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## Etruscan gobbled up

**Deal likely ends miner's Halifax presence**

By BRUCE ERSKINE Business Reporter  
Tue. Jun 29 - 4:53 AM

Endeavour Financial Corp. of the Cayman Islands is buying the 45 per cent of Bedford's Etruscan Resources Inc. it doesn't already own in a deal valued at \$79.1 million.

"Endeavour is beginning the transformation from a holding company into an operating company in the gold space," said Etruscan CEO Sally Eyre in an interview from London, England, on Monday.

Under the deal announced Monday, Etruscan shareholders will receive the equivalent of 48 cents for each Etruscan share they hold.

Those shares were trading for 45 cents on the TSX, up six cents, after Monday's announcement. The payment includes 26 cents per Etruscan share in cash, plus 0.0932 of an Endeavour share. The cash portion of the deal is worth \$43 million.

The directors of both companies approved the transaction. It was reviewed by independent financial and legal advisers who concluded it was in the best interests of Etruscan's minority shareholders.

The deal is subject to a shareholder vote that will take place at a special meeting in Halifax in August. It is anticipated the transaction will close by the fall of 2010.

Endeavour, an investment bank, acquired a 55 per cent stake in Etruscan, which has gold

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and diamond mining interests in Africa, for \$43 million in September 2009.

Etruscan, which lost \$82.4 million last year, subsequently announced it was moving its headquarters to London by August 2010.

Gerald McConnell, the company's founder, was replaced as CEO by Eyre, Endeavour's Vancouver-based vice-president of marketing and business development.

McConnell, who remains Etruscan's board chairman, said in a release Monday that the offer gives company shareholders "the opportunity to participate directly in Endeavour's broader growth strategy in the gold sector through exposure to additional gold assets and financial resources."

Eyre agreed, noting that Endeavour raised \$100 million last year that is being used to create a one-million-ounce-per-year gold producing company through acquisitions like Etruscan and Crew Gold Corp. of London.

Endeavour recently paid \$92 million for a 38 per cent stake in Crew Gold, which has holdings in Guinea, West Africa.

Eyre said Etruscan will likely be delisted if the acquisition is approved and its assets are rolled into Endeavour, which was trading for \$2.28 a share on the TSX Monday, down eight cents from its previous close.

She said it was "unlikely" Etruscan will retain a presence in Halifax as it makes more sense to operate out of Europe, since it is closer to the company's African mining interests.

Etruscan's mine projects include the Youga gold mine in Burkina Faso, the Agbaou gold project in Cote d'Ivoire and the Finkolo gold project in Mali.

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