

FORM 51-102F3  
MATERIAL CHANGE REPORT

**Item One – Name and Address of Company**

Etruscan Resources Inc.  
Suite 306, Royal Bank Building  
1597 Bedford Highway  
Halifax, NS B4A 1E7

**Item Two - Date of Material Change**

October 15, 2007

**Item Three - News Release**

The attached news release was issued in Halifax, Nova Scotia on October 15, 2007, via Canada Newswire.

**Item Four - Summary of Material Change**

On October 15, 2007, Etruscan Resources Inc.(EET.TSX) reported its financial and operating results for the interim period ended August 31, 2007.

**Item Five - Full Description of Material Change**

On October 15, 2007, Etruscan Resources Inc. reported its financial and operating results for the interim period ended August 31, 2007.

**Operating Results**

The net loss for the three months ended August 31, 2007 was \$0.8 million (\$0.01 per share) compared to a net loss of \$1.8 million (\$0.016 per share) for the three months ended August 31, 2006. The current three month period loss included non-cash income of \$0.5 million (2006 – nil) related to unrealized gains on financial derivative instruments.

The net loss for the nine months ended August 31, 2007 was \$16.8 million (\$0.16 per share) compared to a loss of \$8.8 million (\$0.10 per share) for the nine months ended August 31, 2006. The current nine month period loss included non-cash expenses of \$14.0 million (2006 – nil) related to the unrealized loss on financial derivative instruments and \$2.3 million related to stock-based compensation (2006 - \$1.7 million).

Recent accounting pronouncements 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 Project; it does not, however, meet the requirements for hedge accounting under the new and current Canadian GAAP. The marked to market revaluation of the Youga gold hedge as at August 31, 2007 was negative \$14.0 million (\$0.13 per share). The Company has recorded this unrealized loss in the net loss for the nine month period and correspondingly recorded the related liability on the balance sheet. The unrealized mark-to-market loss represents the theoretical value on cancellation of the gold option contracts based on market values as at May 31, 2007. 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.

The Company's consolidated cash position as at August 31, 2007 was \$13.7 million and working capital was \$2.7 million. In addition, the Company had \$4.9 million in-the-money warrants outstanding and available-for-sale securities of \$1.7 million as at August 31, 2007.

Long term debt as at August 31, 2007 was \$27.6 million, net of deferred financing costs of \$4.2 million, as a result of drawing down US\$30 million of the US\$35 million Youga debt facility during the nine month period ended August 31, 2007.

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

K. Kirk Woodman P.Geo., Etruscan's Chief Project Geologist, is the Qualified Person overseeing Etruscan's exploration programs in West Africa and Robert Harris, P.Eng., Vice President of Operations of Etruscan, is the Qualified Person overseeing production and development in West Africa and South Africa.

**Item Six – Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not Applicable

**Item Seven - Omitted Information**

Not Applicable

**Item Eight - Executive Officer**

Janice A. Stairs, Vice-President, General Counsel and Secretary, (902) 832-6700.

**Item Nine – Date of Report**

Executed this 16<sup>th</sup> day of October, 2007, at Halifax, Nova Scotia by Janice A. Stairs,  
Vice-President, General Counsel and Secretary.



**ETRUSCAN** DIVERSIFIED MINING IN AFRICA

**NEWS RELEASE**  
TSX:EET

## **ETRUSCAN REPORTS THIRD QUARTER RESULTS**

**Halifax, Nova Scotia, October 15, 2007** -- Etruscan Resources Inc. (EET.TSX) has reported its financial and operating results for the interim period ended August 31, 2007. The Q3 2007 Financial Report is available on the SEDAR website at [www.sedar.com](http://www.sedar.com) or at the Company's website at [www.etruscan.com](http://www.etruscan.com). All figures are reported in Canadian dollars unless otherwise noted.

### **Highlights from third quarter 2007 operations include:**

- The Youga Gold Project in Burkina Faso entered the final phase of construction with commissioning of the main plant circuits scheduled to be completed in November and the initial gold pour scheduled for December
- The feasibility drill program at the Agbaou Gold Project in Côte d'Ivoire was completed and a feasibility team comprised of a number of internationally recognized consulting firms was engaged to complete the feasibility study
- A 6,700 meter drill program was completed at the Finkolo Gold Project in Mali South
- Etruscan Diamonds continued mining, bulk sampling and drilling activities on its Blue Gum alluvial diamond project in South Africa with the goal to upgrade the NI 43-101 inferred resource into the indicated category

### **Youga Gold Project, Burkina Faso**

Construction at the Company's Youga Gold Project located in Burkina Faso, West Africa is nearing completion with commissioning of the main plant circuits scheduled to be completed in November and the initial gold pour scheduled December. In spite of enduring exceptionally heavy rains over the past months, the Youga Gold Project is now in the final stage of completion as highlighted by the following:

- The contract mining fleet operated by PW Mining has been fully mobilized and has completed overburden and waste stripping of the main pit. The drill and blast contractor, Nitro Chimie, is also fully mobilized and has blasted in excess of 500,000 cubic meters as at end of September. The on-site infrastructure for both contractors is nearing completion.
- The initial phase of the ROM (run-of-mine) pad has been completed which represented the placement of approximately 300,000 cubic meters of waste rock. The pad will be expanded over the life of the project to allow for extra ore stockpiling capacity.
- A clay liner and the starter wall and the return water pond for the tailings storage facility have been completed and the remaining piping and liners are currently being installed.

- A primary grade control drill rig is now on site and in operation. The initial ore will be mined from the main pit (A2 Main) and stockpiled on the ROM pad for commissioning and early production. The grade control staff has been hired and is now on site.
- The 10 MVA diesel-fired back up power plant has been completely installed and is ready to operate.
- Construction of the main electrical power line from Ghana is continuing and the first phase power delivery is scheduled to be completed by December.
- Installation of the 11 kilometer water pipeline to the Volta River and the overhead power line to power the pumping station has been completed. Installation of the pumping units will be completed when the water in the Volta River recedes. Temporary pumping capacity is being put in place.
- Important plant circuits (including the crushing and screening, the mill and cyclone tower, the carbon in leach and process building) are nearing completion with the majority of the steelwork erected and the mechanical equipment placed.
- The mine camp is complete and fully operational. Construction of various infrastructure buildings such as the main workshop, chemical stores, crusher workshop, security/change building and the office blocks are complete.

The Youga Gold Project is being commissioned in three phases before ramping up to full production. Each circuit will go through an initial dry, then wet and finally an ore based commissioning process. The commissioning of the main plant units is scheduled to be completed in November with testing of the carbon in leach (CIL) circuit, the crushing and screening circuit, grinding and cyclone circuit and finally the elution and gold room areas. With a successful commissioning achieved, the first gold pour is scheduled for December.

### **Agbaou Gold Project, Cote d'Ivoire**

In Côte d'Ivoire the Company is proceeding with taking the Agbaou Gold Project through full feasibility. Etruscan has completed the feasibility drill program and has engaged a feasibility team that comprises a number of internationally recognized consulting firms. The main consultants include MDM Engineering of South Africa, who will address the plant and infrastructure design and costing as well as the supervision of the metallurgical program which is being carried out at the Mintec laboratories, and Coffey Mining (formerly RSG Global) of Perth Australia who will complete the 43-101 compliant resource estimation and reserve calculation as well as the mine costing and design. Other consultants include Knight Piesold of South Africa (tailings dam design and hydrology), African Mining Consultants ("AMC") of Botswana (environmental study) and Golder and Associates of the United States (mine geotech).

MDM will serve as the overall coordinator of the feasibility study which is scheduled for completion the end of April 2008. The resource calculation is scheduled to be completed by Coffey Mining by the end of November 2007. Five HQ diamond drill holes (827 meters) were completed to provide representative samples for grinding and comminution testing following site visits by MDM in May. A suite of NQ core samples were collected from several diamond drill holes providing representative samples of mineralized laterite, mottled zone, saprolite, saprock and bedrock to a maximum vertical depth of 300 meters. All metallurgical, grinding and comminution samples have been received at the Mintec laboratory in South

Africa and test work is underway. Initial results indicate that high (+90%) recoveries can be achieved using a combination of gravity and cyanide leaching. Complete results are expected by the end of October. Three diamond drill holes (478 meters) were logged and sampled for geotechnical purposes following a site visit by Golder and Associates in August.

### **Finkolo Gold Project, Mali**

During the third quarter the Company's joint venture partner at the Finkolo Gold Project, Resolute Mining Limited, completed the planned drill program in the main Tabakoroni Zone which has provided a systematic drill density on an approximate 50 x 25 meter grid to a vertical depth of 130 meters. Of the planned 8,200 meters of drilling, a total of 6,702 meters were accomplished. As of the end of this quarter assay results were incomplete due to a backlog of samples at the laboratories. However, results received continued to confirm continuity and grades over the 1.7 kilometer long strike length of the Tabakoroni Zone. It is anticipated that a new resource estimation will be provided by Resolute before the end of the fourth quarter 2007. It has been demonstrated that the Tabakoroni Zone has depth potential below the current 130 meter level, and that the high grade shoots in particular hold potential for future underground mine development. The timing of a deeper drill program will be assessed following the evaluation of these last drill results and completion of the updated resource estimation.

### **Alluvial Diamond Properties, South Africa**

Contract drilling and bulk sampling activities at the Hartbeestlaagte diamond property continued during the quarter with the objective to upgrade the inferred resource to indicated resources.

In September, 2007, Mvelaphanda Exploration agreed to transfer its 50% interest in the Tirisano Diamond Mine Joint Venture to Etruscan Diamonds in consideration for the payment of 25 million Rand and the delivery to Mvelaphanda Exploration of 1,184,848 shares of Etruscan Resources Inc. Total consideration approximated CDN\$7.2 million. The shares of Etruscan Resources Inc. were issued in consideration for the issuance to Etruscan of 1,810,750 shares of Etruscan Diamonds Limited. The acquisition closed on October 5, 2007. As a result of these transactions, Etruscan Resources Inc. now holds a 53.7% ownership interest in Etruscan Diamonds and Mountain Lake holds a 16.2% ownership interest.

Having control of the Tirisano Diamond Mine operation and surrounding Nooitgedacht property allows Etruscan Diamonds to consolidate the development of the diamond resources on the Nooitgedacht property with those on the adjacent Hartbeestlaagte and Zwartrand properties.

During September Etruscan Diamonds also reached an agreement in principle with Mogopa Minerals (Pty) Ltd. (Mogopa) to transfer a 26% interest in the Tirisano Diamond Mine to Mogopa in consideration for the payment of 26 million Rand. Mogopa will replace Mvelaphanda Exploration as the entity providing the Black Economic Empowerment (BEE) for the project as required by South African mineral legislation. Mogopa is also Etruscan Diamonds' BEE partner on the Hartbeestlaagte and Zwartrand properties. Mogopa has accepted an indicative term sheet from the Industrial Development Corporation of South Africa Limited (IDC) to finance Mogopa's acquisition of the 26% interest in the Tirisano Diamond Mine. Etruscan Diamonds has also accepted an indicative term sheet from the IDC to provide an additional R15 million to fund additional working capital requirements to reactivate the Tirisano Mine. These financings have been approved by the IDC's credit committee and closing is expected to occur by the end of October.

## Operating Results

The net loss for the three months ended August 31, 2007 was \$0.8 million (\$0.01 per share) compared to a net loss of \$1.8 million (\$0.016 per share) for the three months ended August 31, 2006. The current three month period loss included non-cash income of \$0.5 million (2006 – nil) related to unrealized gains on financial derivative instruments.

The net loss for the nine months ended August 31, 2007 was \$16.8 million (\$0.16 per share) compared to a loss of \$8.8 million (\$0.10 per share) for the nine months ended August 31, 2006. The current nine month period loss included non-cash expenses of \$14.0 million (2006 – nil) related to the unrealized loss on financial derivative instruments and \$2.3 million related to stock-based compensation (2006 - \$1.7 million).

Recent accounting pronouncements 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 Project; it does not, however, meet the requirements for hedge accounting under the new and current Canadian GAAP. The marked to market revaluation of the Youga gold hedge as at August 31, 2007 was negative \$14.0 million (\$0.13 per share). The Company has recorded this unrealized loss in the net loss for the nine month period and correspondingly recorded the related liability on the balance sheet. The unrealized mark-to-market loss represents the theoretical value on cancellation of the gold option contracts based on market values as at May 31, 2007. 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.

The Company's consolidated cash position as at August 31, 2007 was \$13.7 million and working capital was \$2.7 million. In addition, the Company had \$4.9 million in-the-money warrants outstanding and available-for-sale securities of \$1.7 million as at August 31, 2007.

Long term debt as at August 31, 2007 was \$27.6 million, net of deferred financing costs of \$4.2 million, as a result of drawing down US\$30 million of the US\$35 million Youga debt facility during the nine month period ended August 31, 2007.

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

K. Kirk Woodman P.Geo., Etruscan's Chief Project Geologist, is the Qualified Person overseeing Etruscan's exploration programs in West Africa and Robert Harris, P.Eng., Vice President of Operations of Etruscan, is the Qualified Person overseeing production and development in West Africa and South Africa.

## 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 10,000 square kilometers in West Africa. Its principal properties include the Youga Gold Project in Burkina Faso (Press release dated October 3, 2007), the Agbaou Gold Project in Côte d'Ivoire where its feasibility drilling program has been completed (Press release dated October 11, 2007), the Diba Gold Project in Mali where a major drill program was recently completed (Press release dated July 26, 2007), the

Finkolo Gold Project in Mali where an 6,700 meter reverse circulation and diamond drilling program was recently completed (Press release dated August 30, 2007) and the Banfora Gold Belt in Burkina Faso with eight major gold targets identified and where a single sample auger drilling program began in March 2007 (Press release dated November 27, 2006). Etruscan recently announced a significant acquisition of strategic properties in Ghana (Press release dated August 7, 2007). Etruscan also has a 53.7% interest in Etruscan Diamonds Limited which has a dominant land position in the Ventersdorp Diamond District located in South Africa. (Press release dated October 9, 2007). 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: <a href="mailto:rgordon@etruscan.com">rgordon@etruscan.com</a>	Tel: (877) 465-3674 / Fax (902) 832-6702
Tony Hayes,	email: <a href="mailto:thayes@etruscan.com">thayes@etruscan.com</a>	Tel: (866) 638-3338 / Fax (905) 468-8407

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.

NO REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED THE CONTENT OF THIS RELEASE