



ETRUSCAN

DIVERSIFIED MINING IN AFRICA

NEWS RELEASE

TSX:EET

ETRUSCAN CONCLUDES US\$5 MILLION DEBT FINANCING

Halifax, Nova Scotia, May 28, 2009 – Etruscan Resources Inc. (EET.TSX) announced today that it has completed in escrow a US\$5 million debt financing with two major shareholders, 2190776 Ontario Inc. and Conus Partners Inc. (the “Lenders”), consisting of senior unsecured convertible promissory notes (“Notes”). The closing will be completed upon receipt of proceeds by wire transfers which are presently underway.

The proceeds from the Notes will be primarily used to fund production improvements at Etruscan’s Youga Gold Mine in Burkina Faso including completion of the grid power installation and maintenance process enhancements together with providing additional working capital. The Youga improvement expenditures will be managed by Etruscan’s recently appointed Chief Operating Officer, Stephen Stine (see Etruscan news release dated April 23, 2009), who is presently based at the Youga Gold Mine.

The Notes are repayable on May 28, 2010 (“Maturity Date”) and bear interest at the rate of 10% per annum, calculated and compounded quarterly, with interest payable in cash by capitalizing it and adding it to the principal of the outstanding Notes at the Maturity Date. The Notes may be prepaid at any time without penalty or premium. If the Notes have not been previously repaid, the Notes will be convertible, at the option of the holder, at any time after the Maturity Date, into common shares of Etruscan at a conversion price of \$0.3602 being the volume weighted average trading price (“vwap”) of the common shares of Etruscan on the Toronto Stock Exchange (“TSX”) over the five trading day period immediately prior to the issuance of the Notes.

As part of the financing, Etruscan issued two tranches of warrants to the Lenders. A total of 7,717,933 warrants (representing 50% of the principal of the Notes divided by \$0.3602) (“X Warrants”) were issued to the Lenders on closing with each X Warrant entitling the holder to purchase one common share of Etruscan on or before May 28, 2011 at an exercise price of \$0.3602. The second tranche of warrants (“Y Warrants”) also issued at closing, will be exercisable commencing November 24, 2009 (being 180 days after the issuance of the Notes) and ending May 28, 2011 for that number of Y Warrants determined by dividing the Canadian equivalent of US\$2.5 million by the five day vwap of the common shares of Etruscan on the TSX immediately prior to November 24, 2009 which will also be the exercise price of the Y Warrants.

The issuance of the Notes and the X and Y Warrants was approved by the Board of Directors of Etruscan. In addition, in accordance with the requirements of the TSX, Etruscan has agreed that the X and Y Warrants may not be exercised and the Notes may not be converted without obtaining shareholder approval for the issuance of the shares on exercise of the Warrants or conversion of the Notes, which approval Etruscan intends to seek in the near future. In the event such shareholder approval is not forthcoming, then the Lenders and Etruscan have agreed that an amount based on a calculation of the value of the X and Y Warrants that are not permitted to be issued will either be paid to the Lenders in cash or, at the Lenders’ option, added to the principal of the Notes. In addition, the interest rate on the Notes will increase from 10% to 20%. The

Corporation's funding requirements necessitated the closing of the financing less than 21 days prior to its announcement.

2190776 Ontario Inc. is a major shareholder of Etruscan holding 16.5% of the outstanding common shares. Conus Partners Inc. and its affiliates are also major shareholders of Etruscan holding in excess of 10% of the outstanding common shares. Additional information concerning this financing and the potential increase in the Lenders' holdings as a result of this financing will be contained in the material change report filed in conjunction with this press release.

Etruscan also announced today the repricing of 1,500,000 unlisted common share purchase warrants of the Company ("Financier Warrants") held equally by RMB Australia Holdings Ltd. ("RMB") and Macquarie Bank Limited ("Macquarie"). RMB and Macquarie provided Etruscan with a US\$35 million senior debt facility and a US\$7.5 million subordinated debt facility to help fund the development costs of Etruscan's Youga gold project in Burkina Faso, West Africa. The Financier Warrants, dated February 27, 2009, have an exercise price of \$0.51, and expire February 27, 2012. The Financier Warrants were issued as consideration for the agreement by RMB and Macquarie to amend and waive certain provisions of the Youga debt financing. Etruscan has agreed to amend the terms of the Financier Warrants to adjust the exercise price thereof to \$0.3602 per common share as consideration for RMB and Macquarie agreeing to further amend certain terms of the Youga debt facility including a waiver of the requirement to make a payment on principal of US\$2.5 million on June 30, 2009. RMB and Macquarie deal at arms length to Etruscan. The repricing of the Financier Warrants has been approved by the TSX and will be effective the 10th business day following the date of this 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** (latest press release dated March 9, 2009), the **Agbaou Gold Project in Côte d'Ivoire** (latest press release dated December 18, 2008), and the **Finkolo Gold Project in Mali** (latest press release dated July 2, 2008). Advanced and early stage exploration projects are on-going in Burkina Faso, Mali, Côte d'Ivoire, Ghana (see press release dated June 10, 2008) and Namibia (see press release dated January 15, 2009). Etruscan also has a 52.1% interest in Etruscan Diamonds Limited which has a dominant land position in the Ventersdorp Diamond District located in South Africa (latest press release dated December 12, 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>

For more information from Etruscan contact:

Richard Gordon, Investor Relations, email: rgordon@etruscan.com Tel: (877) 465-3674/ Fax (902) 832-6702

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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