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EXETER DRILLS BONANZA GRADES IN NEW VEIN AT CERRO MORO, ARGENTINA

Vancouver, B. C., August 1, 2006 – Exeter Resource Corporation (TSX-V: XRC, Frankfurt: EXB) reports that drilling at its Cerro Moro Project in Argentina has discovered a high-grade gold-silver vein in a new zone, situated 2.5 kilometres from any previous drilling on the property.

Reverse circulation drill hole CMRC-45 intersected 10 metres at a grade of 15.4 grams per tonne (“g/t”) gold and 790 g/t silver, for a gold equivalent grade* of 28.6 g/t. Included in the intercept was 2 metres at a grade of 43.6 g/t gold and 2293 g/t silver (81.8 g/t gold equivalent*).

The vein intersected by CMRC-45 (now named the “Carla Vein”) was not apparent in outcrop and suggests the potential for further discoveries in an entirely new part of the property. Significantly, two other holes, CMRC-43 and CMRC-44, located 75 metres to the east of CMRC-45, also intersected veining that could represent a faulted extension of the Carla Vein.

Company Comment

Chairman Yale Simpson commented: “Cerro Moro is a large, 50 square kilometre, gold-silver system; one of a number of promising epithermal gold-silver properties under our strategic agreement with Cerro Vanguardia S.A., an AngloGold Ashanti subsidiary. For the past 12 months, our approach in systematically exploring Cerro Moro has been to combine detailed ground magnetic surveying with geological mapping to identify additional high-grade veins, or extensions to known veins”.

“Previous drilling at Cerro Moro showed the vein system to be extensive and the Deborah and Esperanza Veins have both shown sufficient grades and widths to support the advancement of the property toward mine development. The Carla Vein discovery has rewarded the persistence of our team, as we continue to explore this very large epithermal system”.

Cerro Moro Drilling Results

Exeter drilled 1,037 metres in 20 holes in the current program on the Carla, Dora, Deborah and Esperanza veins. Significant results from the current drilling program include:

CARLA						
Hole N°	From	To	Meters	Gold g/t	Silver g/t	Gold Equivalent* g/t
CMRC 44	26	27	1	7.96	684	19.36
	56	62	6	0.57	45	1.32
CMRC 45	46	56	10	15.41	790	28.58
	which includes					
	47	52	5	28.32	1465	52.73
	which includes					
	47	49	2	43.58	2293	81.78

DORA						
Hole N°	From	To	Meters	Gold g/t	Silver g/t	Gold Equivalent* g/t
CMRC 48	4	6	2	0.93	76	2.19
CMRC 49	23	30	7	1.58	4	1.65
CMRC 50	0	2	2	2.74	5	2.81
	19	26	7	0.51	3	0.55

DEBORAH						
Hole N°	From	To	Meters	Gold g/t	Silver g/t	Gold Equivalent* g/t
CMRC 52	59	64	5	2.92	74	4.15
CMRC 53	41	55	14	3.04	61	4.05
	which includes					
	49	52	3	7.03	129	9.18
	which includes					
	49	50	1	12.98	142	15.34
CMRC 54	57	65	8	0.70	28	1.15
CMRC 55	31	34	3	2.39	17	2.67

ESPERANZA						
Hole N°	From	To	Meters	Gold g/t	Silver g/t	Gold Equivalent* g/t
CMRC 56	3	10	7	0.74	94	2.32
	19	20	1	1.16	3	1.21
	39	43	4	0.44	61	1.46
CMRC 57	34	35	1	0.85	94	2.41
	38	41	3	4.00	323	9.38
	which includes					
	38	40	2	5.79	467	13.56
	78	81	3	2.05	76	3.32
CMRC 58	38	43	5	0.70	74	1.93
CMRC 59	20	24	4	3.24	271	7.76
CMRC 60	15	18	3	1.01	115	2.93

*Gold equivalent grade is the aggregate of the gold and silver grades using a silver:gold ratio of 60:1.

The new, poorly outcropping, Carla vein and the surrounding area will be trenched and channel sampled in conjunction with other recently generated targets on the property. Detailed ground magnetics will continue ahead of follow up drilling in the fourth quarter, 2006. The Deborah vein remains open at depth and to the south-west, and the Esperanza vein remains open at depth and to the north-west.

Vein and drill hole locations can be viewed on the Exeter website at www.exeterresource.com or by clicking on these hyperlinks: <http://www.exeterresource.com/images/gallery/plans/plans15.pdf>.

Quality Control and Assurance

The gold assay results presented above are preliminary and have been calculated using a 0.5 g/t gold cut-off grade, with no cutting of high grades. All reverse circulation drill samples were collected using a cyclone in one metre intervals. Samples were prepared at the ALS Chemex preparation facility in Mendoza and assayed by fire assay (50 gram charge) at the ALS Chemex laboratory in Chile.

Check assaying of all samples assaying greater than 1.0 g/t gold will be completed by ALS Chemex. Standard, blank and duplicate samples are used throughout the sample sequence as checks. Note that the drill widths presented above are drill intersection widths and may not represent true widths.

Glen Van Kerkvoort, Exeter's Chief Geologist, a "qualified person" within the definition of that term in National Instrument 43-101, "Standards of Disclosure for Mineral Projects", has overall responsibility for Exeter's exploration programs in Patagonia and is responsible for the contents of this news release.

About Exeter

Exeter is a technically-advanced, Canadian gold exploration company, focused on the discovery and development of epithermal gold-silver properties in Argentina and Chile.

Currently, four drills are operating at its advanced La Cabeza gold project as a key component of project development activities that include engineering, metallurgical, hydrological, and environmental studies.

In the prospective, Patagonia region of Argentina, Exeter has a strategic partnership with Cerro Vanguardia S.A. over 12 epithermal gold-silver properties in Santa Cruz, Rio Negro and Chubut provinces. Drilling results are awaited on the Cerro Puntudo epithermal gold-silver property.

In Chile, Exeter is prospecting some 48 gold-silver and copper targets under a strategic agreement with Rio Tinto Mining and Exploration Limited.

In the Maricunga district of Chile, Exeter has a strategic agreement with Minera Anglo American Chile Limitada and Empresa Minera Mantos Blancos S.A. on the Caspiche epithermal gold property.

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

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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 referring to Exeter's exploration plans and expectations for advancing its exploration properties. 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 Exeter.

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