

## NEWS RELEASE

January 15, 2004

### Exeter Proceeds with \$1.1 Million La Cabeza Pre-Feasibility Study

Exeter Resource Corporation ("Exeter"- XRC.V) is proceeding with a \$1.1 million Pre-Feasibility Study on its 100% owned La Cabeza Gold Project in Argentina. The decision follows a positive internal scoping study (the "Scoping Study") on the project, completed in November, 2003, and the closing of a \$4 million financing, on January 13, 2004.

The Pre-Feasibility Study was designed, and will be coordinated by Sandercock and Associates, of Sydney, Australia, and will include 2,800 metres of drilling, to commence in February. The full study will also include a detailed geological interpretation and geotechnical, hydrological, engineering, metallurgical, mining, infrastructure, environmental, community relations, legal investigations and financial modeling. The scheduled timeframe for the study is six months.

La Cabeza is a low-sulphidation epithermal gold deposit, situated at an elevation of 1100 metres in southern Mendoza Province, western Argentina.

#### Estimated La Cabeza global resource:

Cut-off (g/t Au)	Tonnes (t)	Grade Au (g/t)	Ounces
0.5	11,976,000	1.83	718,000
1.0	6,816,000	2.82	628,000
2.0	3,398,000	4.28	475,000

These resources were calculated by Argentina Mineral Development Ltd. and confirmed by Exeter's independent geologist, Ruben Verzosa as being "Inferred Resources" in accordance with the CIMM code. Approximately 50% of the resource is located within 50 metres of surface, and 80% within 100 metres of surface, indicating that a substantial part of the resource could potentially be mined by open pit methods. Exploration also indicated higher grade mineralisation which could potentially be mined underground from the bottom of open pits.

The Scoping Study project model was based on the following assumptions and parameters :

#### Scoping Parameters/Assumptions (US dollars)

<b>Capital costs</b>	Total project cost-\$22 million Mill-\$15million Open pit-\$2million Site infrastructure-\$2.5million Underground Development- \$2.5million
<b>Open pit mining rate</b>	500,000 to 600,000 tonnes per annum (tpa)
<b>Underground mining rate from year 2 onwards</b>	100,000 tpa
<b>Processing rate</b>	500,000 tpa
<b>Open pit mining cut-off grade</b>	1.0 g/t
<b>Underground mining cut-off grade</b>	2.0 g/t
<b>CIP/CIL recoveries</b>	90% gold 60% silver
<b>Metal prices</b>	\$375/oz gold \$5.00/oz silver
<b>Operating Costs</b>	Open pit-\$1.50/ t (ore and waste) Underground-\$35.00/t Milling-\$5.50/t Administration -\$2.00/t
<b>Tax rates and depreciation</b>	3% NSR to Province 30% corporate tax Accelerated 3 year depreciation

Preliminary open pit designs, without optimization, show an average waste to ore stripping ratio of only 1.9:1. It is anticipated that the sub-vertical ore veins will be mined underground by low cost trackless benching methods, however geotechnical studies scheduled in this study are required to confirm this approach.

CIP/CIL extraction has been recommended by metallurgical consultants Jerry Perkins and Associates of Sydney, Australia, on the basis of metallurgical test work conducted to date. Reporting guidelines did not permit net present value calculations for an inferred resource.

#### November 2003 Scoping Study Results (US dollars)

<b>Annual gold production</b>	35,000 - 45,000 ounces (open pit only) 45,000-60,000 ounces (open pit plus underground)
<b>Payback period</b>	2.5 years (approx)
<b>Operating cost/ounce gold</b>	\$192/oz
<b>Operating plus capital costs/ounce gold</b>	\$230/oz
<b>Breakeven gold price</b>	\$191/oz (open pit only) \$197/oz (open and underground combined)
<b>Mine life</b>	7.5 years
<b>Total gold recovered</b>	280,000 oz.

The pre-feasibility drilling program is designed to lift the current "Inferred Resources" to the "Indicated" category. Some exploration drilling of mineralization and conceptual targets outside of the inferred resource will also be conducted.

Bryce Roxburgh, B.Sc., Exeter's President, 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 continues to advance its other exploration projects in Argentina. Progress on these properties will be reported as results are received.

You are invited to visit the Exeter web site at [www.exeterresource.com](http://www.exeterresource.com). The detailed scope of works for the Pre-Feasibility Study is included on the website.

## EXETER RESOURCE CORPORATION

*"Yale Simpson"*

Yale Simpson, Chairman

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