

Interim Consolidated Financial Statements For The Three Months Ended

March 31, 2008

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Exeter Resource Corporation Consolidated Balance Sheets (Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

		March 31,	2008	Decemb	per 31, 2007
Assets					
Current					
Cash and cash equivalents		\$ 36,74	3,991	\$	8,722,779
Other receivables and prepaid e	expenses	59	2,746		448,958
		37,33	6,737		9,171,737
Property and equipment		23	8,913		210,962
Mineral properties	(Note 5)	3,35	4,379		3,354,379
		\$ 40,93	0,029	\$	12,737,078
Liabilities					
Current					
Accounts payable and accrued		<i>'</i>	6,646	\$	1,773,532
Due to related parties	(Note 10)	42	2,030		341,158
		3,64	8,676		2,114,690
Share Capital and Deficit					
Share capital	(Note 6)	55,33	3,529		55,249,342
Share subscription's	(Note 6)		9,006		_
Contributed surplus	(Note 9)	· · · · · · · · · · · · · · · · · · ·	3,990		7,234,219
Deficit		(57,755	*	(51,861,173)
		37,28	1,353		10,622,388
		· · · · · · · · · · · · · · · · · · ·	0,029	\$	12,737,078

Nature of business and continued operations (Note 1)

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Exeter Resource Corporation Consolidated Statements of Operations, Comprehensive Loss and Deficit (Expressed in Canadian Dollars)

For the period ended March 31, 2008 (Unaudited – Prepared by Management)

	Three Months ended			
			March 3	31,
		2008		2007
Income				
Interest Income	\$	79,006	\$	85,856
Gain/(loss) on conversion of foreign currencies		12,633		(6,787)
Expenses		91,639		79,069
Accounting and audit	\$	63,315	\$	44,300
Administration salaries and consulting		192,602		166,412
Amortization		13,757		9,630
Bank charges		5,621		4,775
Directors' fees		7,500		7,500
Legal fees		17,388		22,125
Management fees		286,772		28,348
Mineral property exploration expenditures (Note 5)		4,935,261		2,630,488
Office and miscellaneous		44,679		21,470
Rent		23,373		12,923
Shareholder communications		94,430		167,037
Stock exchange listing and filing fees		125,839		15,571
Telecommunications		11,762		6,409
Transfer agent		4,152		5,307
Travel and promotion		159,187		161,238
	\$	5,985,638	\$	3,303,533
Net loss and comprehensive loss for the period	\$	5,893,999	\$	(3,224,464)
Deficit at beginning of period	\$	51,861,173	\$	(34,992,529)
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Deficit at end of period	\$	57,755,172	\$	(38,216,993)
Basic & diluted loss per common share	\$	(0.14)	\$	(0.09)
Weighted average number of common shares outstanding		41,243,154		37,827,680

Exeter Resource Corporation

Consolidated Statements of Cash Flow (Expressed in Canadian Dollars)

For the period ended March 31, 2008

(Unaudited – Prepared by Management)

		Three months ended March 31,			nded
			2008		2007
Operating Activities					
Comprehensive loss for the period		\$	(5,893,999)	\$	(3,224,464)
Adjustments					
Amortization			23,098		18,264
Stock based compensation			229,810		11,615
			(5,641,091)		(3,194,585)
Changes in non-cash working capital items					
Other receivables and prepaid expenses			(143,788)		(90,532)
Accounts payable and accrued liabilities			1,453,114		(964,804)
Due to related parties			(31,040)		(226,001)
			(4,362,805)		(4,475,922)
Financing Activities					
Issue of share capital for cash	(Note 6)		55,030		221,700
Share subscription advances, net of costs	(Note 6)		32,380,036		-
			32,435,066		221,700
Investing Activities					
Acquisition of property and equipment			(51,049)		(16,301)
			(51,049)		(16,301)
Net increase (decrease) in cash and cash equi	valents		28,021,212		(4,270,523)
Cash and cash equivalents – beginning of per	riod		8,722,779		14,511,062
Cash and cash equivalents – end of period		\$	36,743,991	\$	10,240,539

1. Nature of Business and Continued Operations

Exeter Resource Corporation (the "Company") is an exploration stage company incorporated under the laws of British Columbia, Canada and together with its subsidiaries, is engaged in the acquisition, and exploration of mineral properties located in Argentina and Chile.

These interim financial statements have been prepared on the assumption that the Company will continue as a going concern and realize its assets and discharge its liabilities in the normal course of business, rather than through a process of forced liquidation. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The continued operations of the Company and the recoverability of the amount shown for mineral properties are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of such reserves, and the profitable production or disposition of such reserves.

2. Significant Accounting Policies

Basis of Presentation

These interim consolidated financial statements of the Company have been prepared in accordance with Canadian Generally Accepted Accounting Principles and except as noted below, follow the same accounting policies and methods of their application as the Company's consolidated financial statements for the year ended December 31, 2007, without all the note disclosures required for audited financial statements. The interim consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements.

Changes in accounting policies and new accounting developments

(i) Capital Disclosures, Section 1535

Effective January 1, 2008, the Company adopted Section 1535 "Capital Disclosures" which requires the disclosure of information that enables users of an entity's financial statements to evaluate its objectives, policies and processes for managing capital such as qualitative information about its objectives, policies and processes for managing capital, summary quantitative data about what the entity manages as capital, whether it has complied with any capital requirements and, if it has not complied, the consequences of non-compliance. Disclosures required by this standard are included in Note 3.

(ii) Goodwill and Intangible Assets, Section 3064

The CICA issued the new Handbook Section 3064, "Goodwill and Intangible Assets", which will replace Section 3062, "Goodwill and Intangible Assets". The new standard establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of preproduction and start-up costs and requires that these costs be expensed as incurred. The new standard applies to annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008. Management is currently assessing the impact of this new accounting standard on its consolidated financial statements.

(iii) Financial Instruments Disclosures, Section 3862 / Financial Instruments Presentation, Section 3863

Effective January 1, 2008, the Company adopted Section 3862 "Financial Instruments – Disclosures". This Section requires entities to provide disclosure of quantitative and qualitative information in their financial statements that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and management's objectives, policies and procedures for managing such risks. Disclosures required by this standard are included in Note 4.

2. Significant Accounting Policies (Continued)

(iv) Going Concern - Amendments to Section 1400

CICA 1400, General Standards of Financial Statements Presentation, was amended to include requirements to assess and disclose an entity's ability to continue as a going concern. The new requirements are effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008.

At March 31, 2008, the Company had working capital of approximately \$33.7 million, which is sufficient to fund its exploration programs, operating costs and working capital for the next twelve months. While the Company has been successful in raising its required funding from outside sources in the past, it cannot be certain that any such funding would be available in the future, or that funds would be available on terms acceptable to management. Management assessed the Company's net asset value, forecasted cash flow resources and future commitments and is confident that the Company will continue as a going concern.

(v) International financial reporting standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement, for comparative purposes, of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

3. Management of Capital

The Company's objectives when managing capital are to safeguard the its ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

In the management of capital, the Company includes the components of shareholders' equity as well as cash and cash equivalents.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

In order to maximize ongoing development efforts, the Company does not pay out dividends.

The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments, such as banker's acceptances or Guaranteed Investments Certificates, with initial maturity terms of 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Company expects that its current capital resources will be sufficient to carry out its exploration plans and operations through its current operating period.

4. Financial Instruments

a) Fair Value

The fair value of financial instruments at March 31, 2008 and December 31, 2007 is summarized as follows:

	March 31, 2008		December	31, 2007
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Held for trading				
Cash and cash equivalents	\$ 36,743,991	\$ 36,743,991	\$ 8,722,779	\$ 8,722,779
Accounts receivable and prepaid expenses	592,746	592,746	448,958	448,958
Financial Liabilities				
Accounts payable and accrued liabilities	\$ 3,648,676	\$ 3,648,676	\$ 2,114,690	\$ 2,114,690

Fair value estimates are made at the balance sheet date, based on relevant market information and other information about the financial instruments.

b) Financial risk management

The Company's activities potentially expose it to a variety of financial risks, including credit risk, foreign exchange risk (currency), liquidity and interest rate risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and accounts receivable. The Company deposits the majority of its cash and cash equivalents with high credit quality financial institutions in Canada but holds certain balances in banks in Argentina and Chile.

Currency risk

The Company operates in a number of countries, including Canada, Argentina and Chile, and is therefore exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

The Company's cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are held in several currencies (mainly Canadian dollars, US Dollars, Argentine Pesos and Chilean Pesos) and are therefore subject to fluctuation against Canadian dollar.

The Company had the following balances in foreign currency as at March 31, 2008:

	US Dollar	Argentine Peso	Chilean Peso
Cash and cash equivalents	535,781	791,645	290,913,670
Other receivables and prepaid expenses	-	262,116	59,849,280
Accounts payable and accrued liabilities	(81,786)	(4,926,939)	(367,769,514)
Net balance	(453,995)	(3,873,178)	(17,006,564)
Equivalent in Canadian dollars	(466,026)	(1,249,487)	(87,410)

4. Financial Instruments (Continued)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term maturity.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash and cash equivalent balances.

5. (a) Mineral Property- Acquisition Cost

	Balance as at December 31, 2007	Additions (Write-off)	Balance as at March 31, 2008
	· · · · · · · · · · · · · · · · · · ·	during the quarter	, , , , , , , , , , , , , , , , , , , ,
Don Sixto	\$ 3,155,757	\$ -	\$ 3,155,757
CVSA Properties	128,572	-	128,572
Other	70,050	=	70,050
	\$ 3,354,379	\$ -	\$ 3,354,379

(b) Mineral Property- Exploration Expenditures

					Three m	onths ended
	CVSA	Chilean	Don Sixto		M	arch 31,
	Properties	Properties	Project	Other	2008	2007
Assays	\$ 168,759	\$ 19,921	\$ 5,610	\$ -	\$ 194,290	\$ 448,925
Consultants and contractors	4,356	19,239	19	-	23,614	69,385
Drilling	1,135,086	947,208	-	-	2,082,294	330,117
Engineering	-	-	5,163	-	5,163	82,608
Environmental	5,651	-	-	-	5,651	66,287
Field Camp	91,206	372,922	17,459	-	481,587	288,695
Geological	142,717	225,386	8,478	41,000	417,581	309,172
Hydrology	_	-	-	-	-	21,263
IVA tax	324,338	147,326	33,789	-	505,453	167,518
Legal and title	33,690	62,636	13,833	-	110,159	84,153
Metallurgical	_	-	-	-	-	46,021
Office operations	124,889	35,913	5,155	-	165,957	98,983
Resource Development	12,664	5,199	-	610	18,473	32,808
Travel	160,541	274,831	5,881	896	442,149	249,071
Wages and benefits	250,621	209,361	22,908	-	482,890	335,482
Mineral Property	\$ 2,454,518	\$ 2,319,942	\$ 118,295	\$ 42,506	\$ 4,935,261	\$ 2,630,488
Exploration Expenditures						

6. Share Capital

The authorized share capital of the Company is 100,000,000 shares without par value.

The Company has issued shares of its capital stock as follows:

	March 31, 2008			December 31, 2007		
	Number of Shares		Amount	Number of Shares		Amount
Balance, beginning of year	41,226,487	\$	55,249,342	37,836,013	\$	46,230,295
Issued during the period/year for:						
Cash	42,275		55,030	3,390,474		8,036,284
Contributed surplus allocated	-		29,157	-		951,489
Share Issue costs	-		-	-		31,274
Balance, end of period	41,268,762	\$	55,333,529	41,226,487	\$	55,249,342

The Company entered into an agreement with a syndicate of underwriters to sell, on a private placement basis, 7.78 million special warrants at a price of \$4.50 per special warrant to raise gross proceeds of \$35 million. The Company paid a commission of 6.5% and incurred issue costs of \$354,313 for net proceeds of \$32,380,036, before accounting for the fair value of the Agent's warrants. Each special warrant was exercisable to acquire one common share of the Company. In addition, the Company issued 505,700 Agent's warrants convertible to common shares for a period of 12 months at an exercise price of \$4.50 per share. The fair value of the Agent's warrants, calculated using the Black Scholes Model, of \$681,030 has been deducted from net proceeds and for total Share subscription's of \$31,699,006. The fair value of the Agent's warrants has been allocated to contributed surplus.

On May 6, 2008 the Company filed a prospectus qualifying the shares to be issued on conversion of the special warrants and issued 7,780,000 common shares.

During the Three Months ended March 31, 2008, the Company issued 25,000 shares at a price of \$1.12 per share, 17,000 shares at a price of \$1.59, and 275 shares at a price of \$1.79 for a total consideration of \$55,030 pursuant to the exercise of stock options. In addition, an amount totaling \$29,157 representing stock-based compensation recognized on the exercise of the above stock options was allocated to share capital.

7. Stock Option Plan

The Company has adopted an incentive stock option plan (the "Plan"), the essential elements of which are as follows: The aggregate number of shares of the Company's capital stock issuable pursuant to options granted under the Plan, which was amended and approved on May 23, 2007, may not exceed 7,627,203. The Board of Directors has further amended the Plan to increase the ceiling, subject to approval by the TSX Venture Exchange ("TSX-V"), the American Stock Exchange and shareholders, to 8,250,352. Options granted under the Plan may have a maximum term of five years. The exercise price of options granted under the Plan will not be less than the discounted market price of the shares (defined as the last closing market price of the Company's shares immediately preceding the grant date, less the maximum discount permitted by TSX-V), or such other price as may be agreed to by the Company and accepted by the TSX-V. Options granted under the Plan are generally exercisable immediately following the grant, however certain options may be subject to vesting at times as determined by the directors of the Company and the TSX-V.

A summary of the status of options granted under the Plan as of March 31, 2008 and December 31, 2007, and changes during the period/year then ended, is as follows:

7. Stock Option Plan (Continued)

	March	31, 2008	Decemb	December 31, 2007			
	Shares	Weighted Average Exercise Pric	Shares e	Weigh Avera Exercise	age		
Options outstanding, beginning of							
period/year	7,223,275	\$ 2.40	5,606,750	\$	1.58		
Forfeited/cancelled	(30,000)	3.64	(570,000)		2.75		
Granted	450,000	4.31	3,525,000		3.40		
Exercised	(42,275)	1.31	(1,338,475)		1.49		
Options outstanding, end of period/year	7,601,000	\$ 2.50	7,223,275	\$	2.40		

The following table summarizes information about the stock options outstanding at March 31, 2008.

		Weighted Average	Weight	ed Average
Range of Prices \$	Number	Remaining Life (Years)	Exerc	cise Price
0.00 - 1.00	275,000	0.38	\$	0.41
1.01 - 2.00	2,966,000	1.88	\$	1.29
2.01 - 3.00	1,245,000	3.75	\$	2.49
3.01 - 4.00	1,940,000	4.12	\$	3.51
4.01 +	1,175,000	4.84	\$	4.35
	7,601,000	3.16	\$	2.50

Stock-based Compensation

The fair values of options vested during the three months ended March 31, 2008 was estimated at the grant date using the Black-Scholes option pricing model with the following weighted average assumptions:

Expected annual volatility	67.84%
Risk-free interest rate	4.39%
Expected life	3-3.5 years
Expected dividend yield	0.0%

Stock-based compensation recognized in the quarter, on the vesting of stock options granted, totaling \$229,810 was allocated to contributed surplus.

The fair value of the 450,000 stock options granted during the first quarter ended March 31, 2008, has not been presented as the compensation expense will be measured once shareholder approval has been received.

Stock based compensation has been allocated as follows:

	March 31,	March 31,
	2008	2007
Administration salaries and consulting	\$ 1,278	\$ -
Management fees	219,272	-
Shareholder communications	9,260	11,615
Total	\$ 229,810	\$ 11,615

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7. Stock Option Plan (Continued)

Option pricing models require the input of highly subjective assumptions including the expected price volatility of the Company's shares. Changes in the subjective input assumptions can materially affect the fair value estimate, and, therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

Bonus Shares

The Company has granted, subject to TSX-V and shareholder approval, 200,000 fully paid bonus shares ("Bonus Shares") as part of an incentive package pursuant to an employment agreement with the Company's Chief Operating Officer. Upon shareholder and TSX-V approval the Bonus Shares vest at a rate of 8,333 shares per month such that the Bonus Shares will have vested within 24 months.

8. Warrants

At March 31, 2008 the Company had outstanding share purchase warrants exercisable to acquire 755,700 shares as follows:

Number	Exerc	ise Price	Expiry Date
*250,000	\$	3.00	April 18, 2008
505,700	\$	4.50	March 26, 2009
755,700		•	

^{*}See subsequent events note 13

9. Contributed Surplus

	March 31, 2008	December 31, 2007		
Balance beginning of year	\$ 7,234,219	\$ 4,588,941		
Stock-based compensation	229,810	3,777,702		
Agent's warrants	681,030	(31,274)		
Bonus Shares	(111,913)	(149,661)		
Contributed surplus allocated	(29,157)	(951,489)		
Balance, end of period	\$ 8,003,990	\$ 7,234,219		

10. Related Party Transactions

Amounts due to related parties of \$422,030 at March 31, 2008 (December 31, 2007- \$341,158) is for management, consulting and exploration fees and for expenses incurred while conducting the Company's business.

A total of \$441,195 (March 31, 2007: \$271,483) was paid or accrued for related party transactions as described below:

- a) Exploration and consulting fees totaling \$90,000 (2007 \$60,000) were paid or accrued to a corporation of which the President and CEO of the Company is a principal.
- b) Exploration and development fees of \$59,367 (2007 \$91,845) were paid or accrued to a corporation controlled by the Vice-President, Exploration and Development.
- c) Management fees of \$45,000 (2007 \$45,000) were paid to a corporation controlled by the Chairman of the Company.

10. Related Party Transactions (Continued)

- d) Management fees of \$41,250 (2007 \$45,000) were paid or accrued to a corporation controlled by the Chief Financial Officer of the Company.
- e) Management and consulting fees of \$179,412 (2007 \$nil) were paid or accrued to a company controlled by the Chief Operating Officer of the Company.
- f) Management and consulting fees of \$26,167 (2007 \$nil) were paid or accrued to a company controlled by the Executive Vice President, Corporate Development, Environment.

All of the above transactions were in the normal course of operations and, in management's opinion, undertaken with the same terms and conditions as transactions with unrelated parties.

11. Contractual Obligations

The Company leases offices in Vancouver, Argentina and Chile and has expenditure and option payment obligations related to its properties. Option payments and property expenditure obligations are contingent on exploration results and can be cancelled at any time should exploration results so warrant. Other financial commitments are summarized in the table below:

Payments	Due by	Period
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	Total	2008	2	009-2010	2	011-2012	After	2012
Office leases	\$ 408,191	\$ 140,826	\$	157,327	\$	110,038	\$	-
Total	\$ 408,191	\$ 140,826	\$	157,327	\$	110,038	\$	-

12. Segmented Information

The Company's activities are all in the one industry segment of mineral property acquisition, exploration and development. Following is a summary of assets and liabilities by geographical segment:

March 31, 2008	Canada	Argentina	Chile	Total
Cash and cash equivalents	\$ 35,848,708	\$ 255,385	\$ 639,898	\$ 36,743,991
Other current assets	366,824	84,558	141,364	592,746
Property and equipment	81,296	72,152	85,465	238,913
Mineral properties	-	3,354,379	=	3,354,379
Current Liabilities	36,296,828 (965,574)	3,766,474 (1,589,430)	866,727 (1,093,672)	40,930,029 (3,648,676)
Current Entermies	\$ 35,331,254	\$ 2,177,044 \$	(226,945)	\$ 37,281,353
Net Loss	\$ 313,782	\$ 3,298,465	\$ 2,281,752	\$ 5,893,999

12. Segmented Information (Continued)

December 31, 2007	Canada	Argentina	Chile	Total
Cash and cash equivalents	\$ 7,964,731	\$ 578,293	\$ 179,755	\$ 8,722,779
Other current assets	349,569	85,406	13,983	448,958
Property and equipment	83,856	38,103	89,003	210,962
Mineral properties	=	3,354,379	-	3,354,379
	8,398,156	4,056,181	282,741	12,737,078
Current Liabilities	(728,890)	(1,359,669)	(26,131)	(2,114,690)
	7,669,266	2,696,512	256,610	10,622,388
Net Loss – period ended March 31, 2007	\$ 581,129	\$ 1,927,902	\$ 715,433	\$ 3,224,464

13. Subsequent Events

- a) The Company issued 250,000 shares at a price of \$3.00 per share upon the exercise of warrants, for a total consideration of \$750,000.
- b) On May 6, 2008, the Company filed and obtained receipt of a prospectus qualifying the common shares, issuable on conversion of the special warrants, for trading, and issued 7,780,000 shares. The special warrants were issued through the private placement financing completed on March 26, 2008. See Note 6.
- c) The Company issued 100,000 shares at a price of \$0.405 per share upon the exercise of stock options, for a total consideration of \$40,500.