



ETRUSCAN

DIVERSIFIED MINING IN AFRICA

NEWS RELEASE

TSX:EET

ETRUSCAN ANNOUNCES US\$43 MILLION EQUITY FINANCING AND MAJOR FINANCIAL RESTRUCTURING PLAN

Halifax, Nova Scotia, September 23, 2009 – **Etruscan Resources Inc. (EET.TSX)** announced today that Endeavour Financial Corporation (“Endeavour”) has entered into a binding agreement with Etruscan to purchase US\$43,000,000 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.

Gerald J. McConnell, President of Etruscan, stated:

“Etruscan is very pleased that Endeavour has decided to make this strategic investment in Etruscan. Endeavour is well known in the global mining markets for its ability to implement significant and rapid growth plans for its clients, often leading to premium market valuations. Endeavour’s track record of success includes its role in the creation and growth of Wheaton River, which ultimately became Goldcorp. We welcome Endeavour’s ongoing active role in guiding Etruscan to drive growth and share value.”

Neil Woodyer, Chief Executive Officer of Endeavour, stated:

“Endeavour has a gold-focused investment strategy to create significant value through strategic investments in gold producers with a vision of creating an intermediate sized gold growth company. We believe in long-term rising gold prices and see investment opportunity in companies, like Etruscan, facing short-term financial challenges but with quality underlying gold mining assets. We look forward to working with the Etruscan team to drive the growth of the Company.”

Use of Proceeds

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

- US\$23 million to repurchase approximately 50% 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.

Benefits of Endeavour's Strategic Investment

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 by 50% 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.

The Endeavour private placement targets the key challenges currently constricting Etruscan's share price, namely the gold hedge, the inability to service the near term senior debt repayment schedule and the lack of working capital to implement the site improvements needed at the Youga Gold Project to ensure the operational turnaround. The completion of this transaction will allow Etruscan to return its focus to value creation with the near term plan being to focus on highly prospective exploration targets near Youga which have the potential to extend the Youga mine life.

Endeavour's Share Ownership

Endeavour will acquire 153,123,000 common shares pursuant to the private placement. Endeavour has also agreed to purchase from Kirkland Intertrade Corp. and 2190776 Ontario Inc. 26,315,789 Etruscan common shares ("Kirkland/219 Shares") and 6,855,760 Etruscan share purchase warrants entitling Endeavour to acquire 6,855,760 Etruscan common shares ("Kirkland/219 Warrants"). Endeavour does not currently hold any securities of Etruscan. After giving effect to the acquisition of the Kirkland/219 Shares, but prior to the closing of the private placement, Endeavour will hold 16.5% of the issued and outstanding common shares of

Etruscan. Assuming full exercise of the Kirkland/219 Warrants, but prior to the closing of the private placement, Endeavour will hold approximately 19.98% of Etruscan's common shares.

Following completion of the private placement and the purchase of the Kirkland/219 Shares and Warrants, Endeavour will hold approximately 54% of the issued and outstanding common shares of Etruscan on a post-closing basis, assuming the exercise of all of the Kirkland/219 Warrants.

Pursuant to the private placement terms, four nominees of Endeavour will join an Etruscan seven member board. Endeavour has indicated that their nominees will be Neil Woodyer, Frank Giustra, Gordon Keep and David Street.

Closing Conditions

The private placement and consequent debt restructuring is subject to completion of standard technical, legal and financial due diligence and the negotiation and entering into of definitive documentation. The private placement is conditional upon finalizing documentation with the senior lenders to restructure the Youga debt facility on terms acceptable to Endeavour and Etruscan. The private placement is also subject to the Etruscan shareholders approving the private placement and the waiver and termination of Etruscan's shareholder rights plan. A shareholders' meeting has been convened for October 22, 2009. Commitments and indications of support for the private placement have been received from key Etruscan shareholders representing more than 40% of the issued and outstanding shares of Etruscan. The private placement and debt conversions are subject to the receipt of all necessary regulatory approvals including the approval of the Toronto Stock Exchange.

About Endeavour

Endeavour is an integrated merchant banking investment company listed on the Toronto Stock Exchange. It is an industry leader in creating and growing natural resource companies which it has demonstrated in its work with such companies as Wheaton River, Northern Orion, UrAsia, Bema and Pacific Rubiales. Endeavour has US\$150 million of cash and equivalents dedicated to a gold investment strategy. Endeavour's success is derived from its ability to integrate financial advisory services with timely capital investments. Endeavour has a dedicated advisory team of 25 professionals with a wide range of experience specializing in corporate finance, M&A and debt finance. Since 2002, Endeavour has advised on M&A transactions valued at over US\$27 billion and the arrangement of US\$3.5 billion of equity financing and US\$2.2 billion of debt finance. Endeavour has an exclusive alliance with Fiore Financial Corporation (Frank Giustra, President and CEO), expanding Endeavour's unique deal making and investment capabilities.

About Etruscan

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>.

For more information from Etruscan contact:

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This press release may contain certain forward-looking statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements may include statements regarding exploration results and budgets, mineral reserve and resource estimates, work programs, capital expenditures, mine operating costs, production targets and timetables, future commercial production, strategic plans, market price of precious metals or other statements that are not statements of fact. Although the Company believes the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Various factors that may affect future results include, but are not limited to: fluctuations in market prices of precious metals; foreign currency exchange fluctuations; risks relating to mining exploration and development including reserve estimation and costs and timing of commercial production; requirements for additional financing; political and regulatory risks, and other risks and uncertainties described in the Company's annual information form filed with the Canadian Securities regulators on SEDAR (www.sedar.com). Accordingly, readers should not place undue reliance on forward-looking statements.

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