



ETRUSCAN

DIVERSIFIED MINING IN AFRICA

NEWS RELEASE

TSX:EET

## **ETRUSCAN MAILS MATERIAL FOR AUGUST 19 SHAREHOLDERS MEETING TO CONSIDER ENDEAVOUR OFFER TO ACQUIRE ETRUSCAN 45% MINORITY INTEREST**

**Halifax, Nova Scotia, July 23, 2010** - Etruscan Resources Inc. ("Etruscan", TSX:EET) announced that an information circular and related material are being mailed today to all shareholders of record as of July 2, 2010 for a special meeting of shareholders of Etruscan to be held on Thursday August 19, 2010.

The special meeting has been convened to consider and vote on the arrangement which was announced on June 28, 2010 whereby Endeavour Financial Corporation ("Endeavour", TSX:EDV) will acquire all of the shares of Etruscan that Endeavour does not already own. Endeavour currently owns 55% of Etruscan and, if approved by shareholders, will acquire the remaining 45% of Etruscan via a court-approved plan of arrangement (the "Arrangement").

Under the Arrangement, Etruscan shareholders will receive C\$0.26 in cash plus 0.0932 of an Endeavour share, representing a premium of 33% using the 20-day volume weighted average prices of Endeavour and Etruscan on the TSX for the 20 trading day period ending June 25, 2010 (the day immediately preceding the announcement of the Arrangement).

### **INDEPENDENT VALUATION & UNANIMOUS BOARD RECOMMENDATIONS**

The boards of directors of both Etruscan and Endeavour have approved the transaction. The Arrangement is a related party transaction under Multilateral Instrument 61-101 ("MI61-101"). Accordingly, the board of Etruscan struck an independent committee (the "Special Committee") of directors to review the Arrangement. The Special Committee retained Blake, Cassels & Graydon LLP as its independent legal advisors and Haywood Securities Inc. as its independent financial advisor. On the basis of advice received from its advisors and receipt of a formal valuation and fairness opinion from its independent financial advisor, the Special Committee determined that the Arrangement is in the best interest of, and fair to, Etruscan and Etruscan's minority shareholders. Accordingly, the non-Endeavour related members of the Etruscan board of directors unanimously recommend that Etruscan shareholders vote in favour of the Arrangement.

### **BENEFITS TO ETRUSCAN'S 45% MINORITY SHAREHOLDERS**

The Arrangement provides many benefits to the Etruscan shareholders, including:

- **Significant Premium.** *The Arrangement consideration represents a 33% premium based on the 20-day volume weighted average trading prices of Endeavour*

and Etruscan on the TSX for the 20 trading day period ending June 25, 2010 (the last trading day before the announcement of the Arrangement).

- **Continued Equity Participation via Endeavour Shares.** Etruscan shareholders will receive part of the Arrangement consideration in shares, namely 0.0932 of an Endeavour share for each Etruscan share, allowing them to participate in Endeavour's ongoing gold business.
- **Endeavour Potential.** Endeavour is positioned for continued growth in the mid-tier gold sector via: (i) Etruscan's Youga Gold Mine and exploration and development properties; (ii) Endeavour's 43% interest in Crew Gold, which owns the operating LEFA Mine and exploration properties; and (iii) Endeavour's experienced company-building team.
- **Partial Consideration to be Paid in Cash.** Etruscan shareholders will also receive part of the Arrangement consideration, \$0.26 for each Etruscan share, in cash.
- **Increased Liquidity.** Endeavour is listed on the TSX and, over the past 6 months, Endeavour shares have had approximately 14 times more daily value-trading than the Etruscan shares.
- **Independent Valuation and Fairness Opinion.** Haywood Securities Inc. has provided an independent valuation and fairness opinion to Etruscan's Special Committee. The Special Committee has determined that the Arrangement is fair to the Etruscan minority shareholders, and in the best interests of Etruscan.
- **Platform for Growth.** Upon completion of the Arrangement, Endeavour is expected to provide the Etruscan shareholders with greater access to capital and increased opportunities for growth. Growth opportunities are expected to be pursued through both organic development (via the Etruscan and Crew Gold assets) as well as further strategic acquisitions.

## **SUMMARY OF THE TRANSACTION**

Endeavour's acquisition of Etruscan will be completed via a court-approved plan of arrangement under Nova Scotia law whereby:

- (a) each Etruscan shareholder will receive 0.0932 of an Endeavour share plus C\$0.26 in cash for each Etruscan share;
- (b) each Etruscan warrant will be replaced with a new warrant entitling the holder to receive 0.0932 of an Endeavour share plus C\$0.26 in cash on exercise of such warrant, at the same aggregate exercise price of the original Etruscan warrant, and otherwise on the same terms as the existing Etruscan warrant. The terms of the Arrangement require Endeavour to apply to the TSX to list the replacement warrants issued in respect of currently listed Etruscan warrants ; and
- (c) each Etruscan option will be replaced with a new option entitling the holder to receive 0.0932 of an Endeavour share at the same aggregate exercise price less C\$0.26 per Etruscan option, and otherwise on the same terms as the existing Etruscan option.

The preceding summary is qualified by the full text of the information circular mailed today to Etruscan shareholders and available on Etruscan's company profile on [www.sedar.com](http://www.sedar.com). The circular sets out a detailed description of the Arrangement and the rights of all Etruscan securityholders, including those resident in jurisdictions other than Canada, to participate in the Arrangement.

Completion of the Arrangement is subject to the satisfaction of certain conditions, including the approval of the TSX (which has been obtained subject to completion of certain standard conditions), approval of the Etruscan shareholders and approval of the Nova Scotia Supreme Court. It is anticipated that the Arrangement will be concluded in early September.

### **ETRUSCAN SPECIAL MEETING**

A special meeting of Etruscan's shareholders will be held on Thursday, August 19, 2010 at 10:00 a.m. (Atlantic Time) at Suite 1300, 1969 Upper Water Street, Halifax, Nova Scotia to consider and vote on the Arrangement. Etruscan has obtained an interim order of the Supreme Court of Nova Scotia that provides for the holding of the special meeting and the mailing of the meeting materials.

Etruscan shareholders as of July 2, 2010 (and Etruscan warrant holders who exercise their Etruscan Warrants prior to July 30, 2010) are entitled to vote in person or by proxy at the Meeting. In order to approve the Arrangement, at least three-quarters of the votes cast by all of the Etruscan shareholders (Endeavour intends to vote its 55% interest in favour of the Arrangement) and a simple majority of the votes cast by the Etruscan shareholders other than Endeavour and all other related parties, present in person or by proxy at the Meeting, must be in favour of the Arrangement.

Etruscan has retained Kingsdale Shareholder Services Inc. to assist with the solicitation of proxies for the special meeting. If any Etruscan shareholder has any questions or requires assistance in voting their proxy, they should contact Kingsdale Shareholder Services Inc., at 1-888-518-6554 toll free in North America or collect at +1-416-867-2272 outside of North America or by email at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).

### **About Etruscan**

Etruscan Resources Inc. is a gold-focused Canadian mining company with large land positions in West Africa. The Company's principal mine projects include the Youga Gold Mine in Burkina Faso; the Agbaou Gold Project in Côte d'Ivoire; and the Finkolo Gold Project in Mali. Exploration programs and initiatives are on-going in Burkina Faso, Mali, Côte d'Ivoire, Ghana and Namibia. 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 [www.etruscan.com](http://www.etruscan.com).

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