



For Immediate Release: Thursday, August 12, 2004

EXETER DEFINES GOLD/SILVER DRILL TARGETS AT CERRO PUNTUDO

Vancouver, B. C., August 12, 2004 – Exeter Resource Corporation (TSX-V: XRC, Frankfurt: EXB) today announced very positive results from its initial geochemical and geological programs on the Cerro Puntudo gold project, located 250 kilometres west of its Cerro Moro gold project, in Santa Cruz Province, Patagonia. The survey was designed to verify and expand on results reported to Exeter by Cerro Vanguardia S.A. ("CVSA") from CVSA's earlier programs.

Rock chip channel sampling by Exeter has highlighted two high priority targets: the La Quebrada zone, showing 27 metres grading 1.9 grams per tonne (g/t) gold, 129 g/t silver and 2.3% lead; and the Rico zone, with 5 metres grading 31 g/t gold and 29 g/t silver.

Geologic mapping has identified mineralization associated with areas of strong silicification and brecciation, within a structurally controlled, 6 kilometre long, west-northwest trending zone. Geochemical sampling comprised 131 channel and composite rock chip samples. Each composite rock chip sample covered an area of 3 to 10 square metres, over a more prominent outcrop area. In addition, 5 traverses of channel rock chip sampling were completed.

The La Quebrada zone results confirm CVSA rock chip channel sampling, which had yielded 26.5 metres grading 1.9 g/t gold. Also confirmed were results from the Rico zone located approximately two kilometres northwest of the La Quebrada zone. Sampling by CVSA had returned 21 metres grading 3.5 g/t gold. A separate rock chip channel sample, taken 300 metres to the southeast in the Rico zone, assayed 1.0 g/t gold and 18 g/t silver over 14 metres.

A third zone, the Puntudo zone, located 900 metres to the northwest of the Rico zone, is a large area of breccia, possibly a diatrema. A total of 28 large composite samples, collected by CVSA and Exeter over an area of 10,000 square metres in the Puntudo zone, averaged 0.5 g/t gold.

Channel sampling by Exeter discovered a new zone of silicification ("Quebrada South"), 1.6 kilometres southeast of La Quebrada, which returned 1.2 g/t gold, 57 g/t silver and 0.15% lead over a width of 4.5 metres.

Outside of the main mineralized structure, Exeter discovered further mineralization consisting of silica veining in rhyolitic volcanics. Individual samples returning assay values up to 17 g/t gold. This new zone is some 2 kilometres south of the Puntudo zone.

Bryce Roxburgh, Exeter's President, said, "We are very pleased with the results emerging from Cerro Puntudo. Our initial view that the breccias represent targets for large scale mineralization has been supported by our latest results." Further detailed geological mapping, geochemical sampling and geophysical surveying will be conducted on the Cerro Puntudo Project ahead of drilling in November - December.

Robert Harley, B.Sc., Exeter's Vice President, Exploration, a Qualified Person within the definition of that term in National Instrument 43-101 of the Canadian Securities Administrators, has supervised the preparation of the technical information contained in this news release.

About Exeter

Exeter is a Canadian company exploring epithermal gold-silver and copper-gold porphyry projects in Argentina. La Cabeza is Exeter's most advanced project, where exploration has delineated an inferred resource containing 720,000 ounces of gold based on 12.0 million tonnes grading 1.8 g/t at a cut-off grade of 0.5 g/t gold. Drilling continues at La Cabeza as part of a \$1.1 million pre-feasibility study.

Separately, Exeter is awaiting assay results from recently completed drilling on the Cerro Moro gold-silver project, in Santa Cruz province, Patagonia.

You are invited to visit the Exeter web site at www.exeterresource.com.

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