



**For Immediate Release: NR 09-12**

## **EXETER REPORTS ON PRELIMINARY INFRASTRUCTURE AND METALLURGY STUDIES AT CASPICHE**

**Vancouver, B.C., June 5, 2009 - Exeter Resource Corporation (NYSE-AMEX:XRA, TSX-V:XRC, Frankfurt:EXB - "Exeter" or the "Company")** reports results from the first round of infrastructure studies and metallurgical testwork on its Caspiche gold-copper porphyry in Chile. The Company is of a view that, following the March 2009 announcement of an interim National Instrument 43-101 ("NI43-101") compliant inferred resource estimate of 8.7 million ounces gold and 2 billion pounds copper\*, the project now merits preliminary studies to identify factors critical to future capital and operating cost estimates.

### **Water Studies**

Knight Piesold Consulting has completed a preliminary water supply study that included the following:

- a review of previous water studies in the area carried out by, amongst others, public entities, private entities and universities.
- detailed descriptions of the legislation and the regulations applicable to surface and ground water rights in the area.
- a compilation of hydrogeological information for the area.
- a study of the commercial value of water rights in the region.
- compiling a database containing all approved and pending rights (for surface and ground waters) in the area.
- an analysis of the social impact of present and future water demands in the area.
- recommendations on water sources potentially available to the Caspiche project.

In addition to the Knight Piesold study on local water sources, Hatch Engineering has completed a benchmarking study of Caspiche water supply alternatives using seawater and desalinated water at various flow rates. The study considered the intake, treatment, and piping of water from the coast to the project site including:

- the identification of potential seawater intake locations and initial pipeline routes to Caspiche.
- a technical recommendation and analysis of the most appropriate desalination technology to use.
- a capital cost estimate with a target accuracy of  $\pm 40\%$ , and operating cost estimates at different flow rates.
- a recommendation for a detailed technical and legal analysis of the environmental sectorial permits and other permits that may be required for the next project phase.

### **Power Studies**

Exeter contracted Hatch Engineering to perform a benchmarking power supply study on the electrical power system of Chile, and more specifically of the 3<sup>rd</sup> Region of the country, wherein Caspiche is situated. The study included descriptions of

- the privately owned generating and transmission system in Chile with particular emphasis on the "SIC" or "Central Interconnected System" that services the 3<sup>rd</sup> Region as well as Santiago and 93% of the Chilean population.
- the mix of power generation within the SIC and the strategic changes to that mix made necessary by the interruption of natural gas supplies from neighboring countries several years ago.
- the increase in the cost of incremental power to new consumers as a result of the short-term need to rely on imported diesel fuel to replace natural gas.
- the longer term strategy to stimulate investment in coal-fired and hydro-electric plants as well as alternative renewable energy sources including wind, geothermal energy and biomass.

Hatch advised that based on new investment in power generation in Chile, particularly for coal fired plants, power costs are predicted to begin dropping in 2009, and continue decreasing through 2014, after which power costs should remain stable for several years.

Hatch also included details of the independent power generation, transmission and distribution companies currently operating in the 3rd Region and provided an estimate of the capital cost of transmission lines to the Caspiche project.

### **Site Studies**

Following receipt of the interim inferred resource estimate, Exeter has a clearer concept of waste and mineralization volumes and can commence developing infrastructure concepts for different development scenarios. Land requirements will be assessed and preliminary footprints determined for waste areas, heap leach pads and plant sites.

### **Metallurgical Testwork**

#### **Oxide Zone:**

The Caspiche deposit comprises an upper sector of gold-only mineralization, or Oxide Zone ore, wherein the copper content is essentially zero due to normal weathering and leaching of the sulphide minerals. Such low grade ore types are commonly heap leached, an example being the nearby Maricunga (Refugio) mine operated by Kinross Gold.

McClelland Laboratories from Reno Nevada, a specialist laboratory in heap leach testing, has provided final results from preliminary column leach testwork on two samples. Quarter-core composite samples crushed to a nominal 12.5 millimetre ("mm") size have returned encouraging 77.5% and 84% recoveries for samples with head grades of 0.40 grams per tonne ("g/t") gold and 0.50 g/t gold respectively. The leaching rate was rapid with most gold recovered within 20 days.

Leaching was continued for a further 77 days but very little additional gold was recovered. The lime used in agglomeration was 3.9 kilograms per tonne ("kg/t") and 5.9 kg/t respectively, with no further addition necessary. The final cyanide consumptions were quite high at 1.56 kg/t and 1.93 kg/t respectively however after 20 days when almost all the gold was recovered the consumptions were around 0.6 kg/t. Commercial consumption on the material represented by the samples tested would not be expected to exceed this level. Future testwork will use samples from whole drill core material crushed to various sizes up to 30mm to begin establishing size recovery relationships. Normally as the crush size increases, operating costs reduce and the heap becomes physically more stable however leaching kinetics become slower and often gold recovery drops. Selection of the optimum crush size is an important aspect of conceptual development.

#### **Sulphide Zone:**

The Sulphide Zone at Caspiche has been intersected to a vertical depth of +1,200 metres (3,900 feet) to date. Exeter contracted G&T Metallurgical Services Ltd ("G&T") in Kamloops, Canada, a specialist laboratory for sulphide flotation testwork, to perform preliminary testing on six composite samples collected from diamond drill holes completed in 2008. The objective of this testwork was to investigate the mineralogy of each sample and the liberation sizes of the copper minerals present so that future tests could verify that a viable copper concentrate (with gold) can be produced

G&T carried out a rougher test on each sample at a primary grind of 140 microns followed by two rougher-cleaner tests at a primary grind of about 100 microns. In the second series of tests, the rougher concentrate was reground to 30-35 microns and was cleaned in three further stages. Copper recoveries for samples with copper head grades of 0.35, 0.32, 0.31, 0.27, 0.48 and 0.44 percent were 67.1, 69.9, 70.2, 83.8, 84.2 and 85.0 percent respectively. Gold recoveries from the sulphide concentrate for the same sample set (and in the same order of testing) with gold head grades of 1.10, 1.41, 0.95, 0.52, 1.29 and 1.55 g/t were 32.3, 59.4, 47.3, 44.4, 58.6 and 72.7 percent respectively. The gold grades in the gold-copper concentrates were 34.7, 90.3, 35.4, 22.6, 41.5 and 72.6 g/t respectively. The silver head grades were generally 1-2 g/t (one sample 20 g/t). Molybdenum grades in the concentrates varied from 0.05 to 1.46 percent, which provides some potential for producing a molybdenum concentrate from certain zones.

The gold-copper recoveries are considered quite encouraging for this early stage of testing, especially if the gold that was not recovered is associated with pyrite. Testwork is currently in progress at G&T to investigate this further.

The majority of the intercepts tested were from the upper levels of the Sulphide Zone and from zones with strong argillic alteration. In spite of this, and the obvious presence of clays, these minerals do not appear to have affected the flotation to any great extent. Arsenic, in the form of enargite especially in the altered zones, is a component of the material tested and varied in the concentrates from a low value of 0.21% in the deepest sample to 7.1% in the shallowest sample. The sulphide mineralogy of the deposit is somewhat complex and will require considerably more testing than the six samples tested to date.

New composite samples from drill cores collected from January to May 2009, and particularly from deeper within the deposit, are currently being selected for additional testing.

**Exeter's Vice President Development and Operations, Jerry Perkins**, stated, "It is our objective to evaluate and minimise potential risks associated with the potential of the Caspiche project in line with the ongoing drilling results being generated by our geologists. Preliminary infrastructure studies are an important first step in evaluating Caspiche as a potential mine, and as expected, water availability is a priority given the elevation of the site and the competition for water resources in the district.

"On the metallurgical front, initial column leach testwork recoveries were encouraging and will be followed up with column testwork at coarser sizes. One yardstick for a commercial heap leach operation is the 50 mm nominal crush size tested for the nearby Cerro Casale project (referenced in the publicly available NI 43-101 Technical Report dated December 31, 2008 for Kinross Mining Corporation). However, Kinross' nearby Maricunga mine operates close to the crush sizes that we have already tested.

"The sulphide tests were done on samples from holes drilled last year, and therefore are very preliminary in nature. Both copper and gold recoveries to concentrate are generally in line with my expectations for this stage of the project. We know from recent drilling that the alteration and mineral assemblages vary significantly within the deposit, and therefore much more testwork needs to be completed to get a representative view of recoveries and the distribution of arsenic through all parts of the deposit. In fact, mineralogical evaluation will continue through all phases of exploration at Caspiche.

"We are currently meeting engineering and consulting groups to further our investigations into potential development of the project. Overall I am satisfied that our engineering studies are proceeding at a pace commensurate with the drilling and geological aspects of the project."

### **Quality Control and Assurance**

Jerry Perkins, Exeter's Vice President Development and Operations, and a "qualified person" within the definition of that term in NI 43-101, has supervised the preparation of the technical information contained in this news release.

### **About Exeter**

Exeter Resource Corporation is a Canadian mineral exploration company focused on the discovery and development of gold and silver properties in South America. The Company has C\$36 million in its treasury.

**The Caspiche gold-copper discovery** is situated in the Maricunga gold district of Chile, between the Refugio mine (Kinross Gold Corp.) and the giant Cerro Casale gold deposit (Barrick Gold Corp. and Kinross Gold Corp.). Drilling with four rigs has just finished for the season, with assays awaited for six drill holes. A second NI 43-101 compliant resource estimate is scheduled for September 2009.

Exeter's priority on its **Cerro Moro high grade gold-silver property** in Argentina is the Escondida vein where drilling has returned multiple intercepts of 12-18 g/t gold equivalent\*\* over mineable widths. The results from drilling to December 2008 are being used to produce a NI 43-101 compliant resources estimate, now expected early in the third quarter of 2009. Drilling the high grade Escondida vein is well underway with over 47 new drill holes completed to date. Testing of the possible Escondida vein strike extension on the Fomicruz joint venture lands will follow receipt of the permitting approval.

No site work is planned on **the Don Sixto gold-silver project** in Argentina over the next quarter. The Company will continue to work with provincial authorities and with representatives of other mining companies, to effect amendment to the 2007 legislation that banned the use of cyanide in mining operations in Mendoza Province.

- \* Inferred mineral resource estimate of 449.9 million tonnes containing 8.7 million ounces gold at a grade of 0.6 g/t and 375.9 million tonnes containing 2 billion pounds copper at a grade of 0.25%. See new release NR 09-09 dated March 24, 2009.
- \*\* Note: Gold equivalent grade at Cerro Moro is calculated by dividing the silver assay result by 60, adding it to the gold value and assuming 100% metallurgical recovery.

You are invited to visit the Exeter web site at [www.exeterresource.com](http://www.exeterresource.com).

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