NEWS RELEASE
TSX:EET

ETRUSCAN DIVERSIFIED MINING IN AFRICA

ETRUSCAN REPORTS 2009
THIRD QUARTER RESULTS

Halifax, Nova Scotia, October 15, 2009 -- Etruscan Resources Inc. (EET.TSX) has reported its financial and operating results for the nine months ended August 31, 2009. The third quarter 2009 unaudited financial statements and management's discussion and analysis are available on the SEDAR website at www.sedar.com or at the Company's website at www.etruscan.com. All figures are reported in Canadian dollars unless otherwise noted and the financial statements have been prepared in accordance with Canadian GAAP. Commercial production for the Youga Gold Mine was achieved on July 1, 2008, accordingly the third quarter ended August 31, 2008 includes only two months of gold revenues and expenses.

Highlights for the nine months ended August 31, 2009

- Third quarter gold production from the Youga Gold Mine located in Burkina Faso increased 36% over second quarter production with 17,747 ounces poured;
- Gold production for the nine months from the Youga Gold Mine aggregated 45,952 ounces and gold sold aggregated 47,596 ounces;
- Samira Hill Gold Mine ownership interest sold for US$3 million;
- Gold resources at the Finkolo Gold Project in Mali upgraded with 610,000 ounces now classified as measured and indicated and 220,000 ounces as inferred[1]; and
- A regional geochemical survey covering the 1,000 km^2 Daoukro Permit in eastern Côte d'Ivoire establishes the Dietekro gold anomaly as a priority drill target.

On September 23, 2009 the Company entered into a binding agreement with Endeavour Financial Corporation (Endeavour) whereby Endeavour has agreed to purchase US$43 million of common shares at a price of C$0.30 per common share. The private placement is part of a comprehensive financial re-engineering being undertaken by Etruscan which is to include a substantial restructuring of Etruscan's hedge and debt facilities. The combination of the Endeavour equity financing and the increased gold revenues from the Youga Mine operation, which will result from the reduction of the $700 per ounce hedge commitments, is forecast to adequately fund the Company's near term financing requirements. Further details are provided in this press release in the section titled "*Liquidity and Capital Resources*".

Another significant event was the improved performance of the Youga Mine during September 2009. The Mine produced 6,600 ounces which was in line with forecast. Furthermore, the Company received approval from its gold hedge providers to roll forward the hedge commitments for September and sell gold at spot prices. A total of 6,140 ounces were sold at an average price of $1,000 per ounce with the estimated positive cash flow generated from Youga operations for September being US$1.5 million. The Company is also selling October gold production at spot prices. The financial results for the Youga Mine going forward will benefit from the recent connection to grid electrical power which is forecast to result in a cost reduction of between

[1] *Mineral Resource Estimation Update, Tabakoroni Gold Deposit, Mali, West Africa, July 31, 2009,* K. Kirk Woodman, P.Geo.

US$250,000 and US$350,000 per month when compared to the cost of using the on-site diesel generators.

Youga Gold Mine, Burkina Faso

The Youga Gold Mine is located in southern Burkina Faso near the border with Ghana. The mine is owned and operated by Burkina Mining Company (BMC) which is owned 90% by Etruscan and 10% by the State of Burkina Faso.

Commercial production and substantial completion for accounting purposes was achieved at the Youga Gold Mine effective July 1, 2008. Prior to July 1, 2008 the operating and financing costs associated with the Youga Gold Mine were capitalized as preproduction costs to property, plant and equipment. Gold production was ramped up to forecast levels in the fourth quarter of 2008 with the operation processing approximately 239,000 tonnes of ore and producing 21,169 ounces at a cash operating cost of US$480 per ounce in the last quarter of fiscal 2008.

Commencing in December 2008 the operation experienced a decrease in the availability of the diesel generators that provide power to all aspects of the milling operation. These generators were designed to provide stand-by power not continuous 24-7 power. During the first half of 2009 a number of the generators required major maintenance which resulted in reduced plant availability. This situation was mitigated in the third quarter with the sourcing of three 1.0 MW Caterpillar generators to the Youga mine site all of which are operational. The addition of these three new generators stabilized the power supply and allowed maintenance to proceed on the existing generators. Also, the 22 km grid power line from the town of Zebila in Ghana to the Youga Gold Mine site was completed and energized during the later part of September. The Youga operation is now operating on grid electrical power. The initial unit rate for grid power is US$0.13/kwh compared to US$0.33/kwh for the diesel generated power. This represents a substantial operating cost savings ranging from US$250,000 to US$350,000 per month when compared to the on-site diesel generated power supply previously used at the mine.

A second factor contributing to reduced gold production during 2009 year to date was lower than forecast drill rig availability for the blasting of ore and waste. The contractor continues to make improvements to the rigs to increase availability so that the backlog of waste mining in the Main Pit can be addressed. The mined ore grade for 2009 year to date was below forecast for two main reasons. The reduced blast volumes prevented access to the higher grade ore blocks scheduled in the mine plan for the period and the quality of the blasting was poor, causing excessive ore dilution and gold ore losses. Both of these issues are being addressed and additional drill capacity is being acquired. With these issues resolved, the actual mined ore grade is expected to be in line with the projected grades set out in the Youga mine plan.

These operational issues negatively impacted gold production for the first half of 2009 with 15,181 ounces in the first quarter and 13,024 ounces in the second quarter. The lower than forecast gold production resulted in the unit cash operating costs being significantly above the forecast costs. The remedial measures outlined above have resulted in an improvement in gold production in the third quarter with 17,747 ounces produced at a cash operating cost of US$719 per ounce. This represents a 36% increase in ounces produced and a 17% decrease in cash operating costs compared to the second quarter.

During the third quarter of 2009, gold sales aggregated 16,916 ounces which generated cash revenues of US$11.8 million. All of this production was delivered into the US$700 per ounce hedge.

During the first nine months of 2009, gold sales aggregated 47,596 ounces which generated cash revenues of US$33.6 million. A total of 45,182 ounces were delivered into the US$700 per ounce hedge commitment and 2,414 ounces were sold at spot for an average realized gold price for the first nine months of 2009 of US$707 per ounce.

Operations at the Youga Gold Mine are under the direct supervision of Etruscan's Chief Operating Officer, Stephen Stine, who has been based at site since early May. Mr. Stine's mandate is to optimize operations at Youga to achieve steady state production goals (plant throughput of 80,000 tonnes per month and minimum monthly gold production of 7,000 ounces), and in this regard he is also overseeing the strengthening of the mine management team. A number of mine and process operations improvements have been accomplished and several more are planned to take place after the private placement closes.

The life-of-mine reserves at Youga as at June 30, 2009 following a revision of resource classifications and calculated using a US$700 per ounce gold price are estimated at 6.2 million tonnes with an average grade of 2.7 grams per tonne containing 534,000 ounces of gold. Additionally, 1.7 million tonnes have been classified as marginal ore with an average grade of 0.69 grams per tonne. This material will be stockpiled separately and considered for processing at the end of the mine life.

The updated gold production for 2009 is forecast at 65,000 ounces.

A number of potential satellite gold deposits have already been identified on the Youga mining permit within a three kilometer radius of the existing plant and are being evaluated for conversion into reportable resources and reserves. Exploration drilling of identified near-mine targets and additional reconnaissance exploration will re-commence in the fourth quarter. Furthermore, an exploration program at the Ouaré gold deposit, located 35 kilometers northeast of the Youga Gold Mine, has generated positive results. The near mine targets and the Ouaré deposit have the potential to develop additional reserves to further extend the mine life at Youga.

Operating Results for the three months ended August 31, 2009

Etruscan's consolidated net income for the third quarter of 2009 was $1.4 million ($0.01 per share) compared to a net income of $2.1 million ($0.02 per share) for the third quarter of 2008. The third quarter 2009 income includes a gain on the financial derivative instrument of $4.6 million. The third quarter 2008 net income included a gain of $9 million on the financial derivative instrument.

Gold revenues for the third quarter of 2009 were $17.7 million or US$943 per ounce of gold sold. The non-cash revenue adjustment related to the financial derivative for this period aggregated $4.5 million (US$241 per ounce) for net cash revenue received of $13.2 million (US$702 per ounce). Gold revenues for the third quarter of 2008 (two months of operation) were $7.3 million or US$870 per ounce of gold sold. The non-cash revenue adjustment related to the financial derivative for this period aggregated $1.3 million (US$158 per ounce) for net cash revenue received of $6 million (US$712 per ounce).

In 2009, mine operations expenses in the third quarter aggregated $11.8 million as compared to $6 million in the third quarter of 2008. Mine administration expenses aggregated $2 million in the third quarter as compared to $1.6 million in the third quarter of 2008. Cash operating costs in the third quarter after giving effect to an inventory adjustment for $0.9 million were US$719 per ounce of gold produced compared to $899 per ounce in the third quarter of 2008.

General and administrative expenses for the third quarter of 2009 aggregated $1.3 million compared to $1.6 million for the third quarter of 2008. Financing costs aggregated $2.7 million in the third quarter of 2009 compared to $1 million the third quarter of 2008.

In the third quarter of 2009, the Company concluded the sale of its interest in the Samira Hill Gold Mine in Niger to SEMAFO Inc. for US$3 million resulting in an accounting gain of $1.5 million or $0.01 per share. The Company also incurred a net foreign currency loss of $0.5 million in the third quarter of 2009 compared to a net loss of $3.2 million in the third quarter of 2008.

Generally accepted accounting principles (GAAP) require non-hedging financial derivative instruments, those which do not qualify for hedge accounting, to be recorded at fair value (marked to market) on the balance sheet date and the resulting gains or losses are to be included in earnings for the period. The Company and its independent advisors have determined that while the Youga gold hedge constitutes an effective economic hedge for the Youga Gold Mine; it does not, however, meet the requirements for hedge accounting under GAAP. The marked to market revaluation of the Youga gold hedge as at August 31, 2009 was negative $42.3 million. The unrealized marked to market amount represents the theoretical value on cancellation of the gold option contracts based on market values as at August 31, 2009. As such it does not represent an estimate of further gains or losses nor does it represent an economic obligation for the Company as long as it is expected to meet its delivery obligations as they fall due. Furthermore, over future operating periods as the Youga hedge commitment is fully settled with physical delivery of gold, the financial derivative liability will be reduced to zero and a corresponding increase in gold revenue will be recorded.

Operating Results for the nine months ended August 31, 2009

Etruscan’s consolidated net loss for the nine months ended August 31, 2009 was $45.8 million ($0.29 per share) compared to a net loss of $20.5 million ($0.16 per share) for the first nine months of 2008. The 2009 loss includes a loss of $31.8 million on the financial derivative instrument. The 2008 loss included a loss on the financial derivative instrument of $9.1 million.

Gold revenues for the first nine months of 2009 were $51.3 million or US$912 per ounce of gold sold. The non-cash revenue adjustment related to the financial derivative for this period aggregated $11.3 million (US$203 per ounce) for net cash revenue received of $40 million (US$709 per ounce). Gold revenues for the first two months of commercial production in 2008 were $7.3 million or US$870 per ounce of gold sold. The non-cash revenue adjustment related to the financial derivative for this period aggregated $1.3 million (US$158 per ounce) for net cash revenue received of $6 million (US$712 per ounce).

For the first nine months of 2009, mine operations expenses aggregated $35.4 million and mine administration expenses aggregated $6.4 million compared to $6.0 million and $1.6 million respectively in the first two months of commercial production in 2008. Amortization expense for the first nine months of 2009 was $9.1 million compared to $1.5 million in 2008.

General and administrative expenses for the first nine months of 2009 aggregated $3.8 million compared to $5.1 million for the first nine months of 2008. Financing costs for the first nine months of 2009 aggregated $7.1 million compared to $1.4 million for the first nine months of 2008.

The Company incurred a net foreign currency loss of $1.3 million for the first nine months of 2009 compared to a net loss of $3.2 million for the first nine months of 2008. Non-cash stock based compensation expense aggregated $0.8 million in the first nine months of 2009 compared to $1.6 million in the first nine months of 2008. In the first nine months of 2009 the Company expensed an amount of $2.7 million related to the write-off of deferred mineral property expenditures compared to nil in the first nine months of 2008.

Liquidity and Capital Resources

On September 23, 2009 the Company entered into a binding agreement with Endeavour Financial Corporation (Endeavour) whereby Endeavour has agreed to purchase US$43 million of common shares at a price of C$0.30 per common share. The private placement is part of a comprehensive financial re-engineering being undertaken by Etruscan which is to include a substantial restructuring of Etruscan's debt facilities. The combination of the Endeavour equity financing and the increased gold revenues from the Youga Mine operation, which will result from the reduction the $700 per ounce hedge commitments, is forecast to adequately fund the Company's near term financing requirements.

The proceeds of the private placement will be allocated as follows:

- US$23 million to repurchase a portion of Etruscan's $700 per ounce gold call options;
- approximately US$8.5 million to repay outstanding unsecured convertible debt;
- US$5 million for working capital purposes and improvements at the Youga Gold Project; and
- approximately US$6.5 million to for general corporate working capital requirements.

The private placement with Endeavour allows Etruscan to complete a financial restructuring which will:

- address Etruscan's near-term financial needs;
- improve Etruscan's operating cash flow;
- increase Etruscan's leverage to rising gold prices; and
- position Etruscan for future growth initiatives.

Endeavour's investment will provide the funding to facilitate a restructuring of the senior debt facility and related hedging provided by RMB Australia Holdings Ltd. and Macquarie Bank Limited to finance the development of the Youga Gold Project. Reducing the $700 per ounce gold call positions results in less than 20% of Youga's current life-of-mine production being hedged, thereby enhancing current operating cash flow and greatly improving Etruscan's equity market profile. The hedge reduction, together with the senior lenders' proposed deferral of principal payments on the Youga senior debt facility until December 31, 2010, will provide significant relief from current financial pressures and will allow Youga sufficient time to reach targeted production levels.

As part of the planned senior debt facility restructuring, the senior lenders have requested equity participation and, on completion of the transaction, will convert US$3 million of the US$33 million outstanding on the senior debt facility to common shares of Etruscan at the same price as the Endeavour private placement (C$0.30 per common share). In addition, Conus Partners Inc.

and affiliates have also requested equity participation and have agreed to convert US$2 million of unsecured convertible promissory notes to common shares of Etruscan at C$0.30 per common share.

At August 31, 2009, the Company had a consolidated working capital deficiency, net of the current portion of the financial derivative, of $22.9 million as compared to a deficiency of $21.3 million at the end of 2008. The August 31, 2009 consolidated working capital deficiency includes $6.7 million that is related to the operations of Etruscan Diamonds Limited. Available cash at the end of August was $2.6 million.

The Endeavour equity financing provides a direct working capital injection of US$11.5 million as well as approximately US$8.5 million for the repayment of the unsecured convertible promissory notes including accrued interest. The remaining US$2 million of the unsecured convertible promissory notes is being settled with the issuance of Etruscan common shares together with US$3 million of the Youga debt facility.

Qualified Person

Stephen Stine, P.E., Chief Operating Officer of Etruscan, is the Qualified Person overseeing production and development at the Youga Gold Project and has reviewed and approved this press release.

About Etruscan Resources Inc.

Etruscan Resources Inc. is a gold focused Canadian junior mining company with dominant land positions in district scale gold belts covering more than 10,000 square kilometers in West Africa. Its principal mine development projects include the **Youga Gold Project in Burkina Faso**, the **Agbaou Gold Project in Côte d'Ivoire** and the **Finkolo Gold Project in Mali.** Advanced and early stage exploration projects are on-going in Burkina Faso, Mali, Côte d'Ivoire, Ghana and Namibia. Etruscan also has a 47.4% interest in Etruscan Diamonds Limited which has a dominant land position in the Ventersdorp Diamond District located in South Africa. The common shares of Etruscan are traded on The TSX Exchange under the symbol "EET". More extensive information on Etruscan can be found on its home page at http://www.etruscan.com

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