



ETRUSCAN

DIVERSIFIED MINING IN AFRICA

NEWS RELEASE

TSX:EET

## ETRUSCAN REDUCES YOUNGA GOLD HEDGE TO LESS THAN 20% OF LIFE OF MINE PRODUCTION

**Halifax, Nova Scotia, October 29, 2009 - Etruscan Resources Inc. (EET.TSX)** announced today that it has completed the cash settlement on 62,241 ounces of the gold hedge commitments for the Youga Gold Mine in Burkina Faso, leaving less than 20% of the current life-of-mine production hedged. This component of the Company's financial restructuring was funded from proceeds of the recently completed US\$43 million private placement with Endeavour Financial Corporation (see press release October 23, 2009) at a cost of US\$23 million and represents a 43% reduction of the Youga hedge commitments.

The Youga gold hedge was implemented in January 2007 as a condition of the bank financing for the development of the mine. The hedge commitments are comprised of sold call options on the gold having a US\$700 strike price. The number of hedged ounces has been reduced to 82,299 ounces leaving approximately 380,000 life of mine ounces un-hedged. The de-hedging was structured such that 100% of the hedged ounces for the period ending March 31, 2010 were settled and 26% of the hedged ounces for each month for the balance of the hedge tenure (April 2010 to August 2012) were also settled.

Gerald McConnell, President of Etruscan, stated *"The repurchase of these \$700 hedge commitments significantly increases Etruscan's leverage to the rising gold price which has now clearly passed through the \$1000 level. Furthermore, the 100% reduction of the hedge commitments over the next five months will have an extremely positive impact on near term cash flow from operations."*

In addition to the restructuring of the hedge and debt repayment schedule, the remaining proceeds from the Endeavour Financial placement have been allocated with approximately US\$8.5 million for repayment of outstanding unsecured convertible debt, US\$5 million for working capital purposes and improvements at the Youga Gold Mine with the balance of US\$6.5 million being available for Etruscan's general corporate working capital requirements.

### 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>.

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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](http://www.sedar.com)). Accordingly, readers should not place undue reliance on forward-looking statements.

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