ETRUSCAN DIVERSIFIED MINING IN AFRICA

NEWS RELEASE
TSX:EET

ETRUSCAN REPORTS 2008 FOURTH QUARTER AND ANNUAL RESULTS

Halifax, Nova Scotia, February 27, 2009 -- Etruscan Resources Inc. (EET.TSX) has reported its financial and operating results for the fourth quarter and year ended November 30, 2008. The 2008 annual audited 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. The financial statements have been prepared in accordance with Canadian GAAP.

Highlights for the year ended November 30, 2008

- The Youga Gold Mine located in Burkina Faso achieved commercial production and substantial completion, effective July 1, 2008 and produced 29,305 ounces for the five months ended November 30, 2008
- Resource estimations were completed for three potential Youga satellite deposits containing 342,000 ounces of inferred mineral resource at an average grade of 2.1 grams per tonne and 83,000 ounces of indicated mineral resource at an average grade of 1.3 grams per tonne
- A feasibility study was completed for the Agbaou Gold Project located in Côte d'Ivoire
- A feasibility study was initiated by Resolute Mining Limited for the Finkolo Gold Project located in Mali
- A rare earth element discovery was outlined on the Lofdal permit in Namibia
- The Blue Gum Diamond Project located in South Africa recovered 12,600 carats during the year but, due to the collapse of rough diamond prices during the fourth quarter, the operation was placed on care and maintenance during December, 2008

Youga Gold Mine, Burkina Faso

Commercial production was achieved at the Youga Gold Mine on July 1, 2008. Accordingly, the results of operations for 2008 include five months of gold mining and processing. Prior to July 1, 2008 the operating and financing costs associated with the Youga Gold Mine were capitalized as preproduction costs.

Gold production for the fourth quarter was 21,169 ounces at a cash operating cost of US$480 per ounce. A total of 238,700 tonnes of ore were milled during the quarter at an average mill feed grade of 3.19 grams per tonne. Gold sales for the fourth quarter aggregated 18,970 ounces which generated cash revenues of $16.3 million. A total of 11,790 ounces were delivered into the US$700 per ounce hedge commitment and 7,180 ounces were sold at spot prices for an average realized gold price for the quarter of US$745 per ounce.

Gold production for fiscal 2008 which comprises the five months of commercial production ended November 30th aggregated 29,305 ounces at a cash operating cost of US$598 per ounce. A total of 371,000 tonnes of ore were milled during the period at an average mill feed grade of 2.93

grams per tonne. The mill throughput represented 89% of forecast as certain aspects of the operation continued to be optimized during the period. Gold sales for the five month period aggregated 26,988 ounces which generated cash revenues of $22.3 million. A total of 19,022 ounces were delivered into the $700 per ounce hedge commitment and 7,966 ounces were sold at spot prices for an average realized gold price for the five month period of $746 per ounce.

Progress continued during the fourth quarter on the installation of the grid power line from Ghana. The sub-station at Zebila in Ghana is nearing completion and the line construction is continuing on both sides of the border. Power to the plant and facilities is currently being supplied by the onsite power plant. Conversion to grid power is scheduled for the second quarter of 2009 with an expected reduction in operating costs of $200,000 per month.

The life-of-mine reserves at Youga as at December 31, 2008 updated by the Company using a US$700 per ounce gold price are estimated at 6.8 million tonnes with an average grade of 2.7 grams per tonne containing 596,000 ounces of gold (previously reported at December 31, 2007 as 6.6 million tonnes with an average grade of 2.7 grams per tonne using a US$525 gold price). 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. This material had been classified as waste in the 2006 feasibility study reserve estimation.

Gold production for fiscal 2009 is estimated to be between 80,000 and 90,000 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 at the Ouaré gold deposit, located 35 kilometers northeast of the Youga Gold Mine. Using a 1 gram per tonne cutoff grade, these newly reported deposits contain 83,000 ounces of indicated mineral resource at an average grade of 1.3 grams per tonne and 342,000 ounces of inferred mineral resource at an average grade of 2.1 grams per tonne .

During the fourth quarter the Company invested $0.4 million in exploration activities in Burkina Faso. A total of $3.4 million was expended during 2008 bringing the total investment to $5.7 million.

Agbaou Gold Project, Cote d'Ivoire

The Agbaou Gold Project is located on the Oumé-Fêtêkro gold belt in Côte d'Ivoire, approximately 200 kilometers northwest of the port city of Abidjan.

The feasibility study of the Agbaou Gold Project was completed by MDM Engineering International Ltd. and Coffey Mining Pty Ltd. in November 2008. A copy of the feasibility study is available on SEDAR at www.sedar.com. Using a gold price of $850 per ounce, the base case scenario in the feasibility study concludes that the Agbaou Gold Project will produce an average of 82,000 ounces of gold per year at a cash operating cost of US$507 per ounce over a 6.3 year mine life. The feasibility study is based on probable reserves of 7.4 million tonnes of ore with an average grade of 2.4 grams per tonne containing 566,000 ounces. Pit optimizations were carried out using a US$750 per ounce gold price. The study proposes open pit mining of three pits using an owner operated mining fleet with the ore to be processed through a conventional gravity-CIL (carbon-in-leach) plant with a design capacity of 1.2 million tonnes per annum. The average gold recovery is 91% and the strip ratio is 8:1. Initial capital costs for the Agbaou Gold Project are estimated to be US$106 million (excluding working capital) and were based on the purchase of all new equipment at prevailing prices in mid 2008 at the peak of the market. The Company believes the economics of the Agbaou Gold Project can be improved as a result of cost reductions due to the economic downturn and the Company intends to revisit the costing.

In 2008, the Company incurred $1.6 million on its feasibility activities bringing the total investment in the Agbaou feasibility study to $2.2 million (excluding resource drilling).

Finkolo Gold Project, Mali

The Finkolo Gold Project is located on the Syama gold belt, approximately 300 kilometers southeast of Bamako, the capital city of Mali. The Finkolo permit is contiguous with Resolute Mining Limited's Syama permit, which hosts the Syama gold mine.

Resolute holds a 60% interest in the Finkolo Gold Project and acts as operator and manager of the joint venture. Under the terms of the joint venture agreement Resolute finances all costs of the joint venture until completion of a feasibility study. The Company will reimburse Resolute for its share of joint venture costs from 50% of its share of future project cash flow.

In 2007, Resolute completed an updated 43-101 compliant resource estimation for the Tabakoroni deposit on the Finkolo permit based on drilling to a vertical depth of approximately 120 meters from surface. At a 1.0 gram per tonne cutoff grade, Resolute reported 4.62 million tonnes of measured and indicated resource at 2.6 grams per tonne (382,000 ounces) and a further 4.54 million tonnes of inferred resource at 2.5 grams per tonne (364,000 ounces).

Resolute has initiated a feasibility study that will determine the most effective means of exploiting the deposit. This would include a determination of the preferred treatment of the ore at either the existing Syama plant or whether sufficient reserves and potential exists to support a stand-alone operation. This will be carried out in conjunction with additional exploration both at depth and along strike.

Lofdal Exploration Permit, Namibia

In Namibia, Southern Africa, Etruscan currently holds interests in 22 prospecting licenses covering over 17,000 square kilometers. Etruscan has undertaken initial reconnaissance surveys to identify early stage target areas for follow-up exploration programs.

Geological mapping and prospecting have outlined a large number of rare earth element (REEs) enriched carbonatite dykes associated with an alkaline intrusive complex on its Lofdal permit in northern Namibia. Analytical results from outcrop samples and six drill holes indicate that both light rare earth elements and heavy rare earth elements occur at Lofdal in sufficient total concentrations (0.5% to 6.0%) to be of potential economic significance. REEs constitute a group of 16 elements and industry standards are to report rare earth deposit grades as the sum of the total concentration of all rare earth elements present plus yttrium which is typically an important accessory (TREE+Y). REEs are essential for a number of wide-ranging applications including many high-tech applications from long-lasting rechargeable batteries to new light emitting diodes.

During the fourth quarter, the Company invested $0.7 million in exploration activities in Namibia. A total of $2.7 million was expended during 2008 bringing the total investment to $4.7 million.

Blue Gum Diamond Project, South Africa

During the first quarter of 2008, the Company's 52% owned subsidiary, Etruscan Diamonds Limited, recommenced mining and processing operations at the Tirisano Diamond Mine located on the Blue Gum property in the alluvial diamond district of Ventersdorp in South Africa. The gravel from the mine was being processed at the Tirisano DMS (dense media separation) plant and through four 16 foot pans installed near the DMS plant. The objective was to achieve a monthly throughput of 100,000 cubic meters of gravel per month from the two facilities with 40,000 cubic meters coming from the DMS plant and 60,000 cubic meters from the pan plant.

Etruscan Diamonds continued to make progress ramping up processing operations at the Blue Gum Diamond Project during the second and third quarters of 2008. However, the ramp up was negatively impacted by the global economic crisis which resulted in a substantial reduction in both the demand for rough diamonds and the rough diamond price. In an effort to reduce costs, during the month of November, Etruscan Diamonds scaled back staff and operations at Blue Gum to process 60,000 cubic meters per month through the pan plants only and suspended processing at the DMS plant. Due to uncertainty in the timing of the recovery of the price and demand for rough diamonds, subsequent to November 30, 2008, Etruscan Diamonds reduced the work force at the Blue Gum Project to a skeleton staff to allow the Project to be placed on care and maintenance. The Blue Gum Project remains on care and maintenance.

Production for the year ended November 30, 2008 was approximately 483,000 cubic meters yielding 12,600 carats for an overall grade of 2.61 carats per hundred cubic meters and a rough tender average value of US$512 per carat. Production at the Blue Gum Project for the three month period ending November 30, 2008 was approximately 156,000 cubic meters yielding 4,250 carats for an overall grade of 2.7 carats per hundred cubic meters and a rough tender average value of US$381 per carat. All costs associated with the Blue Gum operation, net of diamond revenues realized, have been capitalized given commercial production has not yet been achieved. The amount capitalized in 2008 was $13 million bringing the total net investment in the Blue Gum Project to $31.6 million.

Company management believes that the geological foundation of the Blue Gum Project remains strong. During 2008, Etruscan Diamonds received a National Instrument 43-101 compliant independent resource update on the Blue Gum Project. The independent resource update prepared by Dr. Tania Marshall of Explorations Unlimited as of June 30, 2008 estimated that the Blue Gum Project contains 25.5 million cubic meters of indicated diamond resource and 15.3 million cubic meters of inferred diamond resources at grades ranging from 1.77 to 2.85 carats per hundred cubic meters of gravel. This represents almost a 24% increase in the indicated resource from the previous resource calculation in January 2008. A copy of the resource update is available on SEDAR at www.sedar.com.

Operating Results

Etruscan's consolidated net loss for the fourth quarter was $22.2 million or $0.17 per share compared to a net loss of $19.1 million or $0.17 for the fourth quarter 2007. The fourth quarter 2008 loss includes the net loss and write-down of the diamond operations of $17.9 million or $0.14 per share. The fourth quarter 2007 loss includes a loss on the financial derivative instrument of $20.1 million or $0.18 per share.

Etruscan's consolidated net loss for the year ended November 30, 2008 was $42.7 million or $0.34 per share compared to a net loss of $35.8 million or $0.33 per share in 2007 and a net loss of $10.5 million or $0.12 per share in 2006. In 2008, the loss includes the net loss and write-down of the diamond operations of $17.9 million or $0.14 per share. In 2007, the loss includes a loss on the financial derivative of $34.1 million or $0.32 per share.

The Youga Gold Mine generated cashflow from operations of $4.1 million for the fourth quarter of 2008 and cash flow of $2.2 million for the five month commercial production period.

The Company's gold revenues for the last five months of 2008 were $24.8 million or US$833 per ounce of gold sold. The non-cash revenue adjustment related to the financial derivative for this period aggregated $2.6 million (US$87 per ounce) for net cash revenue received of $22.3 million (US$746 per ounce).

Mine operations expenses aggregated $15 million and mine administration expenses aggregated $4.4 million for the last five months of 2008. Cash operating costs for this period after giving effect to an inventory adjustment for a reduction of $3 million were US$598 per ounce of gold produced. Amortization expenses for the five month period aggregated $5.4 million.

General and administrative expenses increased to $6.5 million in 2008 from $5.9 million in 2007. These increases are attributed to the increased level of activities. Financing costs related to the Youga Gold Mine aggregated $2.5 million for the five months of commercial production with an additional $0.4 million prior to commencement of commercial production. Non-cash stock based compensation expense aggregated $1.5 million in 2008 compared to $2.3 million in 2007.

The Company incurred a foreign currency loss of $10.3 million in 2008 compared to gains of $2.4 million in 2007. The current year loss is directly attributable to the significant weakening of the Canadian dollar against the US dollar during the last six months of 2008. The largest component of the foreign currency loss relates to the long term debt associated with the Youga Project which is denominated in US dollars. In the prior year the Company had recorded a gain of $3.8 million on the Youga debt.

The Company earned interest revenue of $0.6 million in 2008. In 2007, the Company recorded gains on the sale of investments of $1.7 million and earned interest revenue of $0.6 million.

In 2008 the Company wrote-down its expenditures on most of its diamond exploration properties resulting in a write-down of $1.1 million. The Company also wrote-down its expenditures on its Mali exploration properties by $1.6 million which includes six properties in Mali South and 10 properties in Mali West. In 2008 the Company commenced exploration activities in Benin, however, by the end of the year there were no significant results and the Company elected to close its Benin operations and has written-down its mineral property expenditure by $0.4 million. In 2007, the Company wrote off its expenditures on six diamond properties in South Africa for a total write-off of $0.5 million.

The Company has recorded an unrealized gain on the Youga financial derivative instrument (gold hedge) of $7.2 million ($0.06 per share) in fiscal 2008. In 2007 the Company recorded an unrealized loss on the derivative of $33.5 million (($0.31 per share). 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 November 30, 2008 was negative $26.3 million. The unrealized marked to market amount represents the theoretical value on cancellation of the gold option contracts based on market values as at November 30, 2008. 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.

Liquidity and Capital Resources

The Company had a consolidated working capital deficiency at November 30, 2008 of $20.1 million as compared to a working capital surplus of $16.2 million at the end of 2007. Available cash at November 30, 2008 was $3.9 million with an additional $3.1 million held in the Youga debt service account. Given the current financial situation, the Company has significantly reduced its exploration budget for 2009 as compared to 2008 and has completed a detailed review of corporate general and administrative expenditures. The timing of recommencement and extent of drilling and other exploration activities for 2009 is dependent upon accessing sufficient funding.

In December 2008 the Company raised US$5 million by issuing senior unsecured convertible notes to its largest shareholder, Conus Partners Inc. In February 2009 the Company negotiated a $10.5 million private placement financing, $5.8 of which closed on February 24, 2009 and the balance of which is expected to be closed in March 2009.

The combination of the aforementioned funds together with forecast positive cash flow from the Youga Gold Mine, and potential amendments to the Youga debt facility is expected to address the near term funding requirements for Burkina Mining Company. The Company's current exploration and general and administrative expenditures are approximately $900,000 per month. An additional funding requirement in the order of $10 to $15 million is estimated by management to be needed to address the balance of Etruscan's forecast expenditures net of gold revenues for 2009. The expected sources of cash include debt and equity financing, as well as strategic joint venture and business combinations and the disposition of assets. Additionally, the Company will undertake a further review of its exploration and general and administrative expenditures with a view to reducing costs.

Robert Harris, P.Eng., Vice President of Operations of Etruscan, is the Qualified Person overseeing production and development in West Africa and South Africa and has reviewed and approved this press release.

K. Kirk Woodman P.Geo., Etruscan's Chief Project Geologist, is the Qualified Person overseeing Etruscan's exploration programs in West Africa and has reviewed and approved this press release.

Etruscan Resources Inc. is a gold focused Canadian junior mining company with dominant land positions in district scale gold belts covering more than 14,000 square kilometers in West Africa. Its principal mine development projects include the **Youga Gold Project in Burkina Faso** (latest press release dated December 4, 2008), the **Agbaou Gold Project in Côte d'Ivoire** (latest press release dated December 18, 2008), and the **Finkolo Gold Project in Mali** (latest press release dated July 2, 2008)**.** Advanced and early stage exploration projects are on-going in Burkina Faso, Mali, Côte d'Ivoire, Ghana (see press release dated June 10, 2008) and Namibia (see press release dated January 15, 2009). Etruscan also has a 52.1% interest in Etruscan Diamonds Limited which has a dominant land position in the Ventersdorp Diamond District located in South Africa (latest press release dated December 12, 2008). 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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