ETRUSCAN’S YOUGA GOLD PROJECT ADVANCES TO PRODUCTION

October 31, 2006, Halifax, N.S. – Etruscan Resources Inc (EET.TSX) announced today that it has received an updated feasibility study for its 90% owned Youga Gold Project located in Burkina Faso, West Africa. The updated feasibility study prepared by RSG Global of Perth, Australia and MDM Engineering of South Africa updates the original feasibility study prepared by these consultants in January 2005. Construction of the Youga Gold Project has progressed significantly with expenditure commitments of approximately $18.0 million as at September 30, 2006. Construction is on schedule for initial gold production to commence the second quarter of 2007. The Youga Gold Project is located approximately 180 kilometers southeast of the capital city of Ouagadougou and near the border with northern Ghana.

Highlights of the Updated Feasibility Study

- Proven and probable reserves: 6.6 million tonnes grading 2.7 grams per tonne
- In situ reserves: 580,000 ounces
- Recovered reserves: 544,000 ounces
- Production schedule: 6.6 years from 5 open pits
- Average annual production: 86,000 ounces

Base case financial analysis at $525/oz (before tax and debt service):

- IRR: 31%
- NPV at 0% discount: US$66.7 million
- NPV at 10% discount: US$30.7 million
- Capital cost estimate: US$44 million (excluding working capital)
- Capital pay-back: 2.5 years
- Operating cost estimate: US$24.40 per tonne milled

Gerald J. McConnell, President and Chief Executive Officer of Etruscan stated:

“We are very pleased with the results from the updated feasibility study. While operating and capital costs for the project have increased, our Youga technical team has performed diligently in controlling these costs. In spite of the increased costs, the overall project economics have been enhanced by the improved gold price. Youga is a robust project. With today’s gold price in excess of $600 the IRR is in excess of 48%.

The project is on budget and on schedule to commence production in the second quarter of 2007. Establishing production from Youga will provide the resources to allow the company to continue its aggressive exploration strategy on the Youga Gold Belt and elsewhere on our significant and strategic land holdings in West Africa.”
Details of the Updated Feasibility Study

The updated feasibility study is based on open pit mining of five pits via contract mining with the ore to be processed through a conventional gravity-CIL (carbon-in-leach) plant with a design capacity of one million tonnes per annum. The average gold recovery and mining strip ratio are 93% and 5.2:1 respectively. Initial capital costs for the Youga Gold Project are estimated to be US$44 million excluding working capital. The Project pre-tax internal rate of return (IRR), based on a gold price of US$525, is calculated to be 31% assuming the Project is 100% equity financed. The following are the pre-tax Project IRR at varying gold prices.

<table>
<thead>
<tr>
<th>Gold Price</th>
<th>IRR</th>
</tr>
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<tbody>
<tr>
<td>US$550</td>
<td>37%</td>
</tr>
<tr>
<td>US$600</td>
<td>48%</td>
</tr>
<tr>
<td>US$650</td>
<td>58%</td>
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The following table sets out the mineral reserve estimate for the Youga Gold Project. The reserve estimate was prepared by RSG Global in accordance with Canadian National Instrument 43-101. This estimate represents a 13% increase over the January 2005 feasibility study reserve estimate.

<table>
<thead>
<tr>
<th>Deposit</th>
<th>Proven</th>
<th>Probable</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tonnes</td>
<td>Grade</td>
<td>In situ Au</td>
</tr>
<tr>
<td></td>
<td>[Mt]</td>
<td>[g/t]</td>
<td>[koz]</td>
</tr>
<tr>
<td>A2 main</td>
<td>2.2</td>
<td>3.8</td>
<td>260</td>
</tr>
<tr>
<td>A2 East</td>
<td>0.7</td>
<td>2.0</td>
<td>43</td>
</tr>
<tr>
<td>A2 West 1</td>
<td>0.4</td>
<td>3.2</td>
<td>41</td>
</tr>
<tr>
<td>A2 West 2</td>
<td>0.3</td>
<td>2.2</td>
<td>22</td>
</tr>
<tr>
<td>A2 West 3</td>
<td>0.39</td>
<td>1.8</td>
<td>22</td>
</tr>
<tr>
<td>Total</td>
<td>4.0</td>
<td>3.1</td>
<td>388</td>
</tr>
</tbody>
</table>

All ore and waste will be mined via conventional open pit mining methods using a mining contractor. Following a mining tender in 2005, PW Mining International Ltd. of Ireland has been selected as the mining contractor as well as the construction contractor for the tailings dam facility.

The treatment plant flowsheet is based on a single ROM bin and three stage crushing, with a mill feed stockpile. A gravity concentration stage is required, consisting of a centrifugal gravity concentrator, with final gravity concentrate produced on a shaking table. Milled ore will be processed in a conventional leach/CIL circuit consisting of a pre-leach tank followed by a series of five CIL tanks. Test work indicates that expected gold recoveries for the Youga deposits, based on the selected treatment route, will range from 93% to 94%.
Status of Construction

Construction of the Youga Gold Project has progressed significantly with expenditure commitments of approximately $18.0 million as at September 30, 2006. Construction is on schedule for initial gold production to commence the second quarter of 2007.

The detailed engineering phase and site construction management are being carried out by GBM Projects Limited of London with the engineering phase being over 95% complete. At the plant site, the platforms for the equipment and structural foundations have been completed and the concrete foundations are being installed. The mine village housing has been ordered from Redsea in Ghana and site preparations are underway. The 30 kilometer main access road has been upgraded and the 11 kilometer road from the plant site to the Nakambe River, the location of the water pumping station, is nearing completion. The Allis Chalmers grinding mill has been shipped from the Port of Montreal to the Port of Tema in Ghana. Other significant orders include the complete crushing circuit from Osborn of South Africa, the gravity equipment from Knelson of Canada, the mill drive train from Metso of the United States, the CIL tanks from Permastore of the United Kingdom, the CIL inter-stage screens and associated equipment from Kemix of South Africa and the major electrical items from Megatron also of South Africa. The structural steel is being fabricated by DLM in Morocco and the mechanical and structural erection has been awarded to CMA of Senegal. The shipping contract has been awarded to Bertling Logistics of South Africa.

Project Financing

In February 2006, BMC accepted an offer of US$28.5 million debt financing from the FirstRand Bank Group of South Africa, a specialist in the financing of mineral resource projects in Africa, and Macquarie Bank Limited of Australia, to complete the construction of the Youga Gold Mine. The offer of finance contemplates that the debt facility will be structured as a limited recourse facility to Etruscan until technical and economic completion conditions are achieved, where after, the debt facility becomes non-recourse project financing. Standard project finance security provisions apply to the offer of finance. Initial drawdown of the facility is anticipated in the fourth quarter of 2006 upon satisfaction of conditions precedent, completion of formal financing agreements and the establishment of an options related price protection program securing a minimum price of US$500 per ounce for approximately 453,000 ounces of gold. The total project funding requirement to bring the Youga Gold Mine into production including initial capital costs, working capital requirements, construction overrun facilities, and financing costs is estimated at US$53 million and will be funded in part with the loan proceeds. The balance will be funded by cash reserves.

Expansion of the Youga Gold Project

The potential to expand the Youga Mine life past the 6.6 year initial mine life detailed in the updated 2005 reserve estimate is considered to be excellent. Exploration completed to date has identified six mineralized zones on the Youga mining permit outside of the existing mineable reserve base, including Nanga, Leduc, A2 Village, Village Tail, A2
West Zones 4 & 5 and Zegoré. These near-surface mineralized zones will provide future feed to the centrally located mill facility. Surrounding the mining permit area, the Company holds or has applied for renewal of an additional eight exploration permits covering 1,046 square kilometers, which cover an 80 kilometer strike length of the Youga gold belt. Regional exploration on these permits has identified target areas at Zerbogo (25 kilometers southwest of Youga), Bougre (13 kilometers southwest of Youga) and Bitou (25 kilometers northeast of Youga). Planning is underway to further test these areas and generate drill targets.

Etruscan Resources Inc. is a diversified Canadian junior mining company focused on acquiring dominant land positions in district scale gold and diamond belts within Africa. Etruscan has an aggressive exploration strategy and now holds strategic land positions in a number of gold belts covering over 10,000 km² in five countries in West Africa. The Company also holds a dominant land position in the Ventersdorp alluvial diamond district in South Africa. 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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