



For Immediate Release: August 17, 2005

EXETER ADVANCES LA CABEZA RESOURCES EXPANSION DRILLING

Vancouver, B. C., August 17, 2005 – Exeter Resource Corporation (TSX-V: XRC, Frankfurt: EXB) reports that it has now completed a total of 1100 metres of reverse circulation (“RC”) and diamond drilling at its La Cabeza gold project in Mendoza Province, Argentina. As announced June 30, 2005, the program is designed to up-grade the existing gold resources at La Cabeza and to expand those resources by testing new targets and extensions to known mineralization.

Exeter Chairman, Yale Simpson, commented “This is an exciting program for Exeter. I am confident that new discoveries will result from this, our first comprehensive exploration program for new deposits at La Cabeza.”

Drill targets are being located using a new exploration model, developed earlier this year by Exeter’s geoscientists, based on previous detailed surface mapping, and more than 20,000 meters of drilling and 2000 metres of channel sampling, at La Cabeza. To further assist in defining new ore bodies, Exeter then engaged an international structural geologist, Dr. Timothy Coughlin, of Holcombe, Coughlin & Associates, an expert in epithermal gold deposits in South America. Dr. Coughlin has identified eight new targets at La Cabeza, under sand cover but in relatively close proximity to existing ore grade mineralization.

La Cabeza has an existing indicated gold resource of 390,000 ounces (6.2 million tonnes at an average grade of 2 grams per tonne (“gpt”), using a 0.5 gpt cut off) and an additional, inferred, resource of 500,000 ounces of gold (12.1 million tonnes at an average grade of 1.3 gpt gold, using a 0.5 g/t gold cutoff).

The current drill program includes a minimum of 55 holes, for 5200 metres of diamond and RC drilling to bring a large proportion of the existing inferred resource into the indicated resource category. An additional 50 holes, for 3000 metres, will be drilled to test new targets generated by the company’s structural studies and by the recent discovery of gold veins trending sub-parallel to known resources. It is expected that the size of the program will expand significantly as new targets are generated.

Qualified Person

Matthew Williams, Exeter’s Exploration Manager and a “qualified person” within the definition of that term in National Instrument 43-101, *Standards of Disclosure for Mineral Projects*, has supervised the preparation of the technical information contained in this news release.

About Exeter

Exeter is a technically-advanced Canadian exploration company, focused on the discovery of epithermal gold/silver and porphyry copper/gold projects in Argentina and Chile. The exploration drilling program described above will be complemented by engineering, metallurgical, hydrological, environmental and continuing economic evaluations.

In the prospective Patagonia region of Argentina, Exeter has a strategic partnership with Cerro Vanguardia S.A, an AngloGold Ashanti subsidiary. The agreement provides Exeter with an option over 25 epithermal gold-silver properties.

In Patagonian Chile, Exeter has a strategic agreement with Rio Tinto Mining and Exploration Limited over epithermal gold prospects in an 800 square kilometer area. Prospecting of epithermal gold targets is currently underway.

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

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Cautionary Note to U.S. Investors – The United States Securities and Exchange Commission (“SEC”) permits mining companies in their filings with the SEC to disclose only those mineral deposits that a company can economically and legally extract or produce. We use certain terms in this news release, such as “inferred resource”, that the SEC guidelines strictly prohibit us from including in our filing with the SEC. U.S. investors are urged to consider closely the disclosure contained in our Form 20-F Registration Statement, File No. 000-51016. You can review and obtain copies of our filings from the SEC’s website at <http://www.sec.gov/edgar.shtml>.

Safe Harbour Statement - This news release may contain certain “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995. These statements reflect our current belief and are based upon currently available information. Actual results could differ materially from those described in this news release as a result of numerous factors, some of which are outside of the control of the Exeter.

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