gold values assayed 280.8g/t Au over 0.3m and 143.4 g/t Au over 0.4m with the gold being associated with disseminated pyrite and pyrrhotite. The majority of the gold showings are hosted by extensive iron formation units comparable to the historic Homestake gold deposit, with additional exploration targets similar to the more recent gold discoveries at the Meadowbank and Meliadine projects in Nunavuk.

Exploration work planned for 2011 has begun at the property with geological mapping of the iron formations and prospecting over the northern extension of the Ferricrete gold showing. 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.

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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