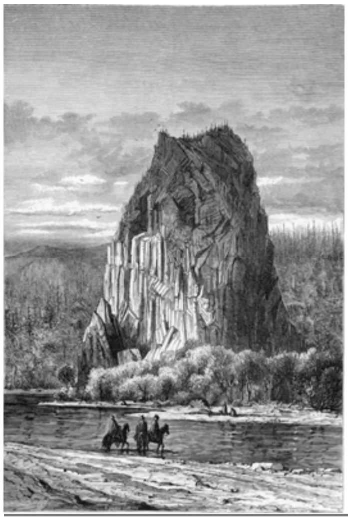

BEACON ROCK RESEARCH

MAY 27, 2008
SPECIAL REPORT

ETRUSCAN RESOURCES INC.
(TSX: EET, C$1.90)

www.beaconrockresearch.com **Disclosures 1,2,3,4** **5956 N.W. 213th, Portland, Oregon 97229**

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Etruscan Resources: a Major Explorer with Junior Production

We initiated coverage of Etruscan Resources Inc. (TSX: EET) on October 31, 2006 with a target price of $8.00 per share. Etruscan's stock at that time was trading at $3.82 per share, but has since declined to under $2.00 per share, which is close to the level it was trading when we were first introduced several years ago. While we admit disappointment in appreciation performance of the stock price during the period under coverage, this does not translate to disappointment in management performance relative to meeting scheduled objectives or the potential investment opportunity. Considering the amount of value added in the last couple of years, relative to its price at introduction, we believe shares of Etruscan remain significantly undervalued.

On the whole, we believe Etruscan's current stock price is an inadequate metric for measuring management performance in creating shareholder value. This Special Report will discuss the disconnect in share price and fundamental value, summarize the significant near, mid and long-term opportunities, and make a case that the current stock price at this level, with a market capitalization of only about $260 million, may provide a significant opportunity for investors.

Near Term	Mid-Long Term
Production at Youga	Production Youga/Resource Expansion
Feasibility/Construction Decision at Agbaou	Production Agbaou/Resource Expansion
Etruscan Diamonds Prefeasibility Study/Production/IPO	Etruscan Diamonds Expanding Production/Resource Expansion
Numerous Drill Results/Assays Pending	Production Decision Finkalo/Resource Expansion
High Gold Prices	Discovery Potential of Multi-Million Ounce Deposits

We believe that the market does not fully recognize Etruscan's position as a major exploration company, the current fundamental value of its achievements or its growing portfolio of opportunities. In general, long-term investors appreciate companies with multiple opportunities providing greater upside potential while also mitigating risk through diversification. Investors in natural resource equities place value on resource discovery and expansion, as well as advancing projects to and increasing production. Traders and long-term investors benefit by diversification of both near and mid-long term objectives. Our approach and investment thesis is that the market should reward companies that reach objectives, reduce risk, and create upside in both the near and long-term. It is evident to us that Etruscan has established a successful track record contrary to the stock price movement.

Our perspective may not be aligned with the short term perspective of the market. In the recent past, junior exploration equities have been exposed to significant challenges including cost overruns, project delays, metal price volatility, and uncertain credit markets. In addition, some investors with shorter term perspectives trading into stocks and sectors may not be concerned with company or metal price performance beyond short investment horizons. Investors may actually accept less diversification and prefer that companies focus on single projects in "bet it all" strategies preferring riskier but easier to understand company profiles. Oddly, investors may pay premiums for major producers with more impenetrable project profiles and truncated long-term potential. Etruscan occupies a niche between these easy to understand but riskier single-project companies and major producers with increasing profitability and shrinking product pipelines.

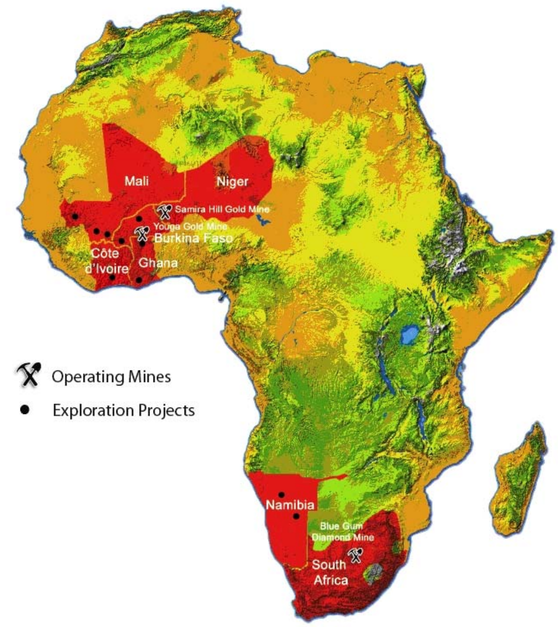

Figure 1—Summary Map of Etruscan Projects in Africa
Source: Analyst

Etruscan has a major land position in West Africa, larger than any other mining company. West Africa has produced millions of ounces of gold over a thousand years, but has not been significantly explored more than several hundred meters below the surface, and certainly not to the depths completed in South Africa. Etruscan is setting the standard for internally-funded and comprehensive regional exploration in West Africa on a level which might have been expected of a major producer. From this perspective Etruscan's diversification between near and long-term opportunities, production and discovery, and project diversification with West Africa, Namibia, and diamond projects in South Africa (Figure 1), we are compelled to retain our rating and price target on Etruscan Resources.

Special Report Outline: Reflecting Etruscan's Grand Strategy

This Special Report is focused on Etruscan's Grand Strategy of both near and mid-long term across the spectrum of Etruscan's activities which may be appreciated by both traders and long-term investors. The table below should provide a simplified outline of Etruscan's opportunities to increase shareholder value, which should be positively reflected in higher share prices over the next several years. In rating importance of several components of value, these elements range from the near to mid-long term, and from production to exploration. Lastly, the upside in exploration favors resource discovery and project advancement relative to high metal prices.

Near Term	Mid-Long Term
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Despite the number of opportunities, investors should appreciate management's attention to a disciplined rate of growth to minimize dilution. There may be a real concern that significant progress may go unappreciated by blending in against the background of a continent of activity. If this statement is accurate, investors may be better oriented to view Etruscan's activities as a "major" exploration and development program. Given the breadth of activities and potential for an abundance of news flow, it may be more appropriate for long-term investors to think of Etruscan as a long-term core holding in a diversified major exploration company providing upside for their positions in large cap major producers.

Summary of Near and Long-Term Catalysts Affecting Fundamental Value

Etruscan should successfully achieve full commercial production at the Youga Gold Mine (Youga), combined with its price protection program, assuring years of cash flow for companywide exploration programs. Upon achieving commercial production, Etruscan may complete in-house studies of satellite deposits increasing the current resource estimate. In addition, they anticipate completion of a Feasibility Study at their Agbaou Gold Project (Agbaou) leading to a construction decision mid-summer 2008. Mid to long-term opportunities at Agbaou include increasing the resource estimate with potential production by 2010. Also, Etruscan maintains a 53.7% interest in Etruscan Diamonds Limited (Etruscan Diamonds), which is increasing production and is in the process of completing a Prefeasibility Study for expanding production and going public. Etruscan Diamonds has significant production and exploration potential over the long term. Lastly, Etruscan has significant ongoing exploration programs ranging from grassroots efforts to core drilling over a multitude of projects that should provide news flow. These programs should lead to resource expansion or a positive mine decision at Finkalo (in joint venture with Resolute Mining Ltd.), or realizing Etruscan's goal of discovering multi-million ounce deposits at its other wholly owned projects.

Etruscan announced in November 2007 a budget of $15 million for exploration in Africa. Their land position covers six countries covering 24,000 km² which include the most prolific gold belts in West Africa. Etruscan has invested over a decade acquiring land in Africa, and building trust with local governments and stakeholders in order to produce the opportunity it has before it today. They have established a platform of successful mine building teams and country-specific exploration teams with funding and equipment increasing the likelihood for ongoing success. With Youga moving into production during record gold prices, it appears that Etruscan is gaining momentum.

Youga Gold Mine, Burkina Faso

Mine start up at Youga is the most significant achievement in the company's history (Figures 2 and 3). Youga should become the financial locomotive that will pull about a dozen exploration projects. Youga is owned 90% by Etruscan and 10% by the Government of Burkina Faso. The most recent Feasibility Study completed in October of 2006 estimated reserves of 6.6 million tonnes containing 580,000 ounces of gold at an average grade of 2.7 g/t (at a gold price of US$525 per ounce). This should result in a mine life of over 6.6 years. The gold resource will be mined from five open pits.

Figure 2—Youga Gold Mine
view of plant from crusher
Source: Etruscan

The mine operation at Youga is a conventional gravity CIL (carbon-in-leach) plant with a design capacity of one million tonnes per annum. The treatment plant includes three stages of crushing and one stage of milling. Oversize ore is fed into the gravity circuit while undersize ore is fed to the leaching circuit, which includes six tanks to recover gold on activated carbon. The gold is extracted from activated carbon by electrowining and reduced to gold dore bars in the smelter. Gold recovery is estimated to range between 93% and 94%.

Figure 3—Youga Gold Mine
view of crusher from plant
Source: Etruscan

Water is available year-round by an 11-kilometer pipeline from the Nakambe River or recovered from the tailings dam. While power is currently provided by diesel power generators (8 megawatts), these generators will provide back-up after mid-2008 when it is anticipated that the project will be connected by a 15-kilometer powerline (10 megawatt minimum capacity) to the northern grid of the Volta River Power Authority in Ghana.

Etruscan had spent approximately US$75 million on Youga by March of 2008. The increase in capital costs include additional investment in a backup power plant, spare mill motor and gearbox. These costs were partially financed by a US$35 million senior debt and US$7.5 million subordinated debt. The loan has quarterly payments and a four year term. Financing required 100% price protection of the first 60 months (456,000 ounces). Production is price protected to a minimum price of US$629 per ounce, enjoying 100% appreciation of the gold price from US$629 per ounce to US$700 per ounce, and receiving 45% of the upside above US$700 per ounce (Figure 4).

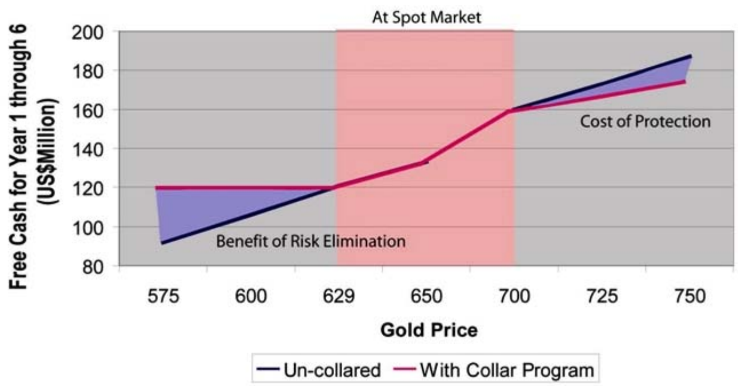


Figure 4—Youga Price Protection Program
Source: Etruscan

Near-Term Opportunities at the Youga Gold Mine

Construction at the Youga Gold Mine was completed in 4Q07 (fiscal year ending November 30) and milling ore commenced in February of 2008. The mine recovered over 2,600 ounces of gold in March of 2008 when Etruscan completed its first gold pour of 1,800 ounces of gold. The mill processed 52,000 tonnes in March, or 63% of design capacity, which has subsequently increased to over 80%. Etruscan is pleased with gold recoveries in excess of 93%, which was achieved from initial low grade ore (averaging 1.64 g/t). Mining is accelerating in order to stockpile a three-month supply of ore (about 250,000 tonnes) to maintain consistent operations.

Cash Flows Before Debt Service in US$M

Gold Price	2008*	2009	2010	2011	2012	2013	2014	**Total**
$850	13.0	34.6	48.5	31.9	22.7	36.0	34.0	**220.8**
$1000	17.5	40.2	58.0	38.9	28.4	45.6	42.5	**271.2**

*** 7 months production in fiscal 2008** **Fiscal year ends November 30**

Figure 5—Cash Flow Before Debt Service
Source: Etruscan

Etruscan anticipates gold production of 60,000 to 70,000 ounces of gold in calendar year 2008 with average annual production of about 88,000 ounces of gold per year. Cash costs for the calendar year 2008 are estimated at US$490 per ounce, with life of mine cash costs projected at US$396 per ounce. Management is confident that the mine will meet or exceed all design specifications. After debt service, Etruscan anticipates at least $18 million will be available annually for exploration (Figure 5).

There are six additional mineralized zones within three kilometers of Youga not included in the current resource which provide excellent potential to increase the resource and mine life (Figure 6). As Youga attains full commercial operation, Etruscan may complete an in-house compliant resource estimate which could increase gold resources, potentially increasing mine life. The combination of increasing production, resource estimate and mine life should be well received by investors in the near term.

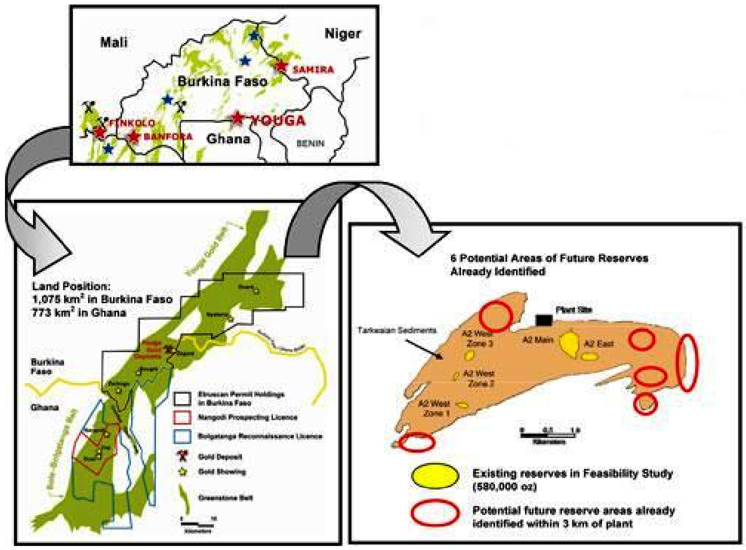


Figure 6—Youga Land Position, Burkina Faso
Source: Etruscan

Long-Term Opportunities at the Youga Gold Mine

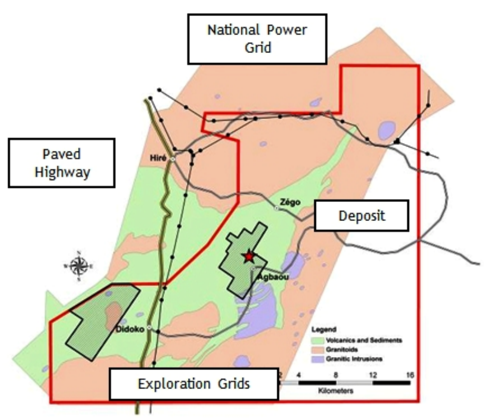
Etruscan holds 1,026 square kilometers of contiguous ground in the Youga Gold Belt in Burkina Faso (and an additional 580 square kilometers of the belt extending into Ghana). Regional exploration has identified target areas at Zerbogo (25 km southwest of Youga), Bougré (13 kilometers southwest of Youga) and Bitou (35 kilometers northeast of Youga). The land position in a recognized gold belt represents both an opportunity for expanding the resource for processing at Youga or for consideration of an additional stand-alone mine operation.

The Bitou target, including the Ouaré Zone, may provide the most immediate upside for resource development for lengthening mine life at Youga or advancing a larger initiative. Recent geochemical surveys, including 1,150 soil samples and 775 auger drill holes, have extended the Ouaré Zone from 575 meters to over two kilometers. This work also identified two new kilometer-scale trends running parallel to the Ouaré Zone. One of these trends is 500 meters south of the Ouaré Zone, running 3.0 kilometers, and the second trend is five kilometers away along a strike running 2.8 kilometers. Etruscan is currently conducting a 5,000 meter reverse circulation (RC) drill program to determine the potential extensions of the Ouaré Zone and is moving a mobile auger drill rig to test the two new soil anomalies.

It is still early in understanding the potential of the Ouaré Zone with possible extensions. RC drill results have been positive, including intervals with mineralized gold as high as 14.9 g/t over 8 meters, 3.4 g/t over 7 meters, and 2.3 g/t over 12 meters. It is worth noting that these intervals are relatively close to the surface. While early in its development, with Youga on the cusp of full commercial operation, this enhances and accelerates the potential for resource expansion or independent development at Bitou as well as Bougré and Zerbogo.

Agbaou Gold Project, Côte d'Ivoire

Agbaou is the third largest undeveloped gold resource in Côte d'Ivoire. As the government of Côte d'Ivoire opted in the 1980s to use the United Nation's assistance for agricultural development rather than mineral development, Côte d'Ivoire is among the least explored countries for resource development in which Etruscan operates. Etruscan believes that from a geological point of view, Côte d'Ivoire may be the most promising. In addition, despite recent political uncertainty, Côte d'Ivoire continues to attract significant mining investment and offers some of the best infrastructure for developing and operating a mine in West Africa.



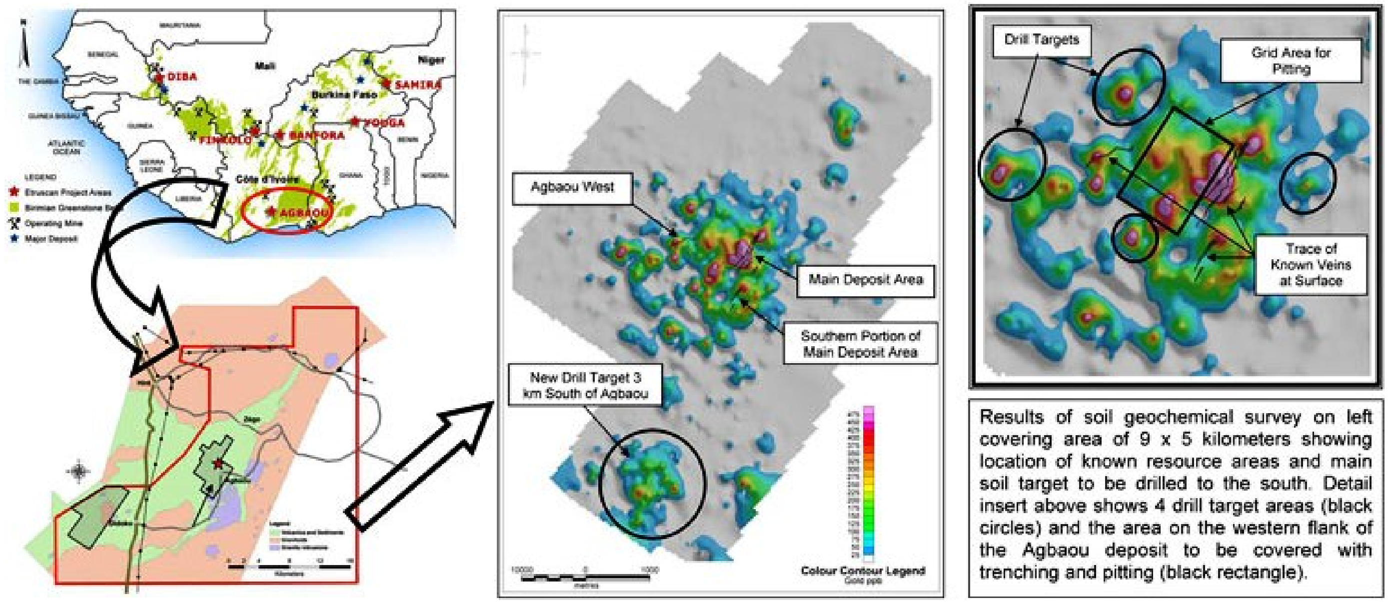


Figure 7—Agbaou Land Position, Côte d'Ivoire
Source: Etruscan

Agbaou is located on the Agbaou gold belt, approximately 200 kilometers northwest of the port city of Abidjan (Figure 7). Etruscan owns 85% of Agbaou, while the Government of Côte d'Ivoire own 10% and SODEMI the remaining 5%. The project has excellent infrastructure, including a paved highway crossing the permit, and national power grid within two kilometers of the deposit. Recent mine development in Côte d'Ivoire include Randgold Resources production decision for the 4.4 million ounce Tongon Project (in northern Côte d'Ivoire), and Equigold's 1.1 million ounce Bonikro Project (two million tonne per annum CIL processing plant located 22 kilometers northwest of Agbaou). In addition to investment in Côte d'Ivoire, we find it interesting that the larger development is located in the north, which is associated with political uncertainty, and the project located in the south near Agbaou is a CIL operation.

Near-Term Opportunities at the Agbaou Gold Project

In February of 2008, Etruscan upgraded its historic resource to a compliant resource estimate of an Indicated resource 10.5 million tonnes, or 871,000 ounces grading 2.6 g/t gold, and an Inferred resource of 2.8 million tonnes, or 218,000 ounces grading 2.8 g/t gold, both at a 1.0 g/t cutoff. This resource estimate was developed, along with other ongoing studies, to support a Feasibility Study scheduled for completion in July 2008, allowing Etruscan to make a mine decision and proceed with financing and permitting.

Agbaou also has a number of promising targets in the vicinity of the identified deposit which could lead to an expanded resource estimate in the near term. Etruscan is scheduled to complete an additional 6,000 meters of in-fill drilling at Agbaou and 4,000 meters of drilling to follow up potential satellite deposits (p.r. December 6, 2007). Earlier drill results outside the identified resource suggest good potential for resource expansion which would likely add further support for development of a mine at Agbaou. In any event, it would appear that the resource at Agbaou may expand in size, overtaking other projects in Côte d'Ivoire.

The advanced level of infrastructure in the vicinity of Agbaou relative to Youga may reduce construction risk and lead to a shorter construction schedule. The completion of a Feasiblity Study in connection with a resource upgrade and/or increase may lead to a positive mine decision in the near term that should be well received by investors.

Long-Term Opportunities at the Agbaou Gold Project

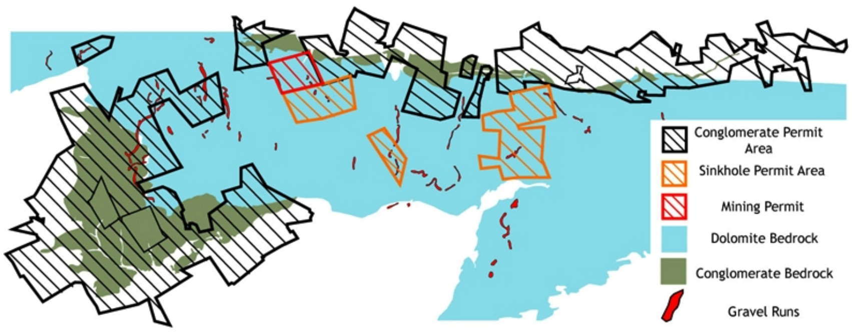
Clearly the mid-term opportunity at Agbaou would be the rapid development of a project similar to that completed at Youga which could move into production in 2010. The current studies underway are considering a one million tonne per annum operation with the potential of producing 90,000 ounces per year. Considering the infrastructure in Côte d'Ivoire, the characteristics of Agbaou, and the availability of Youga's construction team, we consider the prospects for eventual development of a mine at Agbaou to be favorable.

We suspect that similar to the experience at Youga, Etruscan has good potential to increase the resource resulting in a longer mine life at Agbaou. In addition, successful mine development at Agbaou should reaffirm Etruscan's reputation in Côte d'Ivoire, increasing the opportunity for further development. Etruscan has three new permits totaling 3,000 km² (with an additional 4,000 km² under application) in eastern Côte d'Ivoire on extensions of the Sefwi Belt and Sunyani Basin in Ghana. These belts contain large gold deposits including Ahafo (13 million ounces), Bibiani (5 million ounces) and Chirano (2 million ounces). One of Etruscan's permits includes the Allangoua Permit, which had identified gold anomalies over 60 kilometers coincident with a northwest trending shear zone.

Etruscan Diamonds Limited, South Africa

Etruscan has a 53.7% interest in Etruscan Diamonds Limited, which has a dominant land position in the Ventersdorp and Lichtenburg alluvial diamond district located about 150 and 200 kilometers, respectively, from Johannesburg, South Africa. In its entirety, Etruscan Diamonds holds one mining permit and 13 prospecting permits, controlling a total of 2,100 km² (Figure 8). Etruscan Diamonds recently completed an $11 million private placement for working capital for current operations, production expansion, completion of a Prefeasibility Study, and consolidation of ownership.

Figure 8—Etruscan Diamond's Land Position
Source: Etruscan



The focus is on developing one mining permit and three prospecting permits (Nooitgedacht, Hartbeestlaagte and Zwartrand properties) known as the Blue Gum Project (Figure 9). Etruscan Diamonds recently received a resource estimate for the Blue Gum Project containing 20.5 million m³ of Indicated diamond resource and a 17 million m³ Inferred diamond resource with grades ranging from 1.77 to 2.85 carats per hundred cubic meters. Etruscan Diamonds has been producing at the Tirisano Diamond Mine (Tirisano) which is rated at 50,000 m³/month. They have also recently installed four 16 foot pan plants which add an additional 50,000 m³/month production to 100,000 m³/month (30,000 to 35,000 carats per year).

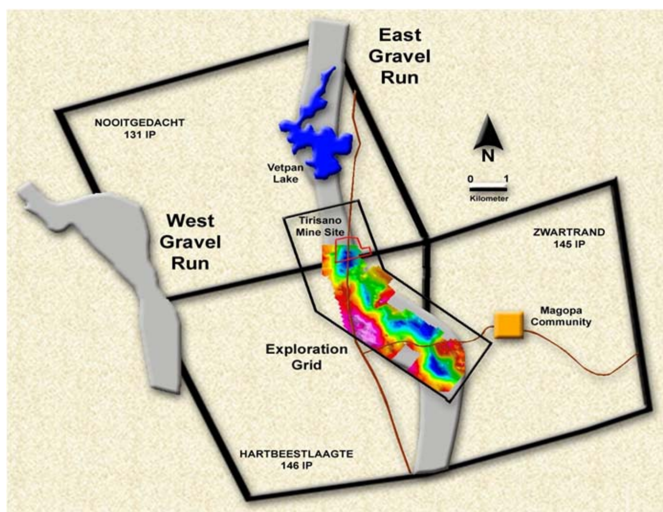


Figure 9—The Blue Gum Project
Source: Etruscan

Etruscan Diamonds reported in March of 2008 that the Tirisano processed 45,649 m³ in February of 2008, yielding 1,224 carats for an overall grade of 2.67 carats per hundred cubic meters (Figure 10). Etruscan Diamonds sold 954 carats for gross proceeds of US$727,000 yielding an average price of US$762 per carat, significantly above the $466 per carat value utilized in the resource estimate. Mining at Tirisano was taken from the Lower Gravel Package, which is anticipated to host higher grades, suggesting the potential for increased production once the lower grade materials in the Higher Gravel Package have been cleared and processed (Figure 11). It is interesting that while the alluvial nature of the deposit may complicate resource estimation, the natural "tumbling" of alluvial diamonds may result in higher quality diamonds. Also, if higher grades persist in the Lower Gravel Package, we could anticipate an increase in resource expansion and profitability of operations.

Some 357 carats were withdrawn from sale in February due to their size being in excess of two carats. These larger diamonds will be cut and polished by Etruscan Diamonds strategic partner African Romance, the first wholly Black-owned South African diamond cutting and polishing company. It is believed that cutting and polishing alone may increase the value of the diamonds by as much as 40%. In addition, Etruscan Diamonds, by becoming vertically integrated with African Romance, now has the potential to participate in the increase in mark-up for retail sales by as much as 10x over the wholesale price. Mogopa Minerals (Pty) Ltd. is the Black Economic Empowerment partner for the Blue Gum.

Figure 10—The Blue Gum Diamond Mine
Source: Etruscan

Near-Term Opportunity with Etruscan Diamonds Limited

Etruscan Diamonds is completing a Prefeasibility Study on the expansion of the Blue Gum Diamond Project in anticipation of increasing production to 260,000 m³/month (75,000 to 100,000 carats per year). The completion of the Prefeasibility Study is anticipated to support financing the expansion and Etruscan Diamonds being taken public.

The study was scheduled for completion in April of 2008. We suspect that additional production/operating experience should increase the prospects of a more successful public offering later in 2008. Etruscan's ownership of Etruscan Diamonds is only one of their many hidden assets. The public offering should clearly provide an opportunity for important assets to receive greater recognition and visibility.

Long-Term Opportunity with Etruscan Diamonds Limited

Traditional small mining operations may suggest limited alluvial deposition in ancient streams, but this may prove incorrect. The current understanding for deposition of diamondiferous gravels at the Blue Gum is that the gravels were deposited by a series of floods in sinkholes in low lying areas. Interestingly, it is believed that later floods disturbed and diluted near surface gravels, leaving lower level higher-grade untouched. The potential may exist for higher grade production in the Lower Gravel Package at Tirisano, which would support the current understanding. This would mean that in addition to higher grades, greater statistical resource estimation may be possible for single event alluvial deposition.

There are three identified sinkholes at the Blue Gum which suggest good potential for containing diamondiferous gravels. Etruscan Diamonds has permits covering over a dozen sinkhole targets similar to Tirisano that are pending exploration and resource development. Exploration and development of sinkholes beyond Tirisano may offer investors in Etruscan Diamonds significant upside in both the near and long term.

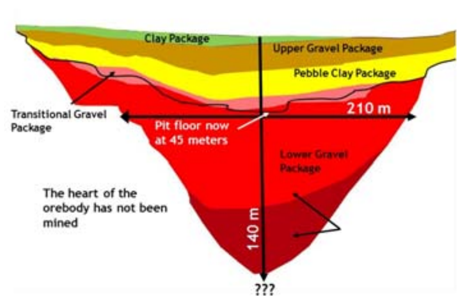


Figure 11—Conceptual Tirisano Sinkhole
Source: Etruscan

Ongoing Exploration Results Providing News Flow

Etruscan has land holdings in six countries totaling over 24,000 km². This includes 16,000 km² in West Africa (plus applications of 4,000 km² pending in Côte d'Ivoire) and 9,000 km² in Namibia (Figure 12). Etruscan has exploration offices in each country in which it operates, staffed with geologists with decades of success and experience in Africa. As Etruscan's corporate culture seeks to align its interests with the governments and local communities in Africa, it has enjoyed good success attracting local skilled and unskilled talent. Over time Etruscan has developed a process for systematic regional exploration. In addition to airborne surveys, Etruscan utilizes a fleet of mobile truck borne auger drill rigs to cover large areas cheaply and efficiently.

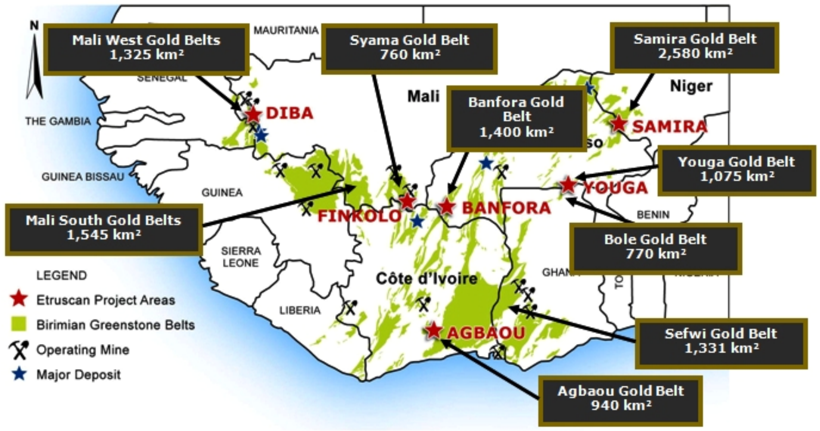


Figure 12—Etruscan West African Exploration Map
Source: Etruscan

This is an effective means to support or disqualify large promising anomalies while conserving resources for stepping up to more expensive RAB, RC or diamond drilling. Management announced in November of 2007 a budget of $15 million to jump start exploration in anticipation of generating cash flow from production at Youga. Etruscan is now fully enabled to fully explore its land package to a level uncommon in the industry.

Near Term Exploration Potential Generating News Flow

	Recent Reults	Near Term Results
Mali		
Finkolo and Resolute Joint Venture		Assays pending
Syama Area	Three regional trends of two to seven km in strike length	Auger drilling underway, satelite studies in progress
Mali West	Eliminated secondary targets	
Burkina Faso		
Youga Gold Belt - Ouare Zone	Strike length extended 1.5 km, parralel gold trend discovered	5,000 RC drill program underway, auger dril testing two soil amomolies
Boulounga (Alga Main site)	Drill results, identified six new regional scale targets	Drill program in process, reconnaissance RAB drilling and trenching on Alga Mian, Alga Northwest, Momne, and Kamgoro
Banfora	Eliminated secondary targets	Drill program in process May and June '08
Ghana		
Nangodi/Bolgatanga (Youga Belt Extension)	Drill results	Drill program pending license renewal
Southern Ghana	Land package expanded, stream survey covering 280 km2, regional scale gold anomalies	Soil sampling underway to test 1-2 km anomalies, auger drilling planned
Cote d'Ivoire		
Agbaou	Feasibility study work	6,000 diamond core in-fill drilling, 4,000 meter follow up satelite deposits
Eastern Cote d'Ivoire	Target 60 km shear zone	Initiating exploration of three new permits of 3,000 km2 each
NamIbia		
Northern NamIbia (Kamanjab)	Ten targets identified	RAB and RC drilling in progress, results pending
Eastern NamIbia (Witvlei-Rehoboth)		Ongoing regional exploration

Mali

Etruscan maintains a 40% interest in its joint venture with Resolute to develop the Tabakoroni gold deposit in southern Mali (Figure 13). This is their most advanced project in Mali. The joint venture is working to define the deposit with assays pending for drilling to a vertical depth of up to 300 meters (Figure 14). Resolute has completed a total of 35 drill holes consisting of 3,464 meters of reverse circulation drilling and 3,013 meters of diamond core. They have established a Measured and Indicated resource of 4.62 million tonnes, of 382,000 ounces grading 2.6 g/t gold, plus an Inferred resource of 4.54 million tonnes, of 364,000 ounces grading 2.5 g/t gold. While Tabakoroni was originally anticipated to provide additional ore for production at Resolute's 6.4 million ounce Syama gold mine to the north, encouraging results continue to lead toward development of a stand-alone mine. Additional drilling will include in-fill and step-out drilling plus testing the junction of the Tabakoroni Main Shear Zone and the adjacent recently discovered Porphyry Zone.

Etruscan has other permits on the Syama Gold Belt, both north and south of Resolute's Syama gold mine to the north, and the Etruscan/Resolute joint venture to the south. Their land position bookends what could currently be the most prospective gold belt in West Africa. Earlier drilling and reconnaissance work has identified three regional trends extending two to seven kilometers. Drill targets are being assessed and successful exploration programs may lead to an increased profile of Etruscan in the Syama Gold Belt and enhanced/accelerated collaboration with Resolute.

Etruscan also continues to explore in the Keniebandi formation in western Mali. This area includes numerous multi-kilometer anomalies. Etruscan has completed significant auger and RAB drilling with good results. Considering the expanse of the anomalies, a systematic approach is warranted. The most prospective areas are awaiting availability of core drill rigs. The opportunity to go deeper should provide better understanding of the geologic structure and potential opportunity for areas initially drilled. For example, Diba has shallow dipping structures with high grade intervals which cannot be reached with auger and RAB drill rigs. Results of deeper exploration should benefit investor's understanding of the potential in western Mali.

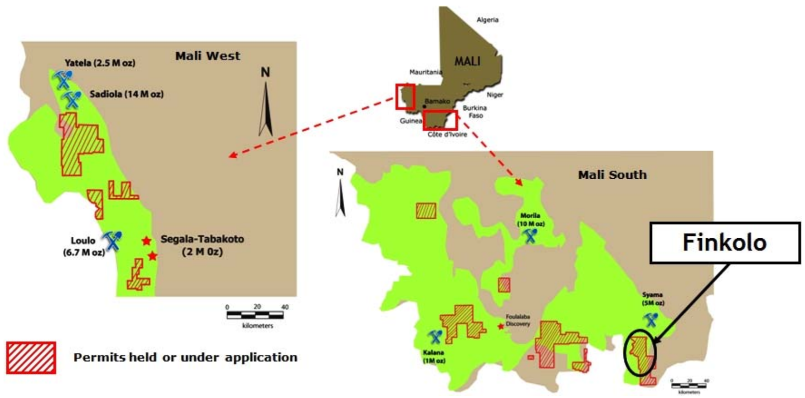


Figure 13—Finkalo, Syama Gold Belt, Mali
Source: Etruscan

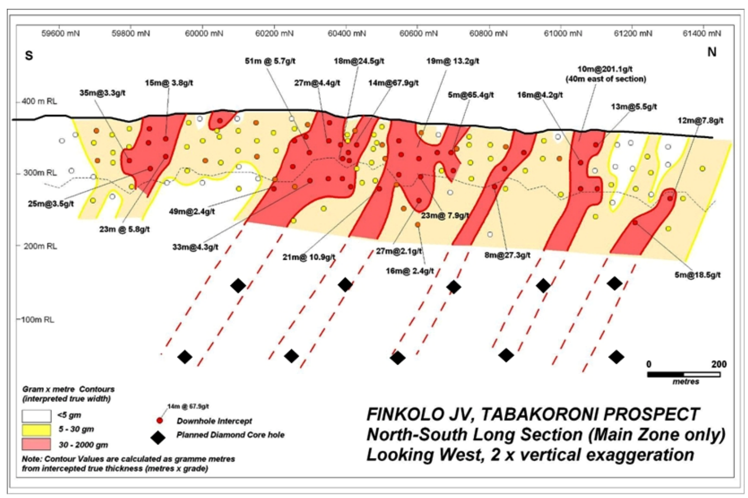


Figure 14—Deeper Drill Results Pending
Soource: Etruscan

Burkina Faso

Etruscan has a drill program in process at its Boulounga project located 120 kilometers north of Ouagadougou, Burkina Faso. The project comprises 900 km² in the Boromo greenstone belt. Since November of 2007, Etruscan has completed 2,100 soil samples, 885 auger holes and 5,600 meters of RAB drilling. They have succeeded in identifying six new regional targets and plan to follow up with geophysical and drilling to complete a proper systematic study of the project. We anticipate that release of additional drill results at specific targets may provide investors greater insight into the projects potential for establishing a resource at Boulounga.

Exploration continues at Etruscan's 1,400 km² Banfora project in southwest Burkina Faso. They have identified four primary targets and eight secondary drill targets. Field crews have completed regional soil coverage of the belt with over 2,300 soil and termite mound samples. Drilling is scheduled to commence late May to early June, 2008.

Ghana

Etruscan intends to expand exploration and drilling of the Youga Gold Belt in northern Ghana, south of their Youga project to the north in Burkina Faso (Figure 15). Successful drilling to date necessitates follow up. In the meanwhile, Etruscan has formed a join venture with Haber Mining Ghana Ltd. to explore the Sefwi Volcanic Belt and the Kumasi Sedimentary Basin in southern Ghana. In particular, the joint venture is initially engaged in three projects; the Mpohor (43 km²), Dominase (79 km²), and Kente (204 km²). These projects are located in the same region as numerous multi-million ounce deposits. These projects have also produced stream samples, which leads Etruscan to believe that they are in the right district in the right geologic package. For these reasons, while exploration is still early, we anticipate that continuing positive commentary on exploration in southern Ghana may provide additional support for investor optimism in the near term.

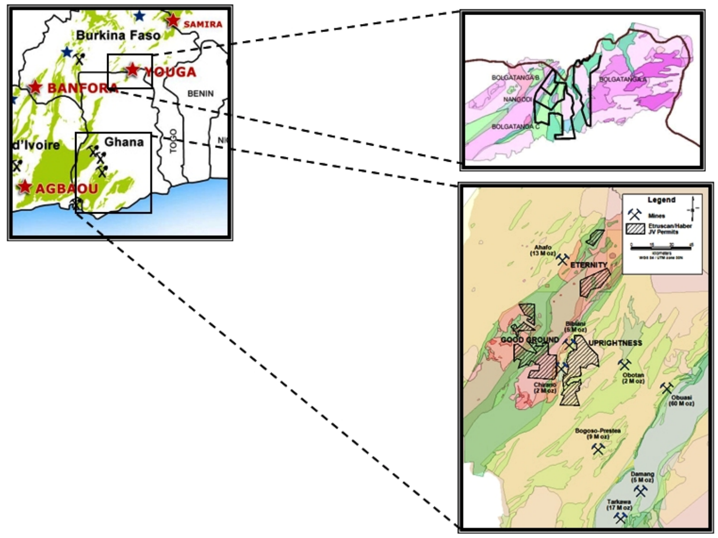


Figure 15—Ghana Exploration Projects
Source: Etruscan

Fig. 16—Auger Drilling
Diba Project, Mali
Source: Analyst

Fig. 18—Diamond Drill Rig
Diba Project, Mali
Source: Analyst

Fig. 17 Rotary Air Blast Drilling
Diba Project, Mali
Source: Analyst

Namibia

Etruscan has commenced drilling on its recently secured permits in Namibia (Figure 19). Etruscan has nearly 9,000 km^2 in what could be one of the largest and earliest exploration packages in one of the most promising and least explored areas of Africa (Figure 20 and 21). Interestingly, Etruscan's land position in Namibia is about 50% the size of their land positions in all of West Africa. Airborne geophysics, satellite imagery, and mineral occurrences have identified 94 areas of interest in the Kamanjab project in northern Namibia alone. Etruscan has narrowed these areas to ten targets for early drilling which we believe may provide positive results in the near term.

The most promising target in Namibia is at the historic Lofdal Copper Mine which has been drilled. Results are pending. In addition, Etruscan is now in the process of RAB drilling the Noute-AK, its most promising iron-oxide-copper-gold deposit, located in eastern Nambia. Noute-AK is about 700 meters wide and two kilometers in length. Etruscan also plans to test three additional targets in the Noute-S, Lofdal-J, and Copper Valley with RAB and RC drilling. Considering mining activity and early exploration, there is potential for positive results providing upside in the near term.

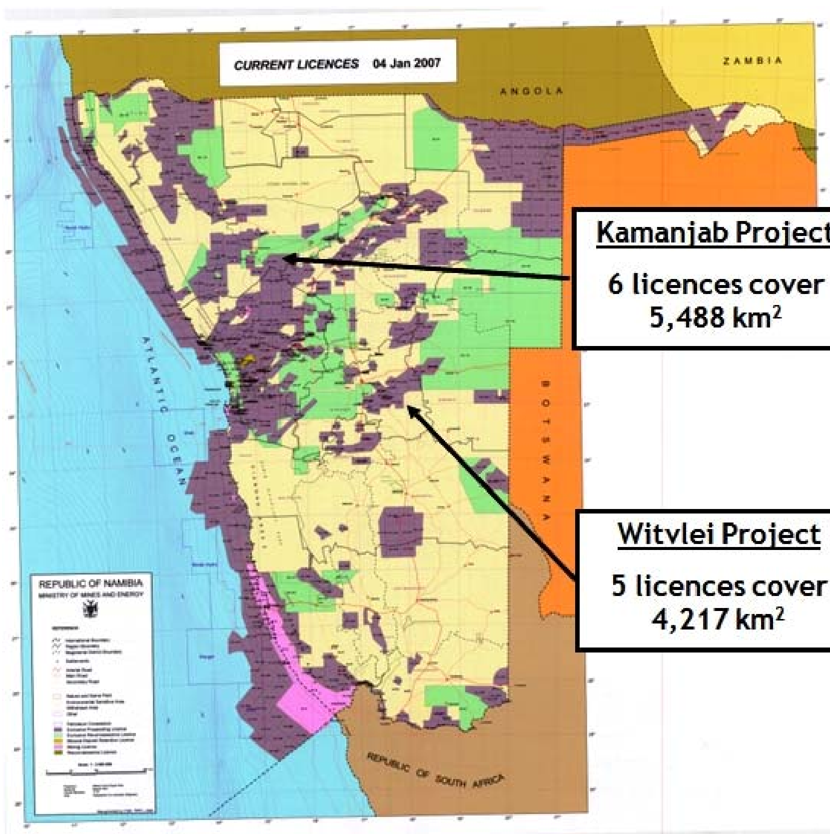


Figure 19—Nambia License Map
Source: Etruscan

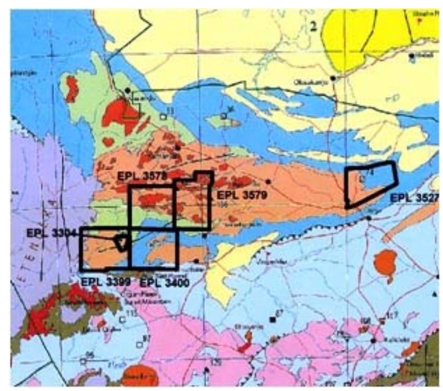


Figure 20—Kamanjab Project, Namibia
Source: Etruscan

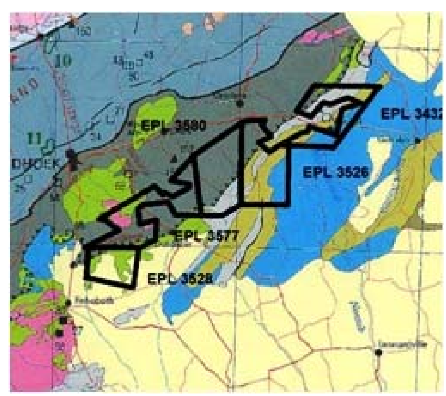


Figure 21—Witvlei Project, Namibia
Source: Etruscan

Current Exploration Accelerates Resource Expansion and Long Term Production

The Tabakoroni gold deposit, in joint venture with Resolute, is Etruscan's most advanced exploration project. This project is open for expansion and may merit developing a stand-alone mine operation. Following Youga attaining full commercial production and construction of Agabaou, Tabakoroni has the potential for becoming the next mine to be developed providing production in the mid to long term.

Financial Discussion

As of the end of Etruscan's first quarter of its fiscal year February 29, 2008, they reported cash and cash equivalents of C$28.3 million and total current assets of C$21.4 million. Etruscan reported C$26.6 million in long-term debt, plus current portion of long-term debt of C$10.0 million included in current liabilities. Long-term debt should be retired in about four years. They also reported financial derivative instrument of C$67.7 million accounting for Youga's price protection program ensuring scheduled production estimates in the table below.

Cash Flows Before Debt Service in US$M

Gold Price	2008*	2009	2010	2011	2012	2013	2014	**Total**
$850	13.0	34.6	48.5	31.9	22.7	36.0	34.0	**220.8**
$1000	17.5	40.2	58.0	38.9	28.4	45.6	42.5	**271.2**

* 7 months production in fiscal 2008 Fiscal year ends November 30

Source: Etruscan

Etruscan has reported about 123.2 million shares outstanding, with about 15.9 million warrants and options. Cash flow from production at Youga and exercising of warrants and options should be sufficient to fund corporate overhead and budgeted exploration and development initiatives. Construction and other significant development is expected to be financed on a project-by-project basis.

Conclusion and Valuation

We believe Etruscan is well positioned to benefit from trends in the metal and equities markets. Given the potential for flat or declining global gold production, we anticipate that precious metals and precious metal exploration and production companies will maintain the interest of investors. We anticipate that high gold prices should accelerate depletion of long-running operations squeezing lower grades and reducing profitability of major producers. This may lead to consolidation and acquisitions of junior explorers with promising projects. In addition, this may lead to major producers looking to progressively smaller projects to replace declining production pipelines. In the near term, high metal prices should maintain investor attention, but uneasy credit markets should increase availability of capital, leading to capitulation of less economic projects. These trends should favor Etruscan, with potential production from Youga allowing it to maintain momentum of exploration and development programs while minimizing dilution.

Valuing precious metals explorers or producers is very subjective. There are a large number of variables which distinguish them from the commodity they are seeking to produce. Relative comparisons with companies with similarities break down for these reasons. We have argued that our rating and price target are justified given corporate progress since introduction or initiating coverage. This position is given even more weight considering the potential near and long-term upside. We consider a reasonable approach may include a build-up approach of Etruscan's assets and opportunities. These components of value are summarized below:

- Increasing production and cash flow from Youga and the Blue Gum
- Production expansion potential at Youga and the Blue Gum
- Expanding resources and production potential of Agbaou and Finkalo
- Exploration upside of 24,000 km² land package in Africa
- Management, construction, exploration teams and goodwill/reputation in countries in which Etruscan operates

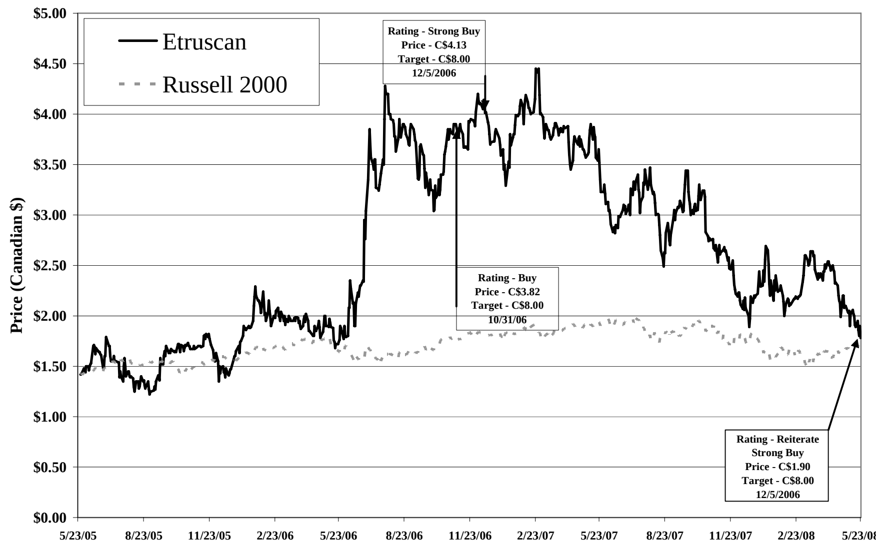
We believe that investors assess value based on existing assets plus potential to execute on opportunities while adjusting for risk and time. Etruscan's stock price may only reflect cash flow from Youga's current resource and 6.5 year mine life. In the coming year we believe there is good potential for an increase in resources near Youga and the Ouaré Zone, which may allow this to double. In addition, it would appear that Etruscan may make a positive construction decision at Agbaou, also with good potential for increasing resources. We also anticipate good potential for Etruscan's exploration and resources in the Syama Gold Belt (Resolute joint venture, et al) and with Etruscan Diamonds. The upside from these opportunities plus other exploration upside suggest value of up to four times the current level and provide a solid argument for a price level above the current level. We maintain a price target of C$8.00 per share and Strong Buy rating.

Etruscan Resources Inc.
FYE: November
Figures in Canadian $s according to Canadian GAAP

Balance Sheet	**1Q06A**	**2Q06A**	**3Q06A**	**4Q06A**	**1Q07A**	**2Q07A**	**3Q07A**	**4Q07A**	**1Q08A**
Assets	**Feb. '06**	**May '06**	**Aug. '06**	**Nov. '06**	**Feb. '07**	**May '07**	**Aug. '07**	**Nov. '07**	**Feb. '08**
Current assets									
Cash	$ 7,334,413	$ 34,489,938	$ 26,586,927	$ 16,656,910	$ 3,140,787	$ 20,745,117	$ 13,659,404	$ 31,926,710	$ 28,322,427
Accounts receivable	187,305	178,448	305,291	369,481	398,294	691,963	792,497	1,239,840	1,168,340
Inventory of diamonds	254,654	254,654	264,118	307,878	307,878	298,078	298,078	365,902	763,400
Deposits and prepaid expenses	325,547	337,237	688,388	268,043	382,789	449,101	391,157	301,532	475,097
Other assets	712,254	712,254	663,815	663,815	3,944,504	2,253,948	1,696,018	376,180	428,027
Total current assets	8,814,173	35,972,531	28,508,539	18,266,127	8,174,252	24,438,207	16,837,154	34,210,164	31,157,291
Other assets	130,000	130,000	130,000						
Amounts receivable	223,505	226,398	229,290	187,312	184,867				
Equity investment in African GeoMin Miining Develo	3,761,551	1,103,808							
Equity investment in Tirisano Diamond Mine Joint V	5,185,368	5,252,608	5,328,852	5,315,338	5,245,877	5,336,436	5,637,304		
Property, plant and equipment	4,222,634	6,349,681	13,331,433	24,077,514	34,144,829	55,488,422	65,079,345	114,811,521	125,695,333
Reclamation deposits	253,244	227,249	256,909	274,927	321,323	305,373	683,679	997,270	921,743
Mineral properties and related deferred costs	28,859,704	30,739,819	33,155,129	37,947,227	41,435,571	47,968,985	47,678,462	29,794,553	33,931,300
Total Assets	$ 51,450,179	$ 80,002,094	$ 80,940,152	$ 86,068,445	$ 89,506,719	$ 133,537,423	$ 135,915,944	$ 179,813,508	$ 191,705,667
Liabilities									
Current liablities									
Accounts payable	$ 2,972,662	$ 3,607,817	$ 5,208,994	$ 10,331,470	$ 9,159,997	$ 13,145,211	$ 10,065,947	$ 11,404,302	$ 11,455,514
Current portion long term debt	564,718	494,684	603,084	323,619	8,716	2,453,590	4,082,646	6,647,318	9,925,000
Total current liabilities	3,537,380	4,102,501	5,812,078	10,655,089	9,168,713	15,598,801	14,148,593	18,051,620	21,380,514
Long term debt	447,223	393,987	219,515	218,012	71,549	19,017,417	23,507,124	25,675,861	26,660,787
Provision for reclamation deposit	850,000	850,000	850,000	950,000	950,000	950,000	1,200,000	1,630,000	1,663,000
Non-controlling interest in subsidiary company						8,458,107	8,091,640	8,580,452	12,200,139
Financial derivative instrument						14,500,000	14,000,000	33,500,000	67,700,000
Total liabilities	4,834,603	5,346,488	6,881,593	11,823,101	10,190,262	58,524,325	60,947,357	87,437,933	129,604,440
Equity	46,615,576	74,655,606	74,058,559	74,245,344	79,316,457	75,013,098	74,968,587	92,375,575	62,101,227
Total Liabilities & Equity	$ 51,450,179	$ 80,002,094	$ 80,940,152	$ 86,068,445	$ 89,506,719	$ 133,537,423	$ 135,915,944	$ 179,813,508	$ 191,705,667

Etruscan Resources Inc.
FYE: November
Figures in Canadian $s according to Canadian GAAP

Income Statement	**1Q06A Feb. '06**	**2Q06A May '06**	**3Q06A Aug. '06**	**4Q06A Nov.'06**	**1Q07A Feb. '07**	**2Q07A May '07**	**3Q07A Aug. '07**	**4Q07A Nov. '07**	**1Q08A Feb. '08**	**2006A**	**2007A**
Revenues:											
Equipment rental											
Gain on disposal of mineral property											
Gain on sale of assets	214,233		163,560	-		947051	59,803	700,795	(10,600)	377,793	1,707,649
Interest and other	56,163	137,130	328,748	235,389	101,262	207,111	33,679	221,849	346,410	757,430	563,901
Total Revenue	270,396	137,130	492,308	235,389	101,262	1,154,162	93,482	922,644	335,810	1,135,223	2,271,550
Expenses:											
General and administrative	353,892	407,303	492,367	577,450	363,435	713,478	923,520	667,207	766,448	1,831,012	2,667,640
Foreign currency exchange (gain) loss	90,019	(241,794)	(103,485)	32,149	115,672	(678,337)	(411,546)	(1,474,011)	(724,139)	(223,111)	(2,448,222)
Interest on long term debt	46,550	38,363	32,926	32,687	35,444	18,100	21,759	2,396	22,798	150,526	77,699
Professional fees	376,164	216,438	190,874	326,683	260,641	134,613	93,976	239,907	186,196	1,110,159	729,137
Property investigations and maintenance	23,261	366	3,967	4,443	22,581	29,886	45,022	24,964	12,284	32,037	122,453
Provision for loss (gain) on marketable securities											
Wages and benefits	371,890	643,074	513,469	293,885	536,432	596,742	614,280	598,277	589,227	1,822,318	2,345,731
Stock-based compensation	1,500,000			400,000		2,215,000	42,500	2,000	56,400	1,900,000	2,259,500
Write-down of mineral properties				231,952			453,802	91,297		231,952	545,099
Operting Expenses	2,761,776	1,063,750	1,130,118	1,899,249	1,334,205	3,029,482	1,783,313	152,037	909,214	6,854,893	6,299,037
Operating Income	(2,491,380)	(926,620)	(637,810)	(1,663,860)	(1,232,943)	(1,875,320)	(1,689,831)	770,607	(573,404)	(5,719,670)	(4,027,487)
Loss from equity inv. in African GeoMin	(900,000)	(2,500,000)	(1,104,643)							(4,504,643)	
Loss from equity inv. in the Tirisano Diamond Mine	(225,000)	(100,000)	(25,000)	(10,000)	(70,000)	20,000	10,000			(360,000)	(40,000)
Non-contriolling int. in loss of sub. company	112,542					121,240	366,466	(487,706)	280313	112,542	
Loss on disp. and imp. of the Tirisano Mine								823,895			823,895
Unrealized loss on financial derivative instrument						(14,500,000)	500,000	(19,500,000)	(34,200,000)		(33,500,000)
Realized loss on financial derivative instrument								(629,721)	(1,998,589)		(629,721)
Net dil. gain on restructuring Etruscan Diamonds						1,570,762		(29,042)			1,541,720
Net loss for the period	(3,503,838)	(3,526,620)	(1,767,453)	(1,673,860)	(1,302,943)	(14,663,318)	(813,365)	(19,051,967)	(36,491,680)	(10,471,771)	(35,831,593)
Earings per share	$ (0.05)	$ (0.04)	$ (0.02)	- (0.02)	$ (0.01)	$ (0.14)	$ (0.01)	$ (0.17)	$ (0.30)	$ (0.12)	$ (0.33)
Basic shares outstanding	80,107,993	98,979,660	99,868,660	100,841,160	102,721,315	107,596,315	108,268,315	121,165,163	123,638,126		



Analyst and Friends, Youga, Burkina Faso
Source: Etruscan

DISCLOSURES:

Beacon Rock Research, LLC provides information and analysis on selected companies, with a focus on small-cap and micro-cap companies.

This report has been written in accordance with current SEC regulations and the Standards of Practice developed by the Chartered Financial Analyst Institute (CFAI). Our research has been conducted by employing analytical practices generally accepted as standard within the analytical industry. In this instance, a comparison of financial strength, a bottom-up earnings projection based on the U.S. economy, and relative multiples, were employed. The target price was calculated on comparative EPS, sales and book value multiples, and our knowledge of small-cap markets when enjoying both a sector and a cyclical rebound. Our conclusions are, by the very nature of forecasting, speculative, but are also reasonable, supportable and consistent.
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Buy	Immediate purchase is recommended. The security expected to outperform the market over the next 12 to 18 months.
Hold	Holding the stock is recommended because the share price's appreciation potential is less than or equal to the market.
Sell	The stock has reached the target price objective and/or conditions have changed sufficiently to alter the outlook for the stock.

EQUITY RISK SYSTEM:

High	The security is more volatile than the market and/or the company is more leveraged than its peer group.
Moderate	The security has about the same volatility as the market and/or the company carries a level of leverage in line with its peer group.
Low	The security is less volatile than the market and/or the company is less leveraged than its peer group.

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