



## EXETER RESOURCE CORPORATION NEWS RELEASE

**November 12, 2003**

### **Exeter Acquires Option on Papagallos Porphyry Property in Argentina**

Exeter Resource Corporation ("Exeter") announces that it has been granted an exclusive option by Xstrata Copper America's Argentinian subsidiary to acquire 100% of the Papagallos copper-gold porphyry property. The project is located in western Argentina, 80 kilometres southeast of Chile's El Teniente copper mine and within the same northwest-trending structural corridor. El Teniente is one of the world's major copper mines with a total reported resource in excess of 75 million tonnes of contained copper metal.

Exeter has optioned the Papagallos Project to evaluate a partially-exposed, unexplored copper-gold porphyry system recently discovered by Xstrata geologists in western Mendoza Province, at an elevation of 3000 to 4500 metres. The discovery was made during routine ground follow-up of a Landsat anomaly. The database is limited, as only four days of field work have been conducted on the property since the discovery.

An ellipsoid alteration zone, approximately 3 km. long by 2 km. wide, has been identified. Initial stream geochemical sampling provided positive results and follow-up prospecting identified outcropping copper mineralisation (mainly oxides and sulfates as disseminations and fracture fillings). The host sequence appears to be a complete volcanic pile grading upwards to volcanoclastic rocks. The mineralized intrusive is a potassic-altered, magnetic andesite porphyry capped by a zone of argillic-altered hydrothermal breccia.

Fourteen of thirty-five rock chip samples collected assayed between 1020 ppm and 2.18% copper (average of the 14 samples is 0.77% copper), with the best results coming from mineralized float of possible skarn. Gold values range from 0.015 g/t to 0.36 g/t.

To earn a 100% interest in the property, Exeter must spend a total of US\$3.5 million, including a minimum of US\$100,000 prior to August 2004, a further US\$550,000 prior to August 2005 and US\$750,000 annually, thereafter. Upon Exeter earning 100%, Xstrata will have the right to back into a 60% interest by paying Exeter US\$10.5 million. Should Xstrata not exercise its back-in right, its interest will revert to a 2% NSR, to be applied after the recovery of development costs.

If Xstrata elects to fund the project to the completion of a bankable feasibility study, it will earn an additional 10% interest (taking its interest to 70%). Exeter's qualifying expenditures include all payments to an underlying Argentine vendor, comprising US\$25,000 in August 2004, and, thereafter US\$50,000, US\$150,000, and US\$400,000 in each of the subsequent years, respectively - at which time Exeter/Xstrata will have earned a 100% interest in the vendor's area. The vendor will retain a 2% Net Profit Interest over that area. Exeter can elect to withdraw from the project at any time.

Exeter has commenced a helicopter-borne magnetic survey with the technical support of Xstrata. Geological mapping and ground reconnaissance to better define the porphyry and to locate the source of the high grade skarn mineralisation will follow.



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Rob Harley, B.Sc., Exeter's Vice President, Exploration, a qualified person within the definition of that term in NI 43-101 of the Canadian Securities Administrators, has supervised the preparation of the technical information contained in this News Release.

Exeter is a Canadian company with five additional gold and copper projects in Argentina, of which the La Cabeza gold project is the most advanced. At La Cabeza, 16,000 metres of drilling have delineated a significant, near surface gold resource

You are invited to visit the Exeter web site at [www.exeterresource.com](http://www.exeterresource.com).

## **EXETER RESOURCE CORPORATION**

"Bryce Roxburgh"  
Bryce Roxburgh, President

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