



**ETRUSCAN**

DIVERSIFIED MINING IN AFRICA

**NEWS RELEASE**

TSX:EET

## **ETRUSCAN ANNOUNCES CLOSING OF US\$43 MILLION EQUITY FINANCING AND MAJOR FINANCIAL RESTRUCTURING**

**Halifax, Nova Scotia, October 23, 2009 – Etruscan Resources Inc. (EET.TSX)** announced today that it has completed the previously announced private placement with Endeavour Financial Corporation (“Endeavour”) of US\$43,000,000 of common shares at a price of C\$0.30 per common share. The private placement was part of a comprehensive financial re-engineering undertaken by Etruscan which included a substantial restructuring of Etruscan’s debt facilities. This re-engineering addresses Etruscan’s near-term financial needs, improves Etruscan’s operating cash flow, increases Etruscan’s leverage to rising gold prices and positions Etruscan for future growth initiatives. The private placement was subject to approval by the shareholders of Etruscan which was obtained at a special meeting of shareholders held yesterday.

Gerald J. McConnell, President of Etruscan, stated:

*“Etruscan is very pleased that Endeavour has made 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 Private Placement Proceeds**

US\$23 million of the Endeavour private placement proceeds are being used to repurchase approximately 42% of Etruscan’s \$700 per ounce gold call options resulting in less than 20% of the current life-of-mine production being hedged. Approximately US\$8.5 million of the proceeds have been used to repay outstanding unsecured convertible debt. Of the remaining US\$11.5 million, US\$5 million has been allocated for working capital purposes and improvements at the Youga Gold Project and the balance of approximately US\$6.5 million will be used for Etruscan’s general corporate working capital requirements.

## **Restructuring of Youga Project Senior Debt**

Endeavour's investment provided 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. In addition to the hedge reduction, the senior lenders' agreed to defer principal payments on the Youga senior debt facility until December 31, 2010, remove the requirement for the Youga Mine to pass a completion test and relax certain financial and other covenants on the Etruscan group. This will provide significant relief from current financial pressures and will allow Youga sufficient time to reach targeted production levels.

As part of the senior debt facility restructuring, the senior lenders converted US\$3 million of the US\$33 million outstanding on the senior debt facility together with approximately US\$443,000 of interest 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 converted US\$2 million of unsecured convertible promissory notes together with approximately US\$80,000 of interest to common shares of Etruscan at C\$0.30 per common share. A total of 19,673,148 common shares were issued as a result of these debt conversions.

## **Endeavour's Share Ownership**

Endeavour acquired 153,123,000 common shares pursuant to the private placement. Prior to the private placement, Endeavour purchased 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 did not hold any securities of Etruscan prior to the private placement and the Kirkland/219 acquisition. Endeavour now holds 54% of the issued and outstanding common shares of Etruscan.

## **New Board Members**

Four nominees of Endeavour (Neil Woodyer, Frank Giustra, Gordon Keep and David Street) have joined Gerald McConnell, Rick Van Nieuwenhuysse and Stephen Stine on the restructured Etruscan Board. John Clarke has also joined the Board as an independent member.

### ***Neil Woodyer, Chief Executive Officer and President of Endeavour Financial***

Neil Woodyer is Chief Executive Officer of Endeavour Financial and is responsible for coordinating financial advisory mandates and investment related services. His experience in natural resource marketing and finance spans thirty years, including Chief Executive Officer positions with Lloyds International Trading, a subsidiary of Lloyds Bank specializing in project and trade finance and commodity trading and Amalgamet's group of New York and Latin American based metal trading and mining finance companies. He is a Fellow of the Institute of Chartered Accountants in England and Wales.

**Frank Giustra, *President and Chief Executive Officer of Fiore Financial Corporation***

Frank Giustra is an exclusive advisor to Endeavour Financial and, as President and Chief Executive Officer of Fiore Financial, brings invaluable global investment experience and relationships to Endeavour. As President and later Chairman and Chief Executive Officer of Yorkton Securities in the 1990s, he spearheaded equity investments of more than \$3 billion in the international resource sector. Subsequently, Mr. Giustra founded Lions Gate Entertainment, now one of the world's largest independent film companies. Recognizing the growing need for merchant banking services in the mining and minerals industries, Mr. Giustra joined Endeavour Financial as Chairman in 2001 and his vision and leadership led to the successful launch of numerous resource companies, including Wheaton River Minerals which was acquired by Goldcorp. Mr. Giustra is a member of the board of trustees of the William J. Clinton Foundation and International Crisis Group and is a director of the Radcliffe Foundation. In June 2007, Frank Giustra and Former President Bill Clinton launched the Clinton Giustra Sustainable Growth Initiative (CGSGI). The CGSGI will focus on alleviating poverty in the developing world in partnership with the global mining community.

**Gordon Keep, *Executive Vice-President of Fiore Financial Corporation***

Gordon Keep has extensive business experience in investment banking and creating public natural resource companies. Mr. Keep currently is Executive Vice-President of Fiore Financial Corporation, a private boutique merchant banking firm. He also serves as an officer and/or director for several natural resource companies. From January 2001 to July 2007, Mr. Keep was Managing Director of Corporate Finance at Endeavour Financial Corporation, September 1997 until March 2004, he was Senior Vice President and a director of Lions Gate Entertainment Corp., and from April 1987 until October 1997, he was Vice President, Corporate Finance in the Natural Resource group of Yorkton Securities Inc.

**David Street, *Managing Director, Debt Finance of Endeavour Financial Ltd.***

David Street, Managing Director, Debt Finance of Endeavour Financial, is responsible for Endeavour's debt finance advisory business, including the sourcing, structuring and arrangement of finance for resource companies. Prior to joining Endeavour, Mr. Street spent a total of 13 years with NM Rothschild & Sons Limited, in London and Denver. Most recently, he was a Director and Head of Mining & Metals at Rothschild. Mr. Street also worked as a Director of the mining finance team at Société Générale for two years. He has significant experience in structuring, arranging and advising on financings for mining projects and companies in Africa and around the world.

**Dr. John A. Clarke**

John Clarke is a non-executive director of Banro Corporation, Mediterranean Resources Ltd. and Great Quest Metals Ltd.. Most recently, he held the positions of Director, Vice-Chairman and Chief Executive Officer of Nevsun Resources, an exploration and development company engaged in gold and base metals exploration in Africa. Prior to joining Nevsun in 1997, Dr. Clarke was an Executive Director of Ashanti Goldfields Company Limited of Ghana. He joined Ashanti in 1982 and contributed to establishing Ashanti's gold exploration program throughout sub-Saharan Africa. Dr. Clarke holds a B.Sc. in metallurgy from University College Cardiff, a Ph.D. in metallurgy from Cambridge University and M.B.A. from the University of Middlesex.

## **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 Toronto Stock 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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