exeter
RESOURCE CORPORATION

Interim Consolidated Financial Statements
For The Six Months Ended

June 30, 2009

Notice of No Auditor Review of Interim Financial Statements

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 Thousands of Canadian Dollars)

(Unaudited – Prepared by Management)

		June 30, 2009	December 31, 2008
Assets			
Current			
Cash and cash equivalents		$ **34,402**	$ 19,113
Amounts receivable and prepaid expenses		**649**	660
		35,051	19,773
Property and equipment		**318**	370
Mineral properties	(Note 4)	**3,354**	3,354
		$ **38,723**	$ 23,497
Liabilities			
Current			
Accounts payable and accrued liabilities		$ **1,628**	$ 2,545
Due to related parties	(Note 9)	**57**	278
		1,685	2,823
Shareholders' Equity			
Share capital	(Note 5)	**115,610**	89,356
Contributed surplus	(Note 8)	**17,161**	11,822
Deficit		**(95,733)**	(80,504)
		37,038	20,674
		$ **38,723**	$ 23,497

Nature of Business and Continuing Operations (Note 1)

Exeter Resource Corporation
Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Thousands of Canadian Dollars, Except Per Share Data)

For the period ended June 30, 2009
(Unaudited – Prepared by Management)

		Three months ended June 30		Six months ended June 30	
		2009	2008	**2009**	2008
Income					
Interest Income		**$ 142**	$ 259	**$ 253**	$ 338
Expenses					
Accounting and audit		**$ 34**	$ 23	**$ 72**	$ 86
Administration salaries and consulting	(Note 6)	**295**	465	**710**	629
Amortization		**19**	17	**41**	31
Directors' fees	(Note 6)	**861**	1,486	**1,499**	1,493
Foreign exchange loss / (gain)		**(40)**	31	**4**	19
Legal fees		**56**	54	**104**	72
Management fees	(Note 6)	**338**	1,132	**2,309**	1,448
Mineral property exploration expenditures	(Note 4)	**5,257**	5,575	**9,843**	10,510
Office and miscellaneous		**75**	103	**162**	188
Shareholder communications	(Note 6)	**230**	134	**400**	229
Stock exchange and transfer agent fees		**35**	94	**103**	223
Travel and promotion		**93**	244	**235**	403
		$ 7,253	$ 9,358	**$ 15,482**	$ 15,331
Net loss and comprehensive loss for the period		**$ 7,111**	$ 9,099	**$ 15,229**	$ 14,993
Deficit at beginning of period		**$ 88,622**	$ 57,755	**$ 80,504**	$ 51,861
Deficit at end of period		**$ 95,733**	$ 66,854	**$ 95,733**	$ 66,854
Basic & diluted loss per share		**$ (0.11)**	$ (0.19)	**$ (0.26)**	$ (0.30)
Weighted average number of common shares outstanding		**62,436,756**	46,960,004	**58,357,756**	44,114,383

Exeter Resource Corporation
Consolidated Statements of Cash Flow
(Expressed in Thousands of Canadian Dollars)

For the period ended June 30, 2009
(Unaudited – Prepared by Management)

	Three months ended June 30		Six months ended June 30	
	2009	2008	**2009**	2008
Operating Activities				
Net loss for the period	**$ (7,111)**	$ (9,099)	**$ (15,229)**	$ (14,993)
Adjustments				
Amortization	**26**	33	**59**	56
Stock based compensation	**1,510**	3,099	**4,558**	3,329
	(5,575)	(5,967)	**(10,612)**	(11,608)
Changes in non-cash working capital items				
Amounts receivables and prepaid expenses	**59**	37	**11**	(107)
Accounts payable and accrued liabilities	**(470)**	(979)	**(917)**	474
Due to related parties	**(48)**	149	**(221)**	118
	(6,034)	(6,760)	**(11,739)**	(11,123)
Financing Activities				
Issue of share capital for cash (Note 5)	**122**	1,463	**29,345**	36,528
Share issue costs	**-**	(43)	**(2,310)**	(2,673)
	122	1,420	**27,035**	33,855
Investing Activities				
Acquisition of property and equipment	**(5)**	(87)	**(7)**	(138)
	(5)	(87)	**(7)**	(138)
Net (decrease) increase in cash and cash equivalents	**(5,917)**	(5,427)	**15,289**	22,594
Cash and cash equivalents, beginning of period	**40,319**	36,744	**19,113**	8,723
Cash and cash equivalents, end of period	**$ 34,402**	$ 31,317	**$ 34,402**	$ 31,317

1. Nature of Business and Continuing 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.

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 properties, and the profitable production from or disposition of such properties.

Certain prior period amounts in these interim consolidated financial statements have been reclassified to conform to the current year presentation.

2. Basis of Presentation

These interim consolidated financial statements 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, 2008, without all the note disclosures required for audited financial statements. These interim consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements.

3. Changes in accounting policies and new accounting developments

a) Goodwill and Intangible Assets, Section 3064

The CICA issued the new Handbook Section 3064, "Goodwill and Intangible Assets", which replaces Section 3062, "Goodwill and Other 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 Company adopted the new standard effective January 1, 2009 and there was no significant impact on the financial statements.

b) Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the CICA issued EIC 173 "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities". This EIC provides guidance on the impact of equity and counterparty credit risk when determining the fair value of financial assets and liabilities including derivative instruments. The Company adopted this EIC effective January 1, 2009. The adoption of the EIC did not have a significant impact on the Company's financial statements.

c) Mining Exploration Costs

In March 2009, the CICA issued EIC 174 "Mining Exploration Costs". This EIC provides guidance on accounting for and impairment of exploration costs. The Company adopted this EIC effective March 1, 2009. As the Company's policy is to expense early stage exploration expenditures, application of this EIC does not have an impact on the financial statements.

(Expressed in Thousands of Canadian Dollars, Except Per Share Data)

4. Mineral Properties - Deferred Acquisition and Exploration Costs

(a) Deferred Acquisition Costs

Don Sixto and Other	$ 3,226
CVSA Properties	128
Balance as at June 30, 2009 and December 31, 2008	$ 3,354

(b) Exploration Costs

	CVSA Properties	Chilean Properties	Don Sixto and Other	**Six Months ended June 30 2009**	2008
Assays	$ 92	$ 230	$ 37	**$ 359**	$ 491
Consultants and contractors	79	33	-	**112**	56
Drilling	749	2,335	-	**3,084**	3,631
Engineering	14	27	-	**41**	15
Environmental	96	86	10	**192**	45
Field camp	280	904	12	**1,196**	914
Geological *	286	634	10	**930**	1,408
IVA tax	381	761	36	**1,178**	1,234
Legal and title	40	116	28	**184**	191
Metallurgical *	34	134	-	**168**	30
Office operations	260	123	27	**410**	413
Resource development	220	85	-	**305**	37
Travel	266	228	3	**497**	805
Wages and benefits *	659	495	33	**1,187**	1,240
Exploration costs	**$ 3,456**	**$ 6,191**	**$ 196**	**$ 9,843**	$ 10,510
Cumulative exploration costs	**$ 25,919**	**$ 17,821**	**$ 19,935**	**$ 63,675**	$ 42,375

*Includes stock based compensation cost as reflected below

	CVSA Properties	Chilean Properties	Don Sixto Project and Other	**Six Months ended June 30 2009**	2008
Geological	$ 65	$ 197	$ -	$ 262	$ 337
Metallurgical	-	14	-	14	-
Wages and benefits	105	54	8	167	49
Total	**$ 170**	**$ 265**	**$ 8**	**$ 443**	$ 386

(Expressed in Thousands of Canadian Dollars, Except Per Share Data)

5. 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:

	June 30, 2009			December 31, 2008		
	Number of Shares		Amount	Number of Shares		Amount
Balance, beginning of year	50,200,423	$	89,356	41,226,487	$	55,249
Issued during the period/year for:						
Cash	12,307,400		29,345	8,832,275		36,620
Bonus Shares	-		-	141,661		502
Contributed surplus allocated	-		190	-		338
Share issue costs	-		(3,281)	-		(3,353)
Balance, end of period	**62,507,823**	**$**	**115,610**	50,200,423	$	89,356

In February 2009, the Company completed a bought deal equity financing in which it sold 12,075,000 shares at a price of $2.40 to raise gross proceeds of $29.0 million. The offering closed on February 26, 2009. As consideration to the underwriters, the Company paid the underwriters a cash fee in an amount equal to six and one half percent (6.5%) of the gross proceeds received by the Company from the offering and incurred other share issue costs of $426. The Company also issued to the underwriters 784,875 non-transferable warrants ("Agent's Warrants") constituting six and one-half percent (6.5%) of the aggregate number shares sold pursuant to the offering. Each Agent Warrant will be exercisable for a period of twelve (12) months at the offering price of $2.40. The fair value of the Agent's Warrants calculated using the Black Scholes Model, of $971 has been allocated to contributed surplus and added to share issue costs.

In addition, during the six months ended June 30, 2009, the Company issued 232,400 shares pursuant to the exercise of options as follows: 20,000 at a price of $1.20 per share, 10,000 at a price of $1.41 per share, 183,000 at a price of $1.59 per share, 14,400 at a share price of $1.82 and 5,000 at a price of $2.01 per share for a total consideration of $365.

6. 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 by shareholders on May 26, 2009, may not exceed 12,488,684. Options granted under the Plan may have a maximum term of five years. Unless adjusted pursuant to TSX-V policies, 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 Venture Exchange ("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.

(Expressed in Thousands of Canadian Dollars, Except Per Share Data)

6. Stock Option Plan (Continued)

The following is a summary of the status of the Plan at June 30, 2009 and December 31, 2008:

	June 30, 2009		December 31, 2008	
	Shares	**Weighted Average Exercise Price**	Shares	Weighted Average Exercise Price
Options outstanding, beginning of period/year	8,885,000	$ 2.50	7,223,275	$ 2.40
Forfeited/cancelled/expired	(3,716,000)	3.33	(220,000)	3.93
Granted	3,760,000	2.62	2,684,000	2.41
Exercised	(232,400)	1.57	(802,275)	1.07
Options outstanding, end of period/year	8,696,600	$ 2.20	8,885,000	$ 2.50

The following table summarizes information about the stock options outstanding at June 30, 2009.

Range of Prices ($)	Outstanding	Vested	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price
1.01 - 2.00	4,076,600	3,551,600	2.94	$ 1.50
2.01 - 3.00	3,875,000	3,780,000	3.55	$ 2.74
3.01 - 4.00	745,000	745,000	3.38	$ 3.19
	8,696,600	8,076,600	3.25	$ 2.20

Stock-based Compensation

The fair values of options vested during the three months ended June 30, 2009 was estimated at the grant date, cliff vest date or measurement date (Shareholder approval date) using the Black-Scholes option pricing model with the following weighted average assumptions:

Expected annual volatility	86.33%
Risk-free interest rate	1.23%
Expected life	3.5 years
Expected dividend yield	0.0%

Stock-based compensation recognized in the quarter, on the exercise of stock options, totalling $66 was allocated from contributed surplus. Total stock-based compensation for the quarter was $1,510.

(Expressed in Thousands of Canadian Dollars, Except Per Share Data)

6. Stock Option Plan (Continued)

Stock based compensation has been allocated as follows:

	Three Months ended June 30		**Six Months ended June 30**	
	2009	2008	**2009**	2008
Administration salaries and consulting	$ 189	$ 215	$ 418	$ 217
Management fees	221	1,020	2,140	1,239
Directors' fees	855	1,478	1,486	1,478
Shareholder communications	48	-	72	9
Mineral property exploration expenditures	197	386	442	386
Total	**$ 1,510**	$ 3,099	**$ 4,558**	$ 3,329

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

7. Warrants

At June 30, 2009 the Company had outstanding share purchase warrants exercisable to acquire 784,875 shares as follows:

Number	Exercise Price	Expiry Date
784,875	$ 2.40	February 26, 2010

At December 31, 2008 the Company had outstanding share purchase warrants exercisable to acquire 505,700 shares as follows:

Number	Exercise Price	Expiry Date
505,700	$ 4.50	March 26, 2009*

*expired unexercised

8. Contributed Surplus

	June 30, 2009	December 31, 2008
Balance, beginning of year	$ 11,822	$ 7,234
Stock-based compensation	4,558	4,598
Agent's Warrants	971	681
Bonus Shares	-	(353)
Contributed surplus allocated	(190)	(338)
Balance, end of period / year	**$ 17,161**	$ 11,822

(Expressed in Thousands of Canadian Dollars, Except Per Share Data)

9. Related Party Transactions

Amounts due to related parties of $57 at June 30, 2009 (December 31, 2008 - $278) is for management, consulting and exploration fees and for expenses incurred while conducting the Company's business.

During the six months ended June 30, 2009 a total of $582 (June 30, 2008 - $790) was paid or accrued for related party transactions as described below:

a) Exploration and consulting fees totalling $180 (2008 - $180) were paid or accrued to a corporation of which the President and CEO of the Company is a principal.

b) Exploration fees of $122 (2008 - $110) were paid or accrued to a corporation controlled by the Vice-President, Exploration and Development.

c) Management fees of $190 which included a bonus of $100 (2008 - $90) were paid to a corporation controlled by the Chairman of the Company.

d) Management fees of $90 (2008 - $86) were paid or accrued to a corporation controlled by the Chief Financial Officer of the Company.

During the six months ended June 30, 2009 the Company received $20 (2008 - $Nil) for administrative support fees from a corporation with common directors.

These transactions were in the normal course of operations and are measured at the exchange amount, which is the amount established and agreed to by the related parties.

10. 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

	Total	2009	2010-2011
Office leases	$ 261	$ 131	$ 130
Property access agreements	76	76	-
Total	**$ 337**	**$ 207**	**$ 130**

In addition, the Company has agreed to build two houses for the original owners of the Don Sixto property at an estimated cost of approximately $75.

(Expressed in Thousands of Canadian Dollars, Except Per Share Data)

11. 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:

June 30, 2009	Canada	Argentina	Chile	Total
Cash and cash equivalents	$ 33,628	$ 534	$ 240	$ 34,402
Amounts receivable and prepaid expenses	419	99	131	649
Property and equipment	83	64	171	318
Mineral properties	-	3,354	-	3,354
	34,130	4,051	542	38,723
Current Liabilities	(670)	(856)	(159)	(1,685)
	$ 33,460	$ 3,195	$ 383	$ 37,038
Net loss - 3 months ended June 30, 2009	$ 1,822	$ 2,569	$ 2,720	$ 7,111
Net loss - 6 months ended June 30, 2009	$ 5,323	$ 3,735	$ 6,171	$ 15,229

December 31, 2008	Canada	Argentina	Chile	Total
Cash and cash equivalents	$ 18,314	$ 414	$ 385	$ 19,113
Amounts receivable and prepaid expenses	225	54	381	660
Property and equipment	91	86	193	370
Mineral properties	-	3,354	-	3,354
	18,630	3,908	959	23,497
Current Liabilities	(823)	(1,532)	(468)	(2,823)
	$ 17,807	$ 2,376	$ 491	$ 20,674
Net loss - 3 month ended June 30, 2008	$ 2,513	$ 3,892	$ 1,694	$ 9,099
Net loss - 6 month ended June 30, 2008	$ 4,435	$ 6,454	$ 4,104	$ 14,993