



**Interim Consolidated Financial Statements
For The Nine Months Ended**

September 30, 2007

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 Canadian Dollars)
(Unaudited – Prepared by Management)

	September 30, 2007	December 31, 2006
Assets		
Current		
Cash and cash equivalents	\$ 11,435,460	\$ 14,511,062
Accounts receivable and prepaid expenses	167,277	25,790
	11,602,737	14,536,852
Exploration advances	100,539	97,866
Property and equipment	165,912	203,358
Mineral properties and deferred costs (Note 3)	28,648,992	21,052,423
	\$ 40,518,180	\$ 35,890,499
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 972,745	\$ 1,884,769
Due to related parties	81,440	376,616
	1,054,185	2,261,385
Share Capital and Deficit		
Share capital (Note 4)	54,465,423	46,230,295
Contributed surplus (Note 6)	7,210,626	4,588,941
Deficit	(22,212,054)	(17,190,122)
	39,463,995	33,629,114
	\$ 40,518,180	\$ 35,890,499

Nature of business and continued operations (Note 1)

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

For the period ended September 30, 2007
(Unaudited – Prepared by Management)

	Three Months ended September 30,		Nine Months ended September 30,	
	2007	2006	2007	2006
Income				
Interest Income	\$ 115,017	\$ 17,529	\$ 286,168	\$ 140,854
Expenses				
Accounting and audit	\$ 3,669	\$ 4,763	\$ 93,651	\$ 29,442
Administration salaries and consulting	131,660	136,041	424,833	330,794
Amortization	21,851	6,319	41,111	31,499
Bank charges	5,595	4,425	16,670	14,369
Directors fees	7,500	7,500	22,500	22,500
Shareholder communications	152,495	80,943	419,010	360,845
Legal fees	24,466	30,089	74,528	131,958
Loss on write-off of mineral properties	-	44,894	-	446,481
Management fees	9,000	8,000	47,250	155,000
Office and miscellaneous	18,639	14,048	73,737	44,068
Property examination costs	87,124	15,582	169,676	94,849
Rent	16,864	13,075	60,457	31,276
Stock-based compensation	163,496	77,526	3,347,433	1,171,339
Stock exchange listing and filing fees	39,175	6,265	95,689	30,710
Telecommunications	7,830	6,498	24,196	16,028
Transfer agent	5,351	1,641	13,388	13,723
Travel and promotion	30,983	87,991	352,983	319,957
	\$ 725,698	\$ 545,600	\$ 5,277,112	\$ 3,244,840
Loss before other items	\$ 610,681	\$ 528,071	\$ 4,990,944	\$ 3,103,985
Loss on conversion of foreign currencies	25,526	16,305	30,988	16,205
Net loss and comprehensive loss for the period	\$ 636,207	\$ 544,376	\$ 5,021,932	\$ 3,120,190
Deficit at beginning of period	\$ 21,575,847	\$ 14,477,296	\$ 17,190,122	\$ 11,901,482
Deficit at end of period	\$ 22,212,054	\$ 15,021,672	\$ 22,212,054	\$ 15,021,672
Basic & diluted loss per common share	\$ (0.02)	\$ (0.02)	\$ (0.13)	\$ (0.11)
Weighted average number of common shares outstanding	38,996,066	29,520,514	38,762,308	28,921,226

Exeter Resource Corporation
Consolidated Statements of Cash Flow (Expressed in Canadian Dollars)
For the period ended September 30, 2007
(Unaudited – Prepared by Management)

	Three Months ended September 30,		Nine Months ended September 30,	
	2007	2006	2007	2006
Operating Activities				
Net loss for the period	\$ (636,207)	\$ (544,376)	\$ (5,021,932)	\$ (3,120,190)
Adjustments				
Amortization	21,851	6,319	41,111	31,499
Stock based compensation	163,496	77,526	3,347,433	1,171,339
Loss on write-off of mineral properties	-	44,894	-	446,481
Unrealized loss on conversion of foreign currencies	25,526	16,305	30,988	16,205
	(425,334)	(399,333)	(1,602,400)	(1,454,666)
Changes in non-cash working capital items				
Accounts receivables and prepaid expenses	(33,918)	(16,348)	(141,487)	(31,375)
Accounts payable and accrued liabilities	(7,478)	137,681	(51,984)	129,184
Due to related parties	(13,372)	116,234	(149,856)	(3,201)
	(480,102)	(161,766)	(1,945,727)	(1,360,058)
Financing Activities				
Issue of share capital for cash (Note 4)	4,711,755	308,538	7,509,380	2,297,179
Share issue costs	-	(31,271)	-	(31,271)
	4,711,755	227,267	7,509,380	2,265,908
Investing Activities				
Exploration activities				
Accounts payable and accrued liabilities	(66,275)	561,007	(860,039)	1,038,981
Due to related parties	(17,469)	(25,604)	(145,320)	(11,554)
Exploration advances	37,167	24,644	(2,673)	(55,864)
Acquisition of mineral properties	(25,112)	-	(53,952)	-
Acquisition of property and equipment	(5,635)	(47,120)	(28,772)	(137,142)
Deferred exploration costs, net of amortization and property examination costs	(2,188,914)	(2,711,264)	(7,517,511)	(6,679,251)
	(2,266,238)	(2,198,337)	(8,608,267)	(5,844,830)
Loss on the conversion of foreign currencies	(25,526)	(16,305)	(30,988)	(16,205)
Net increase (decrease) in cash and cash equivalents	1,939,889	(2,099,141)	(3,075,602)	(4,955,185)
Cash and cash equivalents – beginning of period	9,495,571	4,932,653	14,511,062	7,788,697
Cash and cash equivalents – end of period	\$ 11,435,460	\$ 2,833,512	\$ 11,435,460	\$ 2,833,512

Exeter Resource Corporation
Consolidated Statements of Deferred Exploration Costs (Expressed in Canadian Dollars)
For the period ended September 30, 2007
(Unaudited – Prepared by Management)

	CVSA Properties	Chilean Properties	Don Sixto Project	Other	Nine Months Ended September 30,	
					2007	2006
Exploration Costs						
Assays	\$ 149,585	\$ 55,038	\$ 642,720	\$ -	\$ 847,343	\$ 233,367
Consultants & contractors	16,965	1,282	151,474	1,755	171,476	263,952
Drilling	1,071,368	374,788	52,292	-	1,498,448	3,028,612
Engineering	-	-	137,553	-	137,553	56,200
Environmental	-	-	192,543	362	192,905	33,732
Field Camp	146,740	271,409	280,184	1,657	699,990	420,871
Geological	372,317	368,537	92,400	83,711	916,965	526,170
Geophysical	22,478	-	416	-	22,894	10,545
Hydrology	-	-	22,476	-	22,476	24,864
Infrastructure	-	-	30,506	-	30,506	-
IVA tax	349,876	143,709	129,142	-	622,727	725,318
Office operations	112,960	133,354	55,077	2,039	303,430	139,681
Metallurgical	-	-	79,954	1,721	81,675	26,045
Legal and title	87,807	59,899	69,410	4,859	221,975	213,990
Resource development	-	-	138,233	-	138,233	-
Travel	231,983	242,676	211,480	25,583	711,722	403,611
Wages and benefits	446,872	87,185	544,819	12,992	1,091,868	689,741
	3,008,951	1,737,877	2,830,679	134,679	7,712,186	6,796,699
Property examination costs	-	(34,997)	-	(134,679)	(169,676)	(94,849)
Total costs incurred during the period	3,008,951	1,702,880	2,830,679	-	7,542,510	6,701,850
Balance of costs, beginning of period	3,876,961	803,025	13,039,318	83,103	17,802,407	7,214,676
Write-off of mineral properties costs	-	-	-	-	-	(303,510)
Balance of costs, end of period	\$ 6,885,912	\$ 2,505,905	\$ 15,869,997	\$ 83,103	\$ 25,344,917	\$ 13,707,865

Notes to the Interim Consolidated Financial Statements
Nine months ended September 30, 2007
(Unaudited – Prepared by Management)

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 and deferred costs 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

Except as noted below, the interim consolidated financial statements of the Company have been prepared in accordance with the same accounting policies and methods of their application as the Company’s consolidated financial statements for the year ended December 31, 2006, without the note disclosures required for audited financial statements. These interim consolidated financial statements should be read in conjunction with the Company’s annual audited consolidated financial statements.

New Accounting Policies

The CICA Handbook Section 3855 “Financial Instruments – Recognition and Measurement” requires that financial assets classified as “available-for-sale” be recorded at fair market values and that gains or losses in available-for-sale financial assets be recorded in the balance sheet as “Other comprehensive income (loss)”. The Company has adopted this section prospectively FROM January 1, 2007 for financial assets valued after November 1, 2006. The adoption of this handbook section has had no significant effect on the Company’s financial statements.

3. Mineral Properties and Deferred Costs

	Acquisition Costs	Deferred Exploration Costs	September 30, 2007 Total	December 31, 2006 Total
CVSA Properties	\$ 128,572	\$ 6,885,912	\$ 7,014,484	\$ 4,005,534
Chilean Properties	-	2,505,905	2,505,905	803,024
Don Sixto	3,105,281	15,869,997	18,975,278	16,115,762
Other	70,222	83,103	153,325	128,103
	\$ 3,304,075	\$ 25,344,917	\$ 28,648,992	\$ 21,052,423

Don Sixto

On June 20, 2007 the Mendoza Provincial government introduced anti-mining legislation which may preclude development of mining projects in Mendoza Province. The Company has delayed all exploration and independent engineering studies in Mendoza and filed an action in the Mendoza Supreme Court to have this anti-mining legislation declared unconstitutional. Should the Company not be successful in its constitutional challenge or the anti mining legislation not be amended, the carrying value of the Don Sixto project may not be recoverable requiring the Company to write-off its entire investment of \$18,975,278.

Notes to the Interim Consolidated Financial Statements
Nine months ended September 30, 2007
(Unaudited – Prepared by Management)

4. 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:

	September 30, 2007		December 31, 2006	
	Number of Shares	Amount	Number of Shares	Amount
Balance, beginning of period/year	37,836,013	\$ 46,230,295	27,845,763	\$ 27,802,270
Issued during the period/year for:				
Cash	3,078,079	7,509,380	9,990,250	18,975,198
Contributed surplus allocated	-	725,748	-	205,203
Share Issue costs	-	-	-	(752,376)
Balance, end of period	40,914,092	\$ 54,465,423	37,836,013	\$ 46,230,295

Transactions for the Issue of Share Capital
During the nine months ended September 30, 2007

- a) The Company issued 30,000 shares at a price of \$0.405 per share, 25,000 shares at a price of \$1.08 per share, 150,000 shares at a price of \$1.12 per share, 250,000 shares at a price of \$1.10 per share, 145,000 shares at a price of \$1.17 per share, 145,000 at a price of \$1.20 per share, 26,080 shares at a price of \$1.79 per share, 70,000 shares at a price of \$2.01, and 185,000 shares at a price of \$2.52 for a total consideration of \$1,479,383 pursuant to the exercise of stock options.

In addition, an amount totaling \$725,748 representing stock-based compensation recognized on the exercise of the above stock options was allocated to share capital.

- b) The Company issued 252,000 shares at a price of \$2.50, and 1,799,999 shares at a price of \$3.00 for a total consideration of \$6,029,997 pursuant to the exercise of warrants.

5. Stock Option Plan

The Company has adopted an incentive stock option plan (the “Plan”), the essential elements of which are as follows: Following approval of the amendments to the Plan at the Company’s Annual General Meeting held on May 23, 2007, the aggregate number of shares of the Company’s capital stock issuable pursuant to options granted under the Plan may not exceed 7,627,203. 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 Venture Exchange policy (“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.

	September 30, 2007		December 31, 2006	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Options outstanding, beginning of period/year	5,606,750	\$ 1.58	4,949,750	\$ 1.15
Forfeited/cancelled	(480,000)	2.94	(556,000)	1.75
Granted	2,800,000	3.15	1,755,000	2.62
Exercised	(1,026,080)	1.44	(542,000)	0.83
Options outstanding, end of period/year	6,900,670	\$ 2.14	5,606,750	\$ 1.58

Notes to the Interim Consolidated Financial Statements
Nine months ended September 30, 2007
(Unaudited – Prepared by Management)

At September 30, 2007, the Company had outstanding stock options to acquire 6,900,670 shares as follows:

Number of Options Outstanding	Number of Options Exercisable	Price	Expiry Date
275,000	275,000	\$ 0.41	August 15, 2008
1,098,000	1,098,000	\$ 1.08	January 21, 2009
10,000	10,000	\$ 1.41	April 7, 2009
3,750	3,750	\$ 0.85	June 21, 2009
225,000	225,000	\$ 1.20	March 21, 2010
300,000	300,000	\$ 1.20	April 5, 2010
285,000	285,000	\$ 1.12	July 7, 2010
100,000	100,000	\$ 1.10	August 19, 2010
90,000	90,000	\$ 1.20	October 25, 2010
1,020,000	920,000	\$ 1.59	December 30, 2010
48,920	48,920	\$ 1.79	February 3, 2011
90,000	90,000	\$ 2.01	March 2, 2011
225,000	225,000	\$ 2.52	May 3, 2011
50,000	50,000	\$ 1.89	June 12, 2011
415,000	415,000	\$ 3.02	November 30, 2011
650,000	585,000	\$ 2.52	January 31, 2012
220,000	220,000	\$ 2.52	February 13, 2012
1,570,000	1,232,498	\$ 3.64	June 27, 2012
225,000	25,000	\$ 2.52	August 28, 2012
6,900,670	6,198,168		

The following table summarizes information about the stock options outstanding at September 30, 2007.

Range of Prices \$	Number	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price
0.00 - 1.00	278,750	0.89	\$ 0.41
1.01 - 2.00	3,226,920	2.41	\$ 1.29
2.01 +	3,395,000	4.15	\$ 3.09
	6,900,670	3.21	\$ 2.14

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. The Bonus Shares vest at the rate of 8,333 shares per month such that the Bonus Shares will have vested at the end of 24 months.

Warrants

At September 30, 2007 the Company had outstanding share purchase warrants exercisable to acquire 250,000 shares as follows:

Number	Exercise Price	Expiry Date
250,000	\$ 3.00	April 4, 2008

Notes to the Interim Consolidated Financial Statements
Nine months ended September 30, 2007
(Unaudited – Prepared by Management)

Stock-based Compensation

The fair values of options vested during the three months ended September 30, 2007 was estimated at the grant date using the Black-Scholes option pricing model with the following weighted average assumptions:

Expected annual volatility	68.20%
Risk-free interest rate	3.94%
Expected life	3 years
Expected dividend yield	0.0%

Stock-based compensation recognized for the period ended September 30th, on the vesting of stock options granted, totaling \$3,491,417 was allocated to contributed surplus.

6. Contributed Surplus

	September 30, 2007	December 31, 2006
Balance beginning of year	\$ 4,588,941	\$ 2,188,160
Stock-based compensation	3,347,433	2,384,845
Agent's warrants	-	221,139
Contributed surplus allocated	(725,748)	(205,203)
Balance, end of period	\$ 7,210,626	\$ 4,588,941

7. Related Party Transactions

Amounts due to related parties are for management, consulting, exploration, legal fees and for expenses incurred while conducting the Company's business.

A total of \$766,860 (September 30, 2006: \$710,887) was paid or accrued for related party transactions as described below:

- a) Exploration and consulting fees totaling \$180,000 (2006 - \$158,000) and \$43,500 (2006 - \$32,500) for the provision of other consulting services were paid or accrued to a corporation of which the President and CEO of the Company is a principal.
- b) Legal fees of \$44,715 (2006 - \$120,355) were paid to a corporation controlled by a director of the Company of which the Secretary of the Company is an employee.
- c) Exploration and development fees of \$228,645 (2006 - \$188,032) were paid or accrued to a corporation controlled by the Vice-President, Exploration and Development.
- d) Management fees of \$120,000 (2006 - \$122,000) were paid to a corporation controlled by the Chairman of the Company.
- e) Management fees of \$127,500 (2006 - \$90,000) were paid or accrued to a corporation controlled by the Chief Financial Officer of the Company.
- f) Management fees of \$22,500 were accrued to a corporation controlled by the Chief Operations Officer of the Company.

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.

Notes to the Interim Consolidated Financial Statements
Nine months ended September 30, 2007
(Unaudited – Prepared by Management)

8. 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:

September 30, 2007	Canada	Argentina	Chile	Total
Cash and cash equivalents	\$ 10,389,689	\$ 862,998	\$ 182,773	\$ 11,435,460
Other current assets	167,277	80,470	20,069	267,816
Property and equipment	67,014	45,449	53,449	165,912
Mineral properties and deferred costs	-	26,143,087	2,505,905	28,648,992
	10,623,980	27,132,004	2,762,196	40,518,180
Current liabilities	(267,460)	(753,334)	(33,391)	(1,054,185)
	\$ 10,356,520	\$ 26,378,670	\$ 2,728,805	\$ 39,463,995
December 31, 2006	Canada	Argentina	Chile	Total
Cash and cash equivalents	\$ 13,452,871	\$ 994,656	\$ 63,535	\$ 14,511,062
Other current assets	54,549	62,562	6,545	123,656
Property and equipment	90,779	68,216	44,363	203,358
Mineral properties and deferred costs	-	20,249,399	803,024	21,052,423
	13,598,199	21,374,833	917,467	35,890,499
Current liabilities	(805,239)	(1,398,421)	(57,725)	(2,261,385)
	\$ 12,792,960	\$ 19,976,412	\$ 859,742	\$ 33,629,114

9. Contractual Obligations

The Company leases offices in Vancouver and Argentina 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	Less than 1 year	1-3 years	4-5 years
Office leases	\$ 280,935	\$ 22,844	\$ 152,977	\$ 105,114
Total	\$ 280,935	\$ 22,844	\$ 152,977	\$ 105,114

10. Subsequent Events

- a) The Company issued 3,750 shares at a price of \$0.85, 30,000 shares at a price of \$1.08, 5,000 shares at a price of \$1.59, 30,000 shares at a price of \$1.79, 10,000 shares at a price of \$2.01 and 30,000 shares at a price of \$2.52 upon the exercise of options, for a total consideration of \$192,937.

An amount totaling \$84,980 representing stock-based compensation recognized on the grant of the above stock options was allocated to share capital.