

---

**NOTICE OF ANNUAL MEETING**

---

Notice is hereby given that the Annual General Meeting (the "Meeting") of the shareholders of **EXETER RESOURCE CORPORATION** (the "Company") will be held on May 26, 2009 at Suite 1260, 999 West Hastings Street, Vancouver, British Columbia, Canada, at the hour of 3:00 pm (local time in Vancouver) for the following purposes:

1. To receive the audited annual financial statements of the Company for its financial year ended December 31, 2008;
2. To determine the number of directors at 6;
3. To elect directors for the ensuing year;
4. To appoint PricewaterhouseCoopers LLP, as the Company's auditor for the ensuing financial year and to authorize the directors to set the auditor's remuneration;
5. To approve the reloading of common shares that have been issued upon the exercise of options between May 23, 2008 and May 26, 2009 back into the Company's Stock Option Plan, and to approve the exercise price of options granted under the reloaded Stock Option Plan to the Company's new director Roger Walsh;
6. To approve an amendment to the Company's Stock Option Plan;
7. To approve the amendment of the exercise prices of an aggregate of 1,350,000 stock options held by certain officers and directors of the Company to \$2.85; and
8. To approve the transaction of such other business as may properly come before the Meeting.

Accompanying this Notice is an Information Circular and a form of proxy (the "Proxy").

Shareholders unable to attend the Meeting in person should read the notes to the enclosed Proxy and complete and return the Proxy to the Company's Registrar and Transfer Agent within the time required by, and to the location set out in, the notes to the Proxy.

The enclosed Proxy is solicited by management of the Company and shareholders may amend it, if desired, by inserting in the space provided, the name of an individual designated to act as proxyholder at the Meeting.

DATED at Vancouver, British Columbia, this 21<sup>st</sup> day of April, 2009.

**BY ORDER OF THE BOARD**

*"Yale R. Simpson"*

---

**Yale R. Simpson**  
**Chairman**

**INFORMATION CIRCULAR**

**for the**

**ANNUAL GENERAL MEETING**

**of**

**EXETER RESOURCE CORPORATION**

**to be held on**

**MAY 26, 2009**

# INFORMATION CIRCULAR

## EXETER RESOURCE CORPORATION

Suite 1260, 999 West Hastings Street  
Vancouver, British Columbia  
Canada V6C 2W2

Website: <http://www.exeterresource.com>

(all information as at April 21, 2009 unless otherwise noted)

## PERSONS MAKING THE SOLICITATION

**This Information Circular is furnished in connection with the solicitation of proxies being made by the management of Exeter Resource Corporation (the “Company”) for use at the Annual General Meeting of the Company’s shareholders (the “Meeting”) to be held on May 26, 2009 at the time and place and for the purposes set forth in the accompanying Notice of Meeting.** While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Company.

All costs of this solicitation will be borne by the Company.

## APPOINTMENT OF PROXIES

The individuals named in the accompanying form of proxy (the “Proxy”) are directors or officers of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR THE SHAREHOLDER AND ON THE SHAREHOLDER’S BEHALF AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON’S OR COMPANY’S NAME IN THE BLANK SPACE PROVIDED IN THE PROXY AND STRIKING OUT THE TWO PRINTED NAMES, OR BY COMPLETING ANOTHER PROXY.** A Proxy will not be valid unless it is completed, dated, signed and delivered to Computershare Investor Services Inc., of 100 University Avenue, 10<sup>th</sup> Floor, Toronto, Ontario, Canada M5J 2Y1 not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, or is delivered to the chair of the Meeting prior to the commencement of the Meeting.

## NON-REGISTERED HOLDERS

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered” shareholders because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares.** More particularly, a person is not a registered shareholder in respect of shares which are held on behalf of the person (the “Non-Registered Holder”) but which are registered either: (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“CDS”)) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Information Circular and the Proxy (collectively, the “Meeting Materials”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a Proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the Proxy, the Proxy is not required to be signed by the Non-Registered Holder. In this case, the Non-Registered Holder who wishes to submit a Proxy should otherwise properly complete the Proxy and **deliver it to** Computershare Investor Services Inc. as provided above; or
- (b) more typically, be given a voting instruction form **which is not signed by the Intermediary**, and which, when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “proxy authorization form”) which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed Proxy accompanied by a page of instructions, which contains a removable label containing a bar code and other information. In order for the Proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the Proxy, properly complete and sign the Proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the shares that they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the management proxyholders and insert the Non-Registered Holder’s name in the blank space provided. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the Proxy or proxy authorization form is to be delivered.**

#### **REVOCATION OF PROXIES**

A shareholder who has given a Proxy may revoke it by an instrument in writing executed by the shareholder or by the shareholder’s attorney authorized in writing or, if the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the registered office of the Company, at 2900 - 550 Burrard Street, Vancouver, British Columbia Canada V6C 0A3, at any time up to and including the last business day preceding the day of the Meeting or any adjournment of it, or to the chair of the Meeting on the day of the Meeting or any adjournment of it. **Only registered shareholders have the right to revoke a Proxy. Non-Registered Holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf.**

A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

#### **EXERCISE OF DISCRETION**

If the instructions in a Proxy are certain, the shares represented thereby will be voted on any poll by the persons named in the Proxy, and, where a choice with respect to any matter to be acted upon has been specified in the Proxy, the shares represented thereby will, on a poll, be voted or withheld from voting in accordance with the specifications so made.

**Where no choice has been specified by the shareholder, such shares will, on a poll, be voted in accordance with the notes to the Proxy.**

**If a Non-Registered Holder's Intermediary is a member of the NYSE-AMEX ("AMEX"), that member Intermediary may vote the Non-Registered Holder's Proxy at its discretion when it has: i) sent the proxy materials to the Non-Registered Holder at least fifteen days prior to the Meeting, and ii) not received voting instructions from the Non-Registered Holder at least ten days prior to the Meeting.**

The enclosed Proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the persons appointed proxyholders thereunder to vote with respect to any amendments or variations of matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting.

At the time of the printing of this Information Circular, management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

On April 21, 2009, the Company had issued and outstanding 62,433,423 fully paid and non-assessable common shares without par value, each share carrying the right to one vote.

Any shareholder of record at the close of business on April 21, 2009 who either personally attends the Meeting or who has completed and delivered a Proxy in the manner specified, subject to the provisions described above, shall be entitled to vote or to have such shareholder's shares voted at the Meeting.

To the best of the knowledge of the directors and executive officers of the Company, there are no persons who, or corporations which, beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company.

#### **CURRENCY**

Unless otherwise specified, all dollar amounts presented in this Information Circular are in Canadian currency.

#### **STATEMENT OF EXECUTIVE COMPENSATION**

For the purposes of this Information Circular, "executive officer" of the Company means an individual who at any time during the year was the Chair, or a Vice-Chair or President of the Company; any Vice-President in charge of a principal business unit, division or function including sales, finance or production; and any individual who performed a policy-making function in respect of the Company.

Set out below are particulars of compensation paid to the following persons (the "Named Executive Officers" or "NEOs"):

- (a) a chief executive officer ("CEO");
- (b) a chief financial officer ("CFO");
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) any individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

As at December 31, 2008, the end of the most recently completed financial year of the Company, the Company had six Named Executive Officers, whose names and positions held within the Company are set out in the summary compensation table below.

### **Compensation Discussion and Analysis**

The Company does not have a formal compensation program. However, the compensation committee (the "Compensation Committee") of the board of directors (the "Board") meets to discuss and determine the recommendations that it will make to the Board regarding management compensation, without reference to formal objectives, criteria or analysis. The general objectives of the Company's compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other junior mineral exploration companies to enable the Company to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a junior mineral exploration company without a history of earnings.

The Compensation Committee is composed of Louis Montpellier, Robert G. Reynolds and Douglas W. Scheving, all of whom are independent directors, applying the definition set out in section 1.4 of Multilateral Instrument 52-110 – *Audit Committees* ("MI 52-110").

Base salary is used to provide the Named Executive Officers a set amount of money during the year with the expectation that each Named Executive Officer will perform his responsibilities to the best of his ability and in the best interests of the Company.

The granting of incentive stock options provides a link between management compensation and the Company's share price. It also rewards management for achieving results that improve Company performance and thereby increase shareholder value. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. In making a determination as to whether a grant of long-term incentive stock options is appropriate, and if so, the number of options that should be granted, consideration is given to: the number and terms of outstanding incentive stock options held by the Named Executive Officer; current and expected future performance of the Named Executive Officer; the potential dilution to shareholders and the cost to the Company; general industry standards; and the limits imposed by the terms of the Company's stock option plan (the "Plan") and the TSX Venture Exchange (the "Exchange"). The Company considers the granting of incentive stock options to be a particularly important element of compensation as it allows the Company to reward each Named Executive Officer's efforts to increase value for shareholders without requiring the Company to use cash from its treasury. The terms and conditions of the Company's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Plan, which are described under "Incentive Plan Awards" below.

Finally, the Compensation Committee will consider whether it is appropriate and in the best interests of the Company to award a discretionary cash bonus to the Named Executive Officers and if so, in what amount. A cash bonus may be awarded to reward extraordinary performance that has led to increased value for shareholders through property acquisitions or divestitures, the formation of new strategic or joint venture relationships and/or capital raising efforts. Demonstrations of extraordinary personal commitment to the Company's interests, the community and the industry may also be rewarded through a cash bonus.

An additional element of compensation, comprised of 200,000 common shares at a deemed price of \$3.64 per share, was awarded to Mr. Cholakos, the Company's former Chief Operating Officer, at the commencement in 2007 of the consulting agreement between the Company and Mr. Cholakos and Formost Enterprises Limited ("Formost"), a company controlled by Mr. Cholakos. The bonus shares were approved by disinterested shareholders at the Company's 2008 annual general meeting. The award of bonus shares to Mr. Cholakos was determined by negotiation as part of the remuneration package required to secure his services. The consulting agreement was terminated effective November 10, 2008. In accordance with the consulting agreement, Mr.

Cholakos and Formost received the compensation they would otherwise have received over the next 90 days (including the bonus shares that vested during that time).

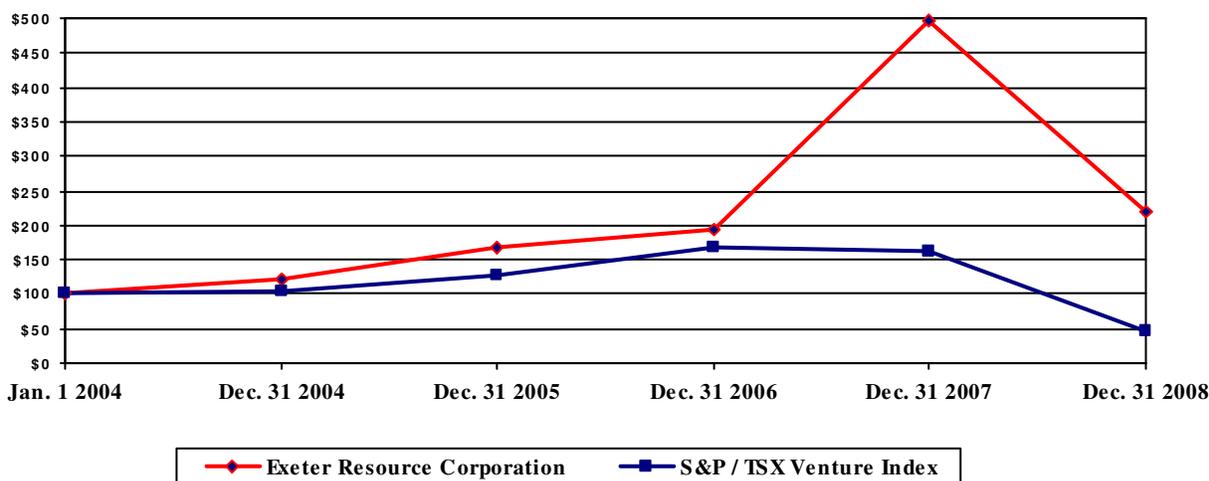
Subsequent to December 31, 2008, Mr. Simpson was awarded a \$100,000 bonus for recognition of his extraordinary efforts on behalf of the Company in 2008.

**Performance Graph**

The following chart compares the total cumulative shareholder return for \$100 invested in common shares of the Company beginning on January 1, 2004 with the cumulative total return of the S&P/TSX Venture Composite Index (“TSX Venture Index”) for the five most recently completed financial years of the Company.

**Exeter Resource Corporation  
 (“XRC”)  
 Comparison of Five Year Total Common Shareholders’ Return**

	January 1, 2004	Dec. 31 2004	Dec. 31 2005	Dec. 31 2006	Dec. 31 2007	Dec. 31 2008
Exeter Resource Corporation	\$ 100	\$ 122	\$ 167	\$ 194	\$ 496	\$ 219
S&P / TSX Venture Index	\$ 100	\$ 103	\$ 127	\$ 169	\$ 161	\$ 45



Where applicable, compensation of named executive officers has increased in line with the growth in the Company’s level of activity over the last five years. The graph above, which compares “Total Common Shareholders’ Return” against the S&P / TSX Venture Index over the last five years, reflects that the Company has performed significantly better than the S&P / TSX Venture Index. Over the same period the named executive officers compensation generally increased year over year, peaked in 2007 and declined by between 12% and 46% in 2008. The reason for the decline in compensation in 2008 is primarily due to a decline in the value of option based awards which are valued using the Black-Scholes option pricing model. The value of option based awards using the Black-Scholes model does not necessarily provided a reasonable basis of establishing the amount of compensation associated with option based awards as the named executives will only receive value if they are able to exercise the option and sell the resultant shares at prices in excess of the exercise price.

## Summary Compensation Table

The following table is a summary of compensation paid to the Named Executive Officers for the most recently completed financial year ending December 31, 2008.

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-Equity Incentive Plan Compensation		Pension Value (\$) <sup>(3)</sup>	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plan <sup>(2)</sup>	Long-Term Incentive Plan <sup>(2)</sup>			
Bryce G. Roxburgh President & CEO	2008	Nil	Nil	\$286,788	Nil	Nil	Nil	\$360,000 <sup>(4)</sup>	\$646,788
Yale R. Simpson Chairman	2008	Nil	Nil	\$288,390	Nil	Nil	Nil	\$165,000 <sup>(5)</sup>	\$453,390
Cecil R. Bond Chief Financial Officer	2008	Nil	Nil	\$212,860	\$80,000 <sup>(6)</sup>	Nil	Nil	\$176,250 <sup>(7)</sup>	\$469,110
Paul Cholakos <sup>(8)</sup> Former Chief Operating Officer	2008	Nil	\$352,903 <sup>(9)</sup>	Nil	Nil	Nil	Nil	\$270,000 <sup>(10)</sup>	\$622,903
R. Jeremy Perkins VP Development & Operations	2008	Nil	Nil	Nil	Nil	Nil	Nil	\$253,227 <sup>(11)</sup>	\$253,227
Michael R.J. McPhie <sup>(12)</sup> Executive VP Corporate Development and Environment	2008	Nil	Nil	\$320,881	Nil	Nil	Nil	\$187,000 <sup>(13)</sup>	\$507,881

<sup>(1)</sup> The Company used the Black-Scholes option pricing model for determining the fair value of stock options issued at grant date. These values do not represent actual amounts received by the NEOs as the gain, if any, will depend on the market value of the shares on the date that the option is exercised.

<sup>(2)</sup> The Company does not currently have a formal annual incentive plan or long term incentive plan for any of its executive officers, including its Named Executive Officers, but may award discretionary bonus payments from time to time.

<sup>(3)</sup> The Company does not have any pension, retirement or deferred compensation plans, including defined contribution plans.

<sup>(4)</sup> The Company paid a fee of \$30,000 per month during the financial year ended December 31, 2008 to Rowen Company Limited ("Rowen") a company controlled by Mr. Roxburgh.

<sup>(5)</sup> The Company paid a fee of \$15,000 per month during the financial year ended December 31, 2008 to Canaust Resource Consultants Ltd. ("Canaust"). Canaust is controlled by Mr. Simpson.

<sup>(6)</sup> Discretionary bonus paid for continuing and past service.

<sup>(7)</sup> The Company paid a fee of \$15,000 per month during the financial year ended December 31, 2008 to 667060 BC Ltd. ("667060"), a company controlled by Mr. Bond.

<sup>(8)</sup> Mr. Cholakos was Chief Operating Officer of the Company until November 10, 2008.

<sup>(9)</sup> The issuance of bonus shares pursuant to a consulting agreement was approved by shareholders at the 2008 annual general meeting. The fair value of the bonus shares was determined based on the market value of the shares on the dates of grant.

<sup>(10)</sup> The Company paid a fee of Australian \$25,000 per month to Formost, a company controlled by Mr. Cholakos.

<sup>(11)</sup> The Company paid \$253,227 during the financial year ended December 31, 2008 to J Perkins & Associates Pty Ltd. ("JPA"), a company controlled by Mr. Perkins.

<sup>(12)</sup> Mr. McPhie was appointed Executive VP Corporate Development and Environment on January 23, 2008.

<sup>(13)</sup> The Company paid \$187,000 during the financial year ended December 31, 2008 to HBA Management Consultants Ltd. ("HBA"), a company controlled by Mr. McPhie. Subsequent to December 31, 2008, Mr. McPhie ceased to be the Company's Executive VP Corporate Development and Environment.

The consulting agreements noted below between the Company and Bryce Roxburgh (“Roxburgh”), Cecil Bond (“Bond”), and Yale Simpson (“Simpson”), and the companies through which their services are provided have expired. New consulting agreements are currently being negotiated. In the interim the respective companies continue to provide the services of Roxburgh, Bond and Simpson to the Company on the same terms as provided under the expired agreements.

Pursuant to a consulting agreement between the Company, Rowen of Hong Kong and Roxburgh, Rowen provided the services of Roxburgh to the Company, and provided for Roxburgh to serve as a director of the Company if so elected and to hold the offices of President and CEO of the Company at the pleasure of the Board. Roxburgh is a beneficiary of Rowen. The Company paid Rowen a monthly consulting fee of \$30,000 for Roxburgh’s services. The agreement had a term of two years and provided for termination by either party by giving 90 days written notice. Where a termination notice was delivered by either party within the 90 day period following a change of control, the Company was required to pay Rowen a lump sum equal to 24 times the monthly consulting fee. Rowen’s address is 1712 Tower One Times Square, 1 Matheson St., Hong Kong. See “Termination and Change of Control Benefits” below.

Pursuant to a consulting agreement between the Company, 667060 and Bond, 667060 provided the services of Bond to the Company, and provides for Bond to serve as CFO of the Company at the pleasure of the Board if so appointed. 667060 is controlled by Bond. The Company paid 667060 a monthly consulting fee of \$15,000 for Bond’s services. The agreement had a term of two years and provided for termination by either party by giving 90 days written notice. Where a termination notice was delivered by either party within the 90 day period following a change of control, the Company was required to pay 667060 a lump sum equal to 24 times the monthly consulting fee. 667060’s address is 21658, 50B Ave., Langley, B.C. V3A 8W8, Canada. See “Termination and Change of Control Benefits” below.

Pursuant to a consulting agreement between the Company, Canaust of British Columbia and Simpson, Canaust provided the services of Simpson to the Company, and provided for Simpson to serve as a director of the Company if so elected and to hold the office of Chairman at the pleasure of the Board. Canaust is controlled by Simpson. The Company paid Canaust a monthly consulting fee of \$15,000 for Simpson’s services. The agreement had a term of two years and provided for termination by either party by giving 90 days written notice. Where a termination notice was delivered by either party within the 90 day period following a change of control, the Company was required to pay Canaust a lump sum equal to 24 times the monthly consulting fee. Canaust’s address is, c/o PO Box 41, AXA Place, Suite 1260 - 999 West Hastings Street, Vancouver, BC V6C 2W2, Canada. See “Termination and Change of Control Benefits” below.

Pursuant to a consulting agreement between the Company, Formost and Paul Cholakos, Formost provided the services of Mr. Cholakos to the Company to serve as Chief Operating Officer of the Company at the pleasure of the Board. Formost is controlled by Mr. Cholakos. The Company paid Formost a monthly consulting fee of Australian \$25,000 plus applicable taxes for Mr. Cholakos’ services. The agreement had a term of two years and provided for termination by either party by giving 90 days written notice. The agreement was terminated effective November 10, 2008 and all amounts due through the 90 day notice period were settled prior to December 31, 2008.

Pursuant to a consulting agreement between the Company, HBA of British Columbia and Michael McPhie dated January 23, 2008, HBA provided the services of Mr. McPhie to serve as a consultant. The Company paid HBA a monthly consulting fee of \$18,333 for Mr. McPhie’s services. HBA of P.O. Box 19131 1153 56<sup>th</sup> Street, Delta, B.C. V4L 2P8, Canada, is controlled by Mr. McPhie. This consulting contract ended in February 2009.

## Incentive Plan Awards

The following table is a summary of all option-based awards and share-based awards to the Named Executive Officers that were outstanding at the end of the most recently completed financial year.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options at financial year end (\$) exercisable / unexercisable <sup>(1)</sup>	Number of shares or units of shares that have not yet vested (#)	Market or payout value of shares-based awards that have not vested
Bryce G. Roxburgh	70,000 200,000 72,500 100,000 100,000 150,000 358,000 <sup>(2)</sup>	\$1.12 \$1.59 \$2.52 \$3.02 \$3.64 \$4.37 US\$1.21	July 7, 2010 Dec. 30, 2010 May 3, 2011 Nov. 30, 2011 June 27, 2012 Nov. 13, 2012 Nov. 17, 2013	\$240,800 / \$311,460	Nil	Nil
Yale R. Simpson	70,000 200,000 72,500 100,000 100,000 150,000 360,000 <sup>(2)</sup>	\$1.12 \$1.59 \$2.52 \$3.02 \$3.64 \$4.37 \$1.49	July 7, 2010 Dec. 30, 2010 May 3, 2011 Nov. 30, 2011 June 27, 2012 Nov. 13, 2012 Nov. 17, 2013	\$240,800 / \$313,200	Nil	Nil
Cecil R. Bond	300,000 50,000 75,000 50,000 100,000	\$1.20 \$2.52 \$3.02 \$3.64 \$4.37	April 5, 2010 May 3, 2011 Nov. 30, 2011 June 27, 2012 Nov. 13, 2012	\$348,000 / Nil	Nil	Nil
Paul Cholakos	300,000	\$3.64	May 1, 2009	Nil / Nil	Nil <sup>(3)</sup>	Nil
R. Jeremy Perkins	100,000 100,000 25,000	\$1.20 \$1.59 \$3.64	March 21, 2010 Dec. 30, 2010 June 27, 2012	\$193,000 / Nil	Nil	Nil
Michael R.J. McPhie	50,000 20,000 55,000 50,000 100,000	\$1.59 \$3.02 \$2.52 \$4.37 \$1.49	Dec. 30, 2010 Nov. 30, 2011 Feb. 13, 2012 Nov. 13, 2012 Jan. 23, 2013	\$125,500 / Nil	Nil	Nil

<sup>(1)</sup> In-the-money options are those where the market value of the underlying securities as at the most recent financial year end exceeds the option exercise price. The closing market price of the Company's shares as at December 31, 2008 was \$2.36. These options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the market value of the underlying securities on the date of exercise.

<sup>(2)</sup> Options that were unvested at year end held by Mr. Roxburgh and Mr. Simpson subsequently vested on January 21, 2009.

<sup>(3)</sup> All bonus shares issuable to Mr. Cholakos on termination of the consulting agreement with Formost were issued prior to December 31, 2008.

The following table is a summary of the value of awards vested or earned during the most recently completed financial year for the Named Executive Officers.

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Bryce G. Roxburgh	Nil	Nil	Nil
Yale R. Simpson	Nil	Nil	Nil
Cecil R. Bond	Nil	Nil	\$80,000 <sup>(2)</sup>
Paul Cholakos	\$224,972	\$352,903 <sup>(3)</sup>	Nil
R. Jeremy Perkins	Nil	Nil	Nil
Michael R.J. McPhie	Nil	Nil	Nil

<sup>(1)</sup> Value vested during the year is calculated by subtracting the market price of the Company's common shares on the date the option vested (being the closing price of the Company's shares on the Exchange on the last trading day prior to the vesting date) from the exercise price of the option.

<sup>(2)</sup> Discretionary bonus paid for continuing and past service.

<sup>(3)</sup> Amount is for bonus shares that were approved by shareholders at the 2008 annual general meeting, which vested during the financial year ended December 31, 2008. The value of the bonus shares was determined based on the market value of the shares on the dates of vesting.

During the year Mr. Roxburgh exercised 82,000 options and Mr. Simpson exercised 93,000 options which had an option exercise price of \$0.41 per option.

The Plan provides that stock options may be granted to directors, officers, employees and Consultants (as defined in National Instrument 45-106) of the Company and any of its affiliates, and to consultant companies.

If a stock option expires or otherwise terminates for any reason without having been exercised, the number of common shares in respect of that expired or terminated stock option will again be available for the purposes of the Plan.

The Plan may be terminated by the Board at any time, but such termination will not alter the terms or conditions of any option awarded prior to the date of such termination. Any stock option outstanding when the Plan is terminated will remain in effect until it is exercised or expires or is otherwise terminated in accordance with the provisions of the Plan.

The Plan provides that other terms and conditions may be attached to a particular stock option, such terms and conditions to be referred to in a schedule attached to the option certificate.

The Plan provides that it is solely within the discretion of the Board to determine who should receive stock options and in what amounts. The Board may issue a majority of the options to insiders of the Company. However, in no case will:

- (a) the number of options awarded in a one-year period to any one Consultant exceed 2% of the issued shares of the Company (calculated at the time of award);
- (b) the aggregate number of options awarded in a one-year period to persons employed to provide investor relations activities exceed 2% of the issued shares of the Company (calculated at the time of award);
- (c) the number of options awarded in a one-year period to any one individual exceed 5% of the outstanding shares of the Company (calculated at the time of award); or

- (d) the aggregate number of shares reserved for issuance to any one individual upon the exercise of options awarded under the Plan or any previously established and outstanding stock option plans or grants, exceed 5% of the issued shares of the Company (calculated at the time of award) in a one-year period.

Options awarded under the Plan will be for a term not to exceed five years from their award date. Unless the Company otherwise decides, in the event an option holder ceases to be a director, officer, Consultant or employee of the Company other than by reason of death, his or her option will expire on the earlier of the expiry date stated in the option certificate (the "Fixed Expiry Date") and the 90th day following termination of his or her relationship with the Company (30 days if the option holder is an employee engaged in investor relations activities). Notwithstanding the foregoing, an option will expire immediately in the event a relationship with a director, officer, employee or Consultant is terminated for cause (as such term is defined in the Plan). In the event of the death of an option holder, his or her option will expire six months after the date of death or on the Fixed Expiry Date, whichever is earlier. In the event of a change of control of the Company, the Board may, in its sole discretion, deal with outstanding options in the manner it deems fair and reasonable in light of the circumstances.

The price at which an option holder may purchase a common share upon the exercise of an option will be as set forth in the option certificate issued in respect of such option and in any event will not be less than the discounted market price of the Company's common shares as of the date of the award of the stock option (the "Award Date").

The market price of the Company's common shares for a particular Award Date would typically be the closing trading price of the Company's common shares on the last trading day immediately preceding the Award Date, or otherwise in accordance with the terms of the Plan. Discounted market price means the market price less a discount to be determined by the Board, which will in any event not exceed the amount set forth under Policy 1.1 of the Exchange's Corporate Finance Manual.

A stock option will be non-assignable except that it will be exercisable by the personal representative of the option holder in the event of the option holder's death or incapacity.

Common shares will not be issued pursuant to options granted under the Plan until they have been fully paid for. The Company will not provide financial assistance to option holders to assist them in exercising their options.

#### **Termination and Change of Control Benefits**

Management expects that new consulting agreements with each of Rowen and Bryce Roxburgh; 667060 and Cecil Bond; and Canaust and Yale Simpson will contain the following provisions. Either party may terminate the consulting agreement by giving 90 days written notice and where such termination notice is delivered by either party within the 90 day period following a Change of Control, the Company will pay Rowen, 667060 or Canaust, as applicable, a lump sum equal to 24 times the monthly consulting fee under the agreement.

"Change of Control" is expected to be defined as:

- (i) the sale, transfer or disposition of the Company's assets in complete liquidation or dissolution of the Company;
- (ii) the Company amalgamates, merges or enters into a plan of arrangement with another company at arm's length to the Company and its affiliates, other than an amalgamation, merger or plan of arrangement that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or resulting entity) more than 50% of the combined voting power of the surviving or resulting entity outstanding immediately after such amalgamation, merger or plan of arrangement; or
- (iii) any person or combination of persons at arm's length to the Company and its affiliates acquires or becomes the beneficial owner of, directly or indirectly, more than 20% of the voting securities of the Company, whether through the acquisition of previously issued and outstanding voting

securities, or of voting securities that have not been previously issued, or any combination thereof, or any other transaction having a similar effect, and such person or combination of persons exercise(s) the voting power attached to such securities in a manner that causes the Incumbent Directors to cease to constitute a majority of the Board.

“Incumbent Director” means any member of the Board who was a member of the Board prior to the occurrence of the transaction, transactions or elections giving rise to a Change of Control and any successor to an Incumbent Director who was recommended or elected or appointed to succeed an Incumbent Director by the affirmative vote of a majority of the Incumbent Directors then on the Board.

Had a Change of Control occurred on December 31, 2008, and the Company determined that it would act in accordance with the provisions of the expired contracts and where such notice of termination was given under each of the expired consulting agreements, Rowen would have been entitled to an immediate payment of approximately \$720,000; 667060 would have been entitled to an immediate payment of approximately \$360,000 and Canaust would have been entitled to an immediate payment of approximately \$360,000.

There were no payments or benefits made to Mr. Cholakos as a result of his termination of his consulting agreement except that Formost and Mr. Cholakos were paid the compensation they would otherwise have received over the next 90 days (including the bonus shares that vested during that time), in accordance with the consulting agreement.

Subsequent to December 31, 2008, Mr. McPhie ceased to be the Executive VP Corporate Development and Environment.

### Director Compensation

The following table is a summary of all compensation provided to the directors of the Company for the most recently completed financial year.

Name <sup>(1)</sup>	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(2)</sup>	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Douglas W. Scheving	Nil	Nil	\$92,127	Nil	Nil	Nil	\$92,127
Robert G. Reynolds	Nil	Nil	\$100,138	Nil	Nil	Nil	\$100,138
William D. McCartney	\$30,000 <sup>(3)</sup>	Nil	\$60,083	Nil	Nil	Nil	\$60,083
Louis G. Montpellier	Nil	Nil	\$529,038	Nil	Nil	Nil	\$529,038

<sup>(1)</sup> In addition to being directors of the Company, Bryce G. Roxburgh, Yale R. Simpson and Michael R.J. McPhie are also Named Executive Officers. For disclosure regarding Mr. Roxburgh’s, Mr. Simpson’s and Mr. McPhie’s compensation, please refer to the summary compensation table above.

<sup>(2)</sup> The Company used the Black-Scholes option pricing model for determining the fair value of stock options issued at grant date. These amounts do not represent actual amounts received by the directors as any gain, if any, will depend on the market value of the shares on the date that the option is exercised.

<sup>(3)</sup> Mr. McCartney received a fee in the amount of \$2,500 per month in consideration for his services as Chairman of the Audit Committee.

The following table is a summary of all option-based awards to the directors of the Company that were outstanding at the end of the most recently completed financial year. There were no share-based awards outstanding at the end of the most recently completed financial year.

Name <sup>(1)</sup>	Option-based Awards			Share-based Awards		
	Number of Securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(2)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (#)
Douglas W. Scheving	10,000	\$1.41	Apr 7, 2009	\$124,950	Nil	Nil
	20,000	\$1.59	Dec 30, 2010			
	20,000	\$3.02	Nov 30, 2011			
	55,000	\$2.52	Feb 13, 2012			
	50,000	\$4.37	Nov 13, 2012			
	115,000	\$1.49	Nov 17, 2013			
Robert G. Reynolds	200,000	\$3.64	Jun 27, 2012	\$108,750	Nil	Nil
	50,000	\$4.37	Nov 13, 2012			
	125,000	\$1.49	Nov 17, 2013			
William D. McCartney	20,000	\$3.02	Nov 30, 2011	\$65,250	Nil	Nil
	55,000	\$2.52	Feb 13, 2012			
	50,000	\$4.37	Nov 13, 2012			
	75,000	\$1.49	Nov 17, 2013			
Louis G. Montpellier	200,000	\$4.31	Jan 23, 2013	\$108,750	Nil	Nil
	125,000	\$1.49	Nov 17, 2013			

<sup>(1)</sup> In addition to being directors of the Company, Bryce G. Roxburgh, Yale R. Simpson and Michael R.J. McPhie are also Named Executive Officers. For disclosure regarding Mr. Roxburgh's, Mr. Simpson's and Mr. McPhie's option-based awards outstanding at the end of the most recently completed financial year, please refer to the incentive plan awards table above.

<sup>(2)</sup> In-the-money options are those where the market value of the underlying securities as at the most recent financial year end exceeds the option exercise price. The closing market price of the Company's shares as at December 31, 2008 was \$2.36.

The following table is a summary of all value vested or earned during the most recently completed financial year for the directors of the Company.

Name <sup>(1)</sup>	Option-based awards – Value vested during the year (\$) <sup>(2)</sup>	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Douglas W. Scheving	Nil	Nil	Nil
Robert G. Reynolds	Nil	Nil	Nil
William D. McCartney	Nil	Nil	Nil
Louis G. Montpellier	Nil	Nil	Nil

<sup>(1)</sup> In addition to being directors of the Company, Bryce G. Roxburgh, Yale R. Simpson and Michael R.J. McPhie are also Named Executive Officers. For disclosure regarding Mr. Roxburgh's, Mr. Simpson's and Mr. McPhie's incentive plan awards, please refer to the incentive plan awards table above.

<sup>(2)</sup> Value vested during the year is calculated by subtracting the market price of the Company's common shares on the date the option vested (being the closing price of the Company's shares on the Exchange on the last trading day prior to the vesting date) from the exercise price of the option.

During the year Mr. Scheving exercised 10,000 options which had an exercise price of \$1.41 per option and 20,000 options which had an option exercise price of \$1.59 per option.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as of the end of the Company's most recently completed financial year with respect to compensation plans under which equity securities of the Company are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuances under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	9,390,700	\$2.61	489,052
Equity compensation plans not approved by security holders	Nil	N/A	N/A
<b>Total</b>	9,390,700		489,052

## MANAGEMENT CONTRACTS

For a description of management contracts, please see "Statement of Executive Compensation – Summary Compensation Table" above.

Except as noted above, management functions of the Company and its subsidiaries are substantially performed by directors or senior officers of the Company and not, to any substantial degree, by any other person with whom the Company has contracted.

## INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed herein, no Person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of directors or the appointment of auditors. For the purpose of this paragraph, a "Person" shall include each person or company: (a) who has been a director or executive officer of the Company at any time since the commencement of the Company's last financial year; (b) who is a proposed nominee for election as a director of the Company; or (c) who is an associate or affiliate of a person or company included in subparagraphs (a) or (b).

Disinterested shareholders are being asked to approve at the Meeting the "reloading" of common shares that have been issued upon the exercise of options between May 23, 2008 and May 26, 2009 back into the Plan, so that they will be available for future option awards. Disinterested shareholders are also being asked to approve the exercise price of stock options to purchase 300,000 common shares of the Company awarded to Roger Walsh, a director of the Company, under the reloaded Plan. Mr. Walsh has an interest in the matter.

Disinterested shareholders are being asked to approve at the Meeting an amendment to the Company's stock option plan, to increase the plan ceiling from 9,879,752 common shares to 12,474,085 common shares, or such greater number being 20% of the issued and outstanding shares as at the Meeting date. For details, please refer to "Particulars of Matters to be Acted Upon – Amendment of Stock Option Plan" below.

Disinterested shareholders are being asked to approve at the Meeting a reduction in the exercise prices of stock options to purchase an aggregate 1,350,000 common shares held by certain directors and officers of the Company. For details, please refer to "Particulars of Matters to be Acted Upon – Decrease in Exercise Price of Stock Options" below. Messrs. Roxburgh, Simpson, Scheving, Montpellier, McPhie, McCartney, Reynolds and Bond all have an interest in the matter.

## NUMBER OF DIRECTORS

Management of the Company is seeking shareholder approval of an ordinary resolution determining the number of directors of the Company of six (6) for the ensuing year.

## ELECTION OF DIRECTORS

The term of office of each of the present directors expires at the Meeting. **The persons named below will be presented for election at the Meeting as management's nominees.** Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the Articles of the Company or the provisions of the *Business Corporations Act* (British Columbia) ("Business Corporations Act").

The following table sets out the names of the nominees for election as directors, the province or state and country in which each is ordinarily resident, the period or periods during which each has served as a director, the first and last positions held in the Company, their present principal occupations and the number of common shares of the Company or any of its subsidiaries beneficially owned by each, or controlled or directed, directly or indirectly, as at the date hereof.

Name, Position(s) with the Company <sup>(1)</sup> and Place of Residence <sup>(3)</sup>	Principal Occupation <sup>(2)</sup> <sup>(3)</sup>	Date(s) Served as a Director Since	Ownership or Control Over Voting Shares Held <sup>(3)</sup>
<b>Bryce G. Roxburgh</b> <sup>(7)</sup> <i>President, CEO and Director</i> Philippines	President and CEO of the Company since September 4, 2003; Geological consultant from 2000-2003.	March 20, 2003	3,784,750 <sup>(6)</sup>
<b>Yale R. Simpson</b> <sup>(7)</sup> <i>Chairman of the Board</i> <i>Director</i> B.C. Canada	Chairman of the Company since September 11, 2003; President of Canaust Resource Consultants Ltd. since 1992; Director of Diamonds North Resources Ltd. since March 2002, and Dynasty Metals & Mining Inc. since September 2003.	June 10, 2003	1,380,250
<b>Douglas W. Scheving</b> <sup>(4)(5)</sup> <i>Director</i> B.C. Canada	Served as Corporate Secretary of the Company from July 1993 until June 16, 2004; Executive consultant for companies in the resource sector since 1993.	July 16, 1993	9,000
<b>Robert G. Reynolds</b> <sup>(4)(5)</sup> <i>Director</i> N.S.W., Australia	Chartered Accountant; Director of Rugby Mining Limited since January 24, 2007; Avoca Resource Ltd. since January 2002 and Global Geoscience Limited since December 2007.	June 12, 2007	Nil
<b>Louis G. Montpellier</b> <sup>(5)</sup> <i>Director</i> B.C. Canada	Mining Lawyer Partner with Gowling Lafleur Henderson LLP.	January 21, 2008	5,000
<b>Roger Walsh</b> <i>Director</i> B.C. Canada	Vice President of Corporate Development for Aurizon Mines Ltd since March 27, 2009; Vice President of Corporate Development for Jinshan Gold Mines Inc. from 2007 to 2009; VP, Corporate Development for Ivanhoe Mines Ltd. 2005 to 2007; Prior to joining Ivanhoe Mines, Mr. Walsh was a founding partner of Geographe Corporate Advisory Limited, a corporate advisory firm providing acquisition, divestment and strategic advisory services to the international mining sector.	March 19, 2009	Nil

<sup>(1)</sup> For the purposes of disclosing positions held in the Company, "Company" includes the Company and any parent or subsidiary thereof.

<sup>(2)</sup> Unless otherwise stated above, any nominees named above not elected at the last annual general meeting have held the principal occupation or employment indicated for at least five years.

- (3) The information as to province or state and country of residence, principal occupation and number of shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
- (4) Member of the Company's Audit Committee.
- (5) Member of the Company's Compensation Committee and Nominating and Corporate Governance Committee.
- (6) 2,500,000 of these shares are registered in the name of Rowen Company Limited. Mr Roxburgh is a beneficiary of Rowen.
- (7) Director of the Company's wholly owned subsidiaries Estelar Resources Limited and Cognito Limited.

## CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* requires each reporting issuer to disclose its corporate governance practices on an annual basis. The Company's approach to corporate governance is set forth below.

The common shares of the Company are also listed on the New York Stock Exchange-Amex ("NYSE-AMEX"). A description of the significant ways in which the Company's governance practices differ from those followed by U.S. domestic companies pursuant to NYSE-AMEX standards is set forth below and is available on the Company's website [www.exeterresource.com](http://www.exeterresource.com).

### Board of Directors

Multilateral Instrument 52-110 – *Audit Committees* ("MI 52-110") sets out the standard for director independence. Under MI 52-110, a director is independent if he or she has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. MI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship with the Company.

Applying the definition set out in MI 52-110, a majority of the members of the Board are independent. The members who are independent are Robert G. Reynolds, William D. McCartney, Louis G. Montpelier, Douglas W. Scheving and Roger Walsh. Bryce G. Roxburgh, Yale R. Simpson and Michael R. J. McPhie are not independent by virtue of the fact that they are or have been within the last three years been executive officers of the Company.

In addition to their positions on the Board, the following directors also serve as directors of the following reporting issuers or reporting issuer equivalent(s):

Name of Director	Reporting Issuer(s) or Equivalent(s)
Bryce G. Roxburgh	Rugby Mining Limited (Formerly Carlyle Mining Corp.)
Yale R. Simpson	Diamonds North Resources Ltd. Dynasty Metals & Mining Inc. Rugby Mining Limited (Formerly Carlyle Mining Corp.)
Douglas W. Scheving	Golden Dynasty Resources Ltd. Touchstone Mining Limited Reva Resources Corporation
Robert G. Reynolds	Rugby Mining Limited (Formerly Carlyle Mining Corp.) Avoca Resources Ltd. Global GeoScience Limited
Louis G. Montpelier	Abacus Mining & Exploration Corporation
Roger Walsh	None

On occasions where it is considered advisable, the Company's independent directors will hold meetings at which non-independent directors and members of management are not in attendance. Since the beginning of the Company's most recently completed financial year, the independent directors held one meeting. As the majority of the Board is independent, matters for consideration receive full and detailed discussion. Where matters discussed may involve persons having a conflict of interest, that individual does not participate in the discussion.

Mr. Yale R. Simpson, Chairman of the Board is not independent. Mr. Montpellier, an independent director, serves as lead director, and is responsible for ensuring that the Board discharges its responsibilities in an effective manner and that the Board understands the boundaries between Board and management responsibilities. The Board has not developed a written position description for the lead director, but considers the lead director to be primarily responsible for ensuring that the Board is functioning properly and that it is meeting its obligations and responsibilities.

The following table sets out the attendance of the directors at the seven Board meetings and one independent director meeting held since the beginning of the most recently completed financial year until the date hereof:

<b>Director</b>	<b>Board Meeting</b>	<b>Independent Director Meeting</b>	<b>Total Meetings Held</b>
Bryce G. Roxburgh	7/7	N/A	7/7
Yale R. Simpson	7/7	N/A	7/7
Douglas W. Scheving	7/7	1/1	8/8
Michael R.J. McPhie	7/7	N/A	7/7
Robert G. Reynolds	7/7	1/1	8/8
Louis G. Montpellier <sup>(1)</sup>	5/7	1/1	6/8
William D. McCartney	7/7	1/1	8/8
Roger Walsh <sup>(2)</sup>	1/1	0	1/1

<sup>(1)</sup> Mr. Montpellier was appointed as a director on January 21, 2008.

<sup>(2)</sup> Mr. Walsh was appointed as a director on March 19, 2009

### **Board Mandate**

The Board does not have a written mandate. However, it is required to supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. The Board actively oversees the development, adoption and implementation of the Company's strategies and plans. The Board's responsibilities include:

- to the extent feasible, satisfying itself as to the integrity of the CEO and other executive officers and that the executive officers create a culture of integrity throughout the Company,
- the Company's strategic planning process,
- the identification of the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage risk,
- the Company's succession planning, including appointing, training and monitoring senior management,
- the Company's major business development initiatives,
- the integrity of the Company's internal control and management information systems,
- the Company's policies for communicating with shareholders and others, and
- the general review of the Company's results of operations.

The Board considers that certain decisions are sufficiently important that management should seek prior approval of the Board. Such decisions include:

- approval of the annual capital budget and any material changes to the operating budget,
- approval of the Company's business plan,
- acquisition of, or investments in new business,
- changes in the nature of the Company's business,
- changes in senior management, and
- all matters as required under the Business Corporations Act, applicable U.S. securities laws and exchange rules and regulations.

## **Position Description for CEO**

The Board does not have a written position description for the CEO, but considers the CEO to be primarily responsible for carrying out all strategic plans and policies as established by the Board. The CEO reports to the Board and advises and makes recommendations to the Board. The CEO facilitates communication between the Board and other members of management and employees, and between the Company and its shareholders.

## **Orientation and Continuing Education**

Board turnover is relatively rare. As a result, the Board provides ad hoc orientation for new directors.

On occasions where it is considered advisable, the Board will provide directors with information regarding topics of general interest, such as fiduciary duties and continuous disclosure obligations. The Board also ensures that each director is up-to-date with current information regarding the business of the Company, the role the director is expected to fulfil and basic procedures and operations of the Board. Board members are also given access to management and other employees and advisors, who can answer any questions that may arise. Regular technical presentations are made to the Board members to keep them informed of the Company's operations.

## **Ethical Business Conduct**

The Board has adopted a written Code of Business Conduct and Ethics (the "Code") for its directors, officers and employees. The Company is committed to the highest standards of legal and ethical business conduct. This Code summarizes the legal, ethical and regulatory standards that the Company must follow and is a reminder to directors, officers and employees, of the seriousness of this commitment. Compliance with this Code and high standards of business conduct is mandatory for every director, officer and employee of the Company. The Code will help directors, officers and employees understand what is expected of them and to carry out their responsibilities.

The Code addresses such matters as confidentiality of corporate information, conflicts of interest and corporate opportunities, dealing with competitors, employees conducting business with the Company, the use of corporate assets, compliance with all rules and regulation applicable to the Company's business, disclosure related matters, and reporting of violations. The Code is available at the Company's web site, [www.exeterresource.com](http://www.exeterresource.com), on the SEDAR website at [www.sedar.com](http://www.sedar.com) and the EDGAR website at [www.sec.gov](http://www.sec.gov).

In addition to the requirements of the Code, directors are required to comply with the relevant provisions of the Business Corporations Act, applicable Canadian and U.S. securities laws and exchange rules and regulations regarding conflicts of interest. If a director is in a conflict of interest or potential conflict of interest as a result of a proposed contract, that director may not participate in or be permitted to hear the discussion of the matter at any meeting of directors except to disclose material facts and respond to questions. The director will not be counted in determining the presence of a quorum for purposes of the vote and will not vote on any resolution to approve the proposed contract or be present in the meeting room when the vote is taken.

## **Board Committees**

The Board has three committees: the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. The committees and their mandates and memberships are described below.

### ***Audit Committee***

The Audit Committee meets with the CEO and CFO of the Company and the independent auditors to review and inquire into matters affecting financial reporting matters, the system of internal accounting and financial controls and procedures and the audit procedures and audit plans. The Audit Committee also recommends to the Board the independent registered public accounting firm to be appointed. In addition, the Audit Committee reviews and recommends to the Board for approval the annual financial statements, the annual report and certain other documents required by regulatory authorities. As at the date hereof, the Audit Committee is composed of William

D. McCartney (Chairman), Robert G. Reynolds and Douglas W. Scheving, all of whom are “financially literate” and “independent” within the meaning of sections 1.4, 1.5 and 1.6 of MI 52-110, applicable U.S. securities laws and exchange rules and regulations.

The Board has not developed a written position description for the Chairman of the Audit Committee but considers the Chairman to be responsible for setting the tone for the committee work, ensuring that members have the information needed to do their jobs, overseeing the logistics of the Audit Committee’s operations, reporting to the Board on the Audit Committee’s decisions and recommendations, setting the agenda and running and maintaining minutes of the meetings of the Audit Committee.

The Company’s annual information form for its financial year ended December 31, 2008 dated March 27, 2009 (the “AIF”), which has been filed on SEDAR, contains additional disclosure regarding the Audit Committee. Please refer to the section of the AIF entitled “Audit Committee” and Appendix 1 to the AIF for further information.

#### ***Nominating and Corporate Governance Committee***

The Nominating and Corporate Governance Committee is composed of Robert G. Reynolds, Louis G. Montpellier and Douglas W. Scheving, all of whom are independent directors. The Nominating and Corporate Governance Committee has no formal mandate; however, it oversees, monitors and reviews the quality and effectiveness of corporate governance best practices and disclosure policies. It reviews the composition of the Board members, on a periodic basis, makes recommendations regarding Board composition, analyzes the need for new nominees when vacancies arise and identifies and proposes new nominees who have the necessary competencies and characteristics to meet such needs.

The Board has not appointed a chair for the Nominating and Corporate Governance Committee.

#### ***Compensation Committee***

The Compensation Committee is responsible for reviewing and approving corporate goals and objectives relevant to the CEO’s compensation, evaluating the CEO’s performance in light of those goals and objectives and making recommendations to the Board with respect to the CEO’s compensation level based on this evaluation. The Compensation Committee also makes recommendations to the Board with respect to non-CEO officer and director compensation, incentive-compensation plans and equity-based plans. The Compensation Committee reviews executive compensation disclosure before the Company publicly discloses the information. Compensation matters may also be reviewed and approved by the entire Board.

The Compensation Committee is composed of Robert G. Reynolds, Louis G. Montpellier and Douglas W. Scheving, all of whom are independent.

While the Compensation Committee has the authority to retain compensation consultants to advise the committee, no such consultants were retained since the beginning of the Company’s most recently completed financial year.

The Board has not appointed a chair for the Compensation Committee.

#### **Assessment**

The entire Board is responsible for regularly assessing the effectiveness and contribution of the Board, its members and committees. The majority of the Board members serve as directors for other public companies and utilize that experience when assessing the Board, its members and committees.

## APPOINTMENT AND REMUNERATION OF AUDITOR

Shareholders will be asked to approve the re-appointment of PricewaterhouseCoopers LLP as the auditor of the Company to hold office until the next annual general meeting of the shareholders at a remuneration to be fixed by the directors. The auditor was first appointed on October 17, 2007.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Reloading of Stock Option Plan

The Company has a “fixed” ceiling incentive stock option plan dated January 21, 2004, as amended (the “Plan”). Under the Plan, 9,879,752 common shares are reserved for issuance upon the exercise of options awarded under the Plan. This number represented 20% of the Company’s issued and outstanding shares as at the annual general meeting of shareholders held on May 23, 2008, and represents 15.82% of the issued and outstanding shares as at April 21, 2009. There are only 235,752 common shares available for future option awards.

Since May 23, 2008, 818,000 common shares have been issued upon the exercise of options. Management believes that it is in the Company’s best interests to “reload” the common shares that have been issued upon the exercise of options between May 23, 2008 and May 26, 2009 back into the Plan, so that they will be available for future option awards. Management believes that reloading the Plan is necessary in order for the Company to continue to attract and retain capable and experienced directors, officers, employees and consultants. In order to attract and retain such personnel and align their interests with those of the Company’s shareholders, the Company needs to be in a position to award options to acquire common shares.

On March 19, 2009, the Board passed a resolution to reserve, subject to Exchange and disinterested shareholder approval, an additional 818,000 common shares (or such greater number being the number of common shares issued upon the exercise of options between May 23, 2008 and May 26, 2009) for the purposes of the Plan, thereby reloading the Plan. The Plan ceiling remains fixed at 9,879,752 common shares.

The rules of the Exchange permit an issuer to award options under the reloaded Plan prior to receiving shareholder approval, provided that none of the options are exercised until approval is received and provided that the shareholders approve the exercise prices of options awarded between the time of reloading and approval. The Company awarded options to purchase 300,000 common shares under the reloaded Plan to its new director, Roger Walsh, as follows:

Option Holder	Date of Award	Number of Options Awarded (Aggregate)	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options on the Date of Grant (\$/Security) <sup>(1)</sup>
Roger Walsh	March 19, 2009	300,000	\$3.35	\$3.35
<b>Total:</b>		<b>300,000</b>		

<sup>(1)</sup> Calculated as the closing price of the Company’s shares on the Exchange on the date of the award.

For a description of the Plan, which was approved by disinterested shareholders at the Company’s Annual General Meeting held on May 23, 2008, please refer to “Statement of Executive Compensation – Incentive Plan Awards” above. A copy of the Plan will be available at the Meeting for review by the shareholders. In addition, upon request, shareholders may obtain a copy of the Plan from the Company prior to the Meeting by contacting Darcy Daubaras, Financial Manager in writing at PO Box 41, AXA Place, Suite 1260 - 999 West Hastings Street, Vancouver, BC, Canada V6C 2W2 or by telephone at (604) 688-9592.

### **Regulatory Requirements**

For the purposes of this Information Circular, the term “insider” has the meaning given to that term in section 1(1) of the *Securities Act* (British Columbia).

Any time an issuer reloads a stock option plan, the Exchange requires the issuer to obtain shareholder approval, provided that the reloaded plan, together with all of the issuer's other previously established stock option plans or grants, could result at any time in the number of common shares reserved for issuance under options exceeding 10% of the issued and outstanding common shares. The number of common shares available for issuance upon the exercise of options under the reloaded Plan is equal to 15.82% of the issued and outstanding common shares of the Company as at April 21, 2009.

The Exchange requires the Company to obtain disinterested shareholder approval where a stock option plan, together with all of the Company's other previously established and outstanding stock option plans or grants, could result, at any time, in:

- (a) the number of shares reserved for issuance under stock options granted to insiders exceeding 10% of the issued shares; or
- (b) the grant to insiders, within a one-year period, of a number of shares exceeding 10% of the issued shares.

Insiders of the Company will participate in the Plan. It is possible that the grant of stock options pursuant to the Plan could result in one or both of the foregoing situations.

### ***Shareholder Approval***

In order to obtain disinterested shareholder approval, the additional shares reserved for issuance under the Plan must be approved by a majority of the votes cast at the Meeting, excluding votes attaching to shares beneficially owned by (i) insiders to whom options may be awarded under the Plan; and (ii) associates of persons referred to in (i). The Company is asking disinterested shareholders to vote affirmatively on the following resolutions:

“RESOLVED THAT:

1. that number of common shares (the “Shares”) that have been issued upon the exercise of options between May 23, 2008 and May 26, 2009 be reloaded into the Company's stock option plan dated January 21, 2004, as amended (the “Plan”);
2. the Shares be reserved for issuance upon the exercise of options awarded under the Plan;
3. the board of directors be authorized to grant options under and subject to the terms and conditions of the Plan which, together with the options that are outstanding as of the Meeting date, will entitle option holders to purchase up to a maximum of 9,879,752 common shares of the Company, being 15.82% of the issued and outstanding shares as at April 21, 2009;
4. the exercise price of the 300,000 options awarded to the Company's new director, Roger Walsh, under the reloaded Plan be approved; and
5. any one or more of the directors or senior officers of the Company be authorized and directed to perform all such acts, deeds and things and execute, under the seal of the Company, or otherwise, all such documents and other writings, including treasury orders, as may be required to give effect to the true intent of these resolutions.”

To the best of the Company's knowledge, insiders and their associates beneficially own a total of 5,377,652 common shares of the Company as of April 21, 2009. Therefore, the total number of common shares held by “disinterested shareholders” is 57,055,771 common shares.

### **Amendment of Stock Option Plan**

Under the Plan, 9,879,752 common shares are reserved for issuance upon the exercise of options awarded under the Plan. This number represented 20% of the Company's issued and outstanding shares as at the annual general meeting of shareholders held on May 23, 2008, and represents 15.82% of the issued and outstanding shares as at April 21, 2009. Options to purchase 8,826,000 common shares of the Company are outstanding (9,126,000 if shareholders approve the reloading of the Plan and the exercise price of Mr. Walsh's options). If shareholders approve the reloading of the Plan, there will only be 753,752 common shares available for future option awards. If shareholders do not approve the reloading of the Plan, there are only 235,752 common shares available for future option awards.

The number of issued and outstanding shares of the Company has increased significantly since the last annual general meeting, primarily as a result of an equity financing successfully completed by Management in February 2009, which raised \$29 million for the continued exploration and development of the Company's properties in Argentina and Chile.

Management believes that it is necessary and in the Company's best interests to increase the Plan ceiling in order for the Company to continue to attract and retain capable and experienced directors, officers, employees and consultants. In order to attract and retain such personnel and align their interests with those of the Company's shareholders, the Company needs to be in a position to award options to acquire common shares.

On March 19, 2009, the Board further amended the Plan (the "Amended Plan") to increase the ceiling, subject to Exchange and disinterested shareholder approval, from 9,879,752 common shares to 12,474,085 (20% of the Company's issued and outstanding shares as of that date) or such greater number being 20% of the Company's issued and outstanding shares as at the Meeting date.

Except as disclosed above, the terms and conditions of the Amended Plan are the same as those of the Plan, which was approved by disinterested shareholders at the Company's Annual General Meeting held on May 23, 2008. For a summary of the Plan, please refer to "Statement of Executive Compensation – Incentive Plan Awards" above. A copy of the Amended Plan will be available at the Meeting for review by the shareholders. In addition, upon request, shareholders may obtain a copy of the Amended Plan from the Company prior to the Meeting by contacting Darcy Daubaras, Financial Manager in writing at PO Box 41, AXA Place, Suite 1260 - 999 West Hastings Street, Vancouver, BC, Canada V6C 2W2 or by telephone at (604) 688-9592.

### ***Regulatory Requirements***

Any time an issuer increases the number of shares reserved for issuance under a stock option plan, the Exchange requires the issuer to obtain shareholder approval of the amended plan, provided that the amended plan, together with all of the issuer's other previously established stock option plans or grants, could result at any time in the number of common shares reserved for issuance under options exceeding 10% of the issued and outstanding common shares. Under the Amended Plan, the number of common shares available for issuance upon the exercise of options will be equal to 20% of the issued and outstanding common shares of the Company as at the Meeting date.

The Exchange requires the Company to obtain disinterested shareholder approval where a stock option plan, together with all of the Company's other previously established and outstanding stock option plans or grants, could result, at any time, in:

- (a) the number of shares reserved for issuance under stock options granted to insiders exceeding 10% of the issued shares; or
- (b) the grant to insiders, within a one-year period, of a number of shares exceeding 10% of the issued shares.

Insiders of the Company will participate in the Amended Plan. It is possible that stock options awarded pursuant to the Amended Plan could result in one or both of the foregoing situations.

### ***Shareholder Approval***

In order to obtain disinterested shareholder approval, the Amended Plan must be approved by a majority of the votes cast at the Meeting, excluding votes attaching to shares beneficially owned by (i) insiders to whom options may be awarded under the Amended Plan; and (ii) associates of persons referred to in (i). The Company is asking disinterested shareholders to vote affirmatively on the following resolutions to approve the Amended Plan:

“RESOLVED THAT:

1. the number of common shares reserved for issuance upon the exercise of stock options granted under the Company’s stock option plan dated January 21, 2004, as amended (the “Plan”) be increased from 9,879,752 common shares to 12,474,085 common shares, or such greater number being 20% of the issued and outstanding shares as at the Meeting date, and the Plan be amended accordingly (the “Amended Plan”);
2. the board of directors be authorized to grant options under and subject to the terms and conditions of the Amended Plan which, together with the options that are outstanding as of the Meeting date, will entitle option holders to purchase up to a maximum of 12,474,085 common shares of the Company, or such greater number being 20% of the issued and outstanding shares as at the Meeting date;
3. the board of directors, by resolution, be authorized to make such amendments to the Amended Plan, from time to time, as may, in its discretion, be considered appropriate, provided always that such amendments be subject to the approval of all applicable regulatory authorities; and
4. any one or more of the directors or senior officers of the Company be authorized and directed to perform all such acts, deeds and things and execute, under the seal of the Company, or otherwise, all such documents and other writings, including treasury orders, as may be required to give effect to the true intent of these resolutions.”

To the best of the Company’s knowledge, insiders and their associates beneficially own a total of 5,377,652 common shares of the Company as of April 21, 2009. Therefore, the total number of common shares held by “disinterested shareholders” is 57,055,771 common shares.

### **Decrease in Exercise Price of Stock Options**

Due to the current global financial crisis, and the resultant decline in the Company’s share price, certain stock options held by directors and officers of the Company have significantly higher exercise prices than recent market prices for the Company’s shares.

Management believes that it is in the best interests of the Company to lower the exercise prices of certain stock options held by directors and officers in order to enable the Company to continue to attract and retain capable and experienced directors and officers and align their interests with those of our shareholders.

On February 27, 2009, the Board passed a resolution to reduce the exercise prices of the following options to \$2.85, (the market price of the Company's common shares on the date of the resolution), subject to Exchange and disinterested shareholder approval:

Name of option holder	Number of options	Original exercise price	Award date	Expiry date
Bryce Roxburgh	100,000	\$3.64	June 27, 2007	June 27, 2012
Bryce Roxburgh	150,000	\$4.37	Nov. 13, 2007	Nov. 13, 2007
Yale Simpson	100,000	\$3.64	June 27, 2007	June 27, 2012
Yale Simpson	150,000	\$4.37	Nov. 13, 2007	Nov. 13, 2012
Douglas Scheving	50,000	\$4.37	Nov. 13, 2007	Nov. 13, 2012
Louis Montpellier	200,000	\$4.31	Jan. 23, 2008	Jan. 23, 2013
Michael McPhie	50,000	\$4.37	Nov. 13, 2007	Nov. 13, 2012
Michael McPhie	100,000	\$4.31	Jan. 23, 2008	Jan. 23, 2013
William McCartney	50,000	\$4.37	Nov. 13, 2007	Nov. 13, 2012
Robert Reynolds	200,000	\$3.64	June 27, 2007	June 27, 2012
Robert Reynolds	50,000	\$4.37	Nov. 13, 2007	Nov. 13, 2012
Cecil Bond	50,000	\$3.64	June 27, 2007	June 27, 2012
Cecil Bond	100,000	\$4.37	Nov. 13, 2007	Nov. 13, 2012
<b>Total:</b>	<b>1,350,000</b>			

### ***Regulatory Requirements***

The Exchange requires an issuer to obtain disinterested shareholder approval if the issuer is decreasing the exercise price of stock options previously granted to insiders.

### ***Shareholder Approval***

In order to obtain disinterested shareholder approval, the decrease must be approved by a majority of the votes cast at the Meeting, excluding votes attaching to shares beneficially owned by (i) insiders to whom options may be awarded under the Plan; and (ii) associates of persons referred to in (i). The Company is asking disinterested shareholders to vote affirmatively on the following resolutions:

“RESOLVED THAT:

1. the exercise prices of options to purchase an aggregate 1,350,000 common shares of the Company held by directors and officers of the Company as described in the Company's Information Circular be decreased to \$2.85; and
2. any one or more of the directors or senior officers of the Company be authorized and directed to perform all such acts, deeds and things and execute, under the seal of the Company, or otherwise, all such documents and other writings, including treasury orders, as may be required to give effect to the true intent of these resolutions.”

To the best of the Company's knowledge, insiders and their associates beneficially own a total of 5,377,652 common shares of the Company as of April 21, 2009. Therefore, the total number of common shares held by “disinterested shareholders” is 57,055,771 common shares.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is on the SEDAR website at [www.sedar.com](http://www.sedar.com) and EDGAR website at [www.sec.gov](http://www.sec.gov) under “Exeter Resource Corporation”. Financial information is provided in the Company’s comparative financial statements and MD&A for its most recently completed financial year. Shareholders may request copies of the Company’s financial statements and MD&A by contacting the Company’s CFO at the following address:

Exeter Resource Corporation  
Suite 1260, 999 West Hastings Street  
Vancouver, British Columbia, Canada V6C 2W2

## **OTHER BUSINESS**

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the Proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

## **NYSE-AMEX CORPORATE GOVERNANCE**

The Company’s common shares are listed on the NYSE-AMEX. Section 110 of the NYSE-AMEX Company Guide permits the NYSE-AMEX to consider the laws, customs and practices of foreign issuers in relaxing certain listing criteria, and to grant exemptions from listing criteria based on these considerations. A company seeking relief under these provisions is required to provide written certification from independent local counsel that the non-complying practice is not prohibited by home country law. A description of the significant ways in which the Company’s governance practices differ from those followed by domestic companies pursuant to standards is as follows:

**Shareholder Meeting Quorum Requirement:** The minimum requirement for a shareholder meeting is one-third of the outstanding shares of common stock. In addition, a company listed on the NYSE-AMEX is required to state its quorum requirement in its bylaws. The Company’s quorum requirement is set forth in its Articles. A quorum for a meeting of shareholders of the Company is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the shares entitled to be voted at the meeting.

**Proxy Delivery Requirement:** requires the solicitation of proxies and delivery of proxy statements for all shareholder meetings, and requires that these proxies shall be solicited pursuant to a proxy statement that conforms to SEC proxy rules. The Company is a “foreign private issuer” as defined in Rule 3b-4 under the Exchange Act, and the equity securities of the Company are accordingly exempt from the proxy rules set forth in Sections 14(a), 14(b), 14(c) and 14(f) of the Exchange Act. The Company solicits proxies in accordance with applicable rules and regulations in Canada.

**Shareholder Approval for Issuance of Shares:** Section 713 of the Company Guide requires shareholder approval as a prerequisite to approval of applications to list additional shares when the additional shares will be issued in connection with a transaction involving the sale or issuance by a company of common stock (or securities convertible into or exercisable for common stock) equal to 20% or more of presently outstanding stock for less than the greater of book or market value of the stock. However, the issuance of common stock in an amount in excess of 20% of the presently outstanding stock for less than book or market value, without shareholder approval, is not prohibited under the rules of the TSX Venture Exchange (“TSX-V”) and does not constitute a default under the TSX-V rules or any applicable laws in Canada. For past transactions, the Company has followed the rules of the TSX-V

and applicable laws in Canada and in future transactions, the Company may seek similar exemptions from the requirements of section 713 of the NYSE-AMEX Company Guide.

**The foregoing are consistent with the laws, customs and practices in Canada.**

**APPROVALS AND SIGNATURE**

The contents of this Information Circular and the sending of it to each shareholder entitled to receive notice of the Annual General Meeting, to each director of the Company, to the auditor of the Company, and to the appropriate governmental agencies, have been approved by the Board.

**ON BEHALF OF THE BOARD**

*Signed "Yale R. Simpson"*

---

**Yale R. Simpson**  
**Chairman**