



ETRUSCAN DIVERSIFIED MINING IN AFRICA

NEWS RELEASE

TSX:EET

ETRUSCAN REPORTS SECOND QUARTER 2008 RESULTS

Halifax, Nova Scotia, July 11, 2008 -- Etruscan Resources Inc. (EET.TSX) has reported its financial and operating results for the six months ended May 31, 2008. The Q2 2008 unaudited financial statements and management's discussion and analysis are available on the SEDAR website at www.sedar.com or at the Company's website at www.etruscan.com. All figures are reported in Canadian dollars unless otherwise noted.

Highlights from second quarter 2008 operations include:

- First gold produced at the Youga Gold Mine in Burkina Faso;
- Exploration drilling expanded resource potential at the Bitou area which is located 35 kilometers north of the Youga Gold Mine; and
- Operations continued to ramp up at the Blue Gum Diamond Project in South Africa.

Youga Gold Mine, Burkina Faso

Etruscan achieved a major milestone in the second quarter of 2008 with the first gold pour at its Youga Gold Mine, located 180 kilometers southeast of Ouagadougou, the capital city of Burkina Faso. Approximately 7,800 ounces of gold were recovered in the second quarter and 6,200 ounces poured. At design capacity the Youga Gold Mine will be processing 83,000 tonnes per month and recovering an average of 6,700 ounces of gold per month. Mining operations ramped up during the second quarter and provided for a run-of-mine ore stockpile at the end of May of approximately 45,000 tonnes.

A total of 4,756 ounces of gold were sold during the second quarter for gross sales receipts of \$3.35 million. Operating, finance and other costs for the quarter, net of gold receipts, were capitalized as preproduction costs. Commercial production was subsequently achieved in early July with the mill throughput for the 30 day period ended July 7, 2008 totaling 53,764 tonnes which represents 65% of the design throughput and 4,094 ounces of gold being produced during this period which represents 61% of the forecast amount. Production statistics continue to show steady improvements and the gold recovery plant continues to operate at projected efficiency with an average gold recovery of over 93%. Gold production is scheduled to increase during July as plant throughput and mill feed grades reach forecast levels.

Current mineable reserves at Youga are 6.6 million tonnes with an average grade of 2.7 grams per tonne containing 580,000 ounces of gold, which is contained in five separate pits. The mill feed to date has come from the A2 Main pit which has mineable reserves of 4.1 million tonnes with an average grade of 3.1 grams per tonne and a strip ratio of 6.8 to 1. Mining operations have recently commenced at the A2 West Zone 1 pit which contains mineable reserves of 0.5 million tonnes at an average grade of 3.0 grams per tonne with a very low strip ratio of 1.3 to 1. A number of potential satellite gold deposits have already been identified on the Youga mining permit within a three kilometer radius of the existing plant and are being evaluated for conversion into reportable resources and reserves.

During the six months ended May 31, 2008 the Company invested a total of \$17.3 million in development activities related to the Youga Gold Mine.

Bitou Exploration Permits, Burkina Faso

Exploration activities carried out during the second quarter on the Bitou permits, which cover the northeastern extension of the Youga Gold Belt, identified significant mineralization with a resource potential extending over a strike length of two kilometers. The Bitou area is located 35 kilometers northeast of the Youga Gold Mine. The objective of this drill program is to determine the resource potential of a previously known zone at Ouaré with reverse circulation (“RC”) drilling, and to test three new gold targets with auger drilling. Highlights from the results of the first 1,500 meters of a planned 5,000 meter RC drill program are listed below:

- 22 meters at 2.8 g/t (including 6 meters at 6.5 g/t)
- 14 meters at 2.6 g/t (including 4 meters at 9.2 g/t)
- 12 meters at 2.6 g/t (including 4 meters at 6.2 g/t)
- 2 meters at 41.6 g/t
- 2 meters at 25.6 g/t

A gold resource at Bitou would have the potential to provide substantial additional mill feed for the Youga gold operation.

Blue Gum Diamond Project, South Africa

Etruscan’s subsidiary company, Etruscan Diamonds, holds one mining permit and three prospecting permits over three adjacent properties in the Ventersdorp alluvial diamond district (Nooitgedacht, Hartbeestlaagte and Zwartrand properties) known as the Blue Gum Project.

During the first quarter of 2008, Etruscan Diamonds recommenced mining and processing operations at the Tirisano Diamond Mine located on the Blue Gum property. The gravel from the mine is being processed at the pre-existing Tirisano DMS (dense media separation) plant, which Etruscan Diamonds regained control of late in 2007, and through four 16 foot pan plants which have recently been installed near the DMS plant. The objective is to achieve a monthly throughput of 100,000 cubic meters of gravel per month from the two facilities with 40,000 cubic meters coming from the DMS plant and 60,000 cubic meters from the pan plant.

The ramp up at the Tirisano DMS plant and the new pan plants continued during the second quarter and the facility is targeted to achieve the forecast production rate of 100,000 cubic meters per month in the third quarter of 2008. Pre-screening capacity during the second quarter was limited to 1,000 cubic meters per day which limited the pan plant throughput. The installation of a larger pre-screening unit is now nearing completion and will improve plant throughput by increasing pre-screening capacity from 1,000 cubic meters per day to 10,000 cubic meters per day.

For the six month period ended May 31, 2008 processing operations recovered 5,465 carats from 209,231 cubic meters of gravel with an average rough tender value of US\$613 per carat for an aggregate diamond value of US\$3,350,000.

During the six months ended May 31, 2008 the Company invested a total of \$4.3 million in development activities related to the Blue Gum Diamond Project and \$0.2 million in exploration activities related to other diamond properties.

Other Gold Exploration

Etruscan is exploring over 3,300 km² in Burkina Faso on three major greenstone belts referred to as the Youga project area, the Boulounga project area and the Banfora project area.

In Mali the Company is exploring in two major areas. In Mali South, the Company is exploring over 2,300 km² with its most strategic land package along the Syama Gold Belt, which includes an area under joint venture with Resolute Mining Limited of Australia. In Mali West, the Company holds over 1,200 km² with the largest land package strategically situated immediately south and southwest of the Sadiola Mine that is operated by AngloGold Ashanti and IAMGOLD.

In Ghana, Etruscan has increased its property interests to over 2,200 km². The Company is exploring the southwestern extension of the Youga Gold Belt into Ghana on the Nangodi-Bolgatanga project area and has been building a strategic land package in southern Ghana.

Etruscan's most important project in Côte d'Ivoire is the Agbaou Gold Project which is currently undergoing a feasibility study to determine the economics of developing a one million tonne per annum mine, similar in size to the Company's recently commissioned Youga Gold Mine in Burkina Faso (90,000 oz per annum). Etruscan considers Côte d'Ivoire to be one of the most prospective countries for new discoveries in West Africa. Etruscan has three exploration permits covering 3,000 square kilometers and applications in progress for six new permits in different gold belts throughout the country.

Etruscan is exploring almost 18,000 km² in the country of Namibia. The Company was first attracted to the country primarily because it had not received extensive, gold-focused exploration, however, Etruscan is also cognizant of the potential for other mineral commodities and its licences are not restricted to precious metals. Drilling is underway on the first four priority areas to test a variety of targets including copper-gold, copper-gold-silver and rare earth element deposits.

A comprehensive update on the Company's exploration activities in these five countries was issued during the quarter; refer to the Company's news release dated May 6, 2008.

During the six month period ended May 31, 2008 the Company invested a total of \$9.2 million in exploring its African exploration property portfolio.

Operating Results

The net income for the three months ended May 31, 2008 was \$13.9 million (\$0.11 per share) compared to a net income of \$0.8 million (\$0.01 per share) for the three months ended May 31, 2007. The current three month period results included non-cash income of \$19.3 million (2007 – \$1 million) related to unrealized gains on financial derivative instruments.

The net loss for the six months ended May 31, 2008 was \$22.6 million (\$0.18 per share) compared to a loss of \$16.0 million (\$0.16 per share) for the six months ended May 31, 2007. The current six month period loss included non-cash expenses of \$14.9 million (2007 – \$14.5 million) related to the unrealized loss on financial derivative instruments and \$1.5 million (2007 - \$2.2 million) related to stock-based compensation.

Generally accepted accounting principles (GAAP) require non-hedging financial derivative instruments, those which do not qualify for hedge accounting, to be recorded at fair value (marked to market) on the balance sheet date and the resulting gains or losses are to be included in earnings for the period. The Company and its independent advisors have determined that while the Youga gold hedge constitutes an effective economic hedge for the Youga Gold Mine; it does not, however, meet the requirements for hedge accounting under GAAP. The marked to market revaluation of the Youga gold hedge as at May 31, 2008 was negative \$48.4 million which is a reduction of \$19.3 million for the three month period. The Company has recorded this amount in the net income for the period and correspondingly recorded a decrease in the related liability on the balance sheet. The unrealized marked to market amount represents the theoretical value on cancellation of the gold option contracts based on market values as at May 31, 2008. As such it does not represent an estimate of further gains or losses nor does it represent an economic obligation for the Company as long as it is expected to meet its delivery obligations as they fall due. Furthermore, over future operating periods as the Youga hedge commitment is fully settled with physical delivery of gold, the financial derivative liability will be reduced to zero and a corresponding increase in gold revenue will be recorded.

The financial statements have been prepared in accordance with Canadian GAAP.

Robert Harris, P.Eng., Vice President of Operations of Etruscan, is the Qualified Person overseeing production and development in West Africa and South Africa and has reviewed and approved this press release.

K. Kirk Woodman P.Geo., Etruscan's Chief Project Geologist, is the Qualified Person overseeing Etruscan's exploration programs in West Africa and has reviewed and approved this press release.

About Etruscan Resources Inc.

Etruscan Resources Inc. is a gold focused Canadian junior mining company with dominant land positions in district scale gold belts covering more than 13,000 square kilometers in West Africa. Its principal mine development projects include the **Youga Gold Project in Burkina Faso** (press release dated July 8, 2008), the **Agbaou Gold Project in Côte d'Ivoire** (press release dated February 21, 2008), and the **Finkolo Gold Project in Mali** (press release dated July 2, 2008). Advanced and early stage exploration projects are on-going in Burkina Faso, Mali, Côte d'Ivoire, Ghana (press release dated June 10, 2008), and Namibia (press release dated June 19, 2008). See press release dated May 6, 2008 for a comprehensive update of explorations projects. Etruscan also has a 52.07% interest in Etruscan Diamonds Limited which has a dominant land position in the Ventersdorp Diamond District located in South Africa. (press release dated June 13, 2008). 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>.

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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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