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

**September 30, 2009**

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

**(Unaudited)**

| | | September 30, 2009 | December 31, 2008 (audited) |
|---|---|---|---|
| **Assets** | | | |
| **Current** | | | |
| Cash and cash equivalents | | $ **31,957** | $ 19,113 |
| Accounts receivable and prepaid expenses | | **788** | 660 |
| | | **32,745** | 19,773 |
| **Property and equipment** | | **401** | 370 |
| **Mineral properties and deferred costs** | (Note 4) | **3,354** | 3,354 |
| | | $ **36,500** | $ 23,497 |
| **Liabilities** | | | |
| **Current** | | | |
| Accounts payable and accrued liabilities | | $ **2,112** | $ 2,545 |
| Due to related parties | (Note 9) | **58** | 278 |
| | | **2,170** | 2,823 |
| **Shareholders' Equity** | | | |
| **Share capital** | (Note 5) | **117,638** | 89,356 |
| **Contributed surplus** | (Note 8) | **17,816** | 11,822 |
| **Deficit** | | **(101,124)** | (80,504) |
| | | **34,330** | 20,674 |
| | | $ **36,500** | $ 23,497 |

**Subsequent Event (Note 12)**

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

**For the period ended September 30, 2009**
**(Unaudited)**

| | | Three Months ended September 30, | | Nine Months ended September 30, | |
|---|---|---|---|---|---|
| | | **2009** | 2008 | **2009** | 2008 |
| **Income** | | | | | |
| Interest income | | **$ 135** | $ 211 | **$ 388** | $ 549 |
| **Expenses** | | | | | |
| Accounting and audit | | **27** | 36 | **99** | 122 |
| Administration salaries and consulting | (Note 6) | **332** | 370 | **1,042** | 999 |
| Amortization | | **21** | 17 | **62** | 48 |
| Directors' fees | (Note 6) | **176** | 7 | **1,675** | 1,500 |
| Foreign exchange loss / (gain) | | **(90)** | 29 | **(86)** | 48 |
| Legal fees | | **64** | 11 | **168** | 83 |
| Management fees | (Note 6) | **634** | 316 | **2,943** | 1,764 |
| Mineral property exploration expenditures | (Note 4) | **3,990** | 5,822 | **13,833** | 16,332 |
| Office and miscellaneous | | **78** | 102 | **240** | 290 |
| Shareholder communications | (Note 6) | **216** | 89 | **616** | 318 |
| Stock exchange and transfer agent | | **4** | 20 | **107** | 243 |
| Travel and promotion | | **74** | 112 | **309** | 515 |
| | | **5,526** | 6,931 | **21,008** | 22,262 |
| **Net loss and comprehensive loss for the period** | | **$ 5,391** | $ 6,720 | **$ 20,620** | $ 21,713 |
| **Deficit at beginning of period** | | **95,733** | 66,854 | **80,504** | 51,861 |
| **Deficit at end of period** | | **$ 101,124** | $ 73,574 | **$ 101,124** | $ 73,574 |
| **Basic & diluted loss per common share** | | **$ (0.09)** | $ (0.14) | **$ (0.35)** | $ (0.48) |
| **Weighted average number of common shares outstanding** | | **62,519,490** | 47,022,004 | **59,745,001** | 45,176,619 |

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

**For the period ended September 30, 2009**
**(Unaudited)**

| | Three months ended September 30 | | Nine months ended September 30 | |
|---|---|---|---|---|
| | **2009** | 2008 | **2009** | 2008 |
| **Operating Activities** | | | | |
| **Net loss for the period** | **$ (5,391)** | $ (6,720) | **$ (20,620)** | $ (21,713) |
| Adjustments | | | | |
| Amortization | **41** | 36 | **101** | 92 |
| Gain on sale of property and equipment | **(11)** | - | **(11)** | - |
| Stock based compensation | **1,464** | 462 | **6,022** | 3,791 |
| | **(3,897)** | (6,222) | **(14,508)** | (17,830) |
| Changes in non-cash working capital items | | | | |
| Other receivables and prepaid expenses | **(139)** | 130 | **(128)** | 24 |
| Accounts payable and accrued liabilities | **484** | 954 | **(433)** | 1,428 |
| Due to related parties | **1** | 4 | **(220)** | 122 |
| | **(3,551)** | (5,134) | **(15,289)** | (16,256) |
| **Financing Activities** | | | | |
| Issue of share capital for cash (Note 5) | **1,219** | 38 | **30,565** | 36,566 |
| Share issue costs | **-** | - | **(2,311)** | (2,673) |
| | **1,219** | 38 | **28,254** | 33,893 |
| **Investing Activities** | | | | |
| Acquisition of property and equipment | **(124)** | (104) | **(132)** | (243) |
| Proceeds on sale of property and equipment | **11** | - | **11** | - |
| | **(113)** | (104) | **(121)** | (243) |
| **Net (decrease) increase in cash and cash equivalents** | **(2,445)** | (5,200) | **12,844** | 17,394 |
| **Cash and cash equivalents – beginning of period** | **34,402** | 31,316 | **19,113** | 8,722 |
| **Cash and cash equivalents – end of period** | **$ 31,957** | $ 26,116 | **$ 31,957** | $ 26,116 |

## 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.

## 4. Mineral Properties - Deferred Acquisition and Exploration Costs

### (a) Deferred Acquisition Costs

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

### (b) Exploration Costs

| | CVSA Properties | Chilean Properties | Don Sixto and Other | Nine Months ended September 30 **2009** | 2008 |
|---|---|---|---|---|---|
| Assays | $ 280 | $ 263 | $ 44 | **$ 587** | $ 1,019 |
| Consultants and contractors | 59 | 66 | - | **125** | 139 |
| Drilling | 1,941 | 2,440 | - | **4,381** | 5,168 |
| Engineering | 68 | 147 | - | **215** | 16 |
| Environmental | 120 | 100 | 10 | **230** | 166 |
| Field camp | 447 | 1,102 | 16 | **1,565** | 1,347 |
| Geological ** | 535 | 1,035 | 13 | **1,583** | 2,015 |
| IVA tax | 747 | 789 | (474)* | **1,062** | 1,870 |
| Legal and title | 49 | 141 | 46 | **236** | 268 |
| Metallurgical ** | 28 | 349 | - | **377** | 37 |
| Office operations | 353 | 175 | 42 | **570** | 716 |
| Resource development | 231 | 1 | - | **232** | - |
| Travel | 460 | 340 | 39 | **839** | 1,199 |
| Wages and benefits ** | 935 | 815 | 81 | **1,831** | 2,372 |
| **Exploration costs** | **$ 6,253** | **$ 7,763** | **$ (183)** | **$ 13,833** | $ 16,332 |
| **Cumulative exploration costs** | **$ 28,716** | **$ 19,393** | **$ 19,556** | **$ 67,665** | $ 48,197 |

* During the nine month period ended September 30, 2009 the Company recovered IVA in the amount of approximately $511.

** Includes stock based compensation cost as reflected below:

| | CVSA Properties | Chilean Properties | Don Sixto Project and Other | Nine Months ended September 30 **2009** | 2008 |
|---|---|---|---|---|---|
| Geological | $ 130 | $ 512 | $ - | $ 642 | $ 515 |
| Metallurgical | - | 74 | - | 74 | - |
| Wages and benefits | 218 | 71 | 9 | 298 | 49 |
| **Total** | **$ 348** | **$ 657** | **$ 9** | **$ 1,014** | $ 564 |

## 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:

| | **September 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 – equity financing | 12,075,000 | | 28,980 | 7,780,000 | | 35,010 |
| – options | 697,400 | | 1,300 | 802,275 | | 860 |
| – warrants | 118,506 | | 285 | 250,000 | | 750 |
| Bonus Shares | - | | - | 141,661 | | 502 |
| Contributed surplus allocated | - | | 852 | - | | 338 |
| Share issue costs | - | | (3,135) | - | | (3,353) |
| Balance, end of period | **63,091,329** | **$** | **117,638** | 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 ("Warrants") constituting six and one-half percent (6.5%) of the aggregate number shares sold pursuant to the offering. Each Warrant will be exercisable for a period of twelve (12) months at the offering price of $2.40. The fair value of the Warrants calculated using the Black-Scholes Model, of $824 has been allocated to contributed surplus and added to share issue costs.

In addition, during the nine months ended September 30, 2009, the Company issued 697,400 shares pursuant to the exercise of options with exercise prices ranging from $1.20 to $3.02 per share for a total consideration of $1,300. The Company also issued 118,506 shares at a share price of $2.40 per share pursuant to the exercise of Warrants for a total consideration of $285.

## 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.

**6. Stock Option Plan (Continued)**

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

| | **September 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 | (1,616,000) | 2.46 | (220,000) | 3.93 |
| Granted | 3,225,000 | 3.32 | 2,684,000 | 2.41 |
| Exercised | (697,400) | 1.86 | (802,275) | 1.07 |
| Options outstanding, end of period/year | 9,796,600 | $ 2.45 | 8,885,000 | $ 2.50 |

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

| Range of Prices ($) | Outstanding | Vested | Weighted Average Remaining Life (Years) | Weighted Average Exercise Price |
|---|---|---|---|---|
| 1.01 - 2.00 | 3,796,600 | 3,321,600 | 2.63 | $ 1.49 |
| 2.01 - 3.00 | 3,710,000 | 3,615,000 | 3.32 | $ 2.75 |
| 3.01 - 4.00 | 1,910,000 | 1,075,000 | 2.93 | $ 3.26 |
| 4.01 – 6.00 | 380,000 | - | 4.99 | $ 5.05 |
| | 9,796,600 | 8,011,600 | 3.04 | $ 2.45 |

**Stock-based Compensation**

The fair values of options vested during the three months ended September 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 | 84.92% |
| Risk-free interest rate | 1.54% |
| Expected life | 3-3.5 years |
| Expected dividend yield | 0.0% |

Stock-based compensation recognized on stock options and warrants exercised during the quarter, totalling $662 was allocated from contributed surplus. Total stock-based compensation recognized on options granted or vesting totalled $1,464 for the quarter. During the nine- month period ended September 30, 2009, the Company re-priced 750,000 options from a weighted average exercise price of $3.79 to $1.51 and 1,350,000 options with a weighted average exercise price of $4.11 to $2.85. The impact of the re-pricing is included in stock-based compensation for the period.

## 6. Stock Option Plan (Continued)

Stock based compensation has been allocated as follows:

| | Three Months ended September 30 | | Nine Months ended September 30 | |
|---|---|---|---|---|
| | **2009** | 2008 | **2009** | 2008 |
| Administration salaries and consulting | $ 175 | $ 159 | $ 593 | $ 376 |
| Management fees | 440 | 125 | 2,580 | 1,364 |
| Directors' fees | 176 | - | 1,662 | 1,478 |
| Shareholder communications | 101 | - | 173 | 9 |
| Mineral property exploration expenditures | 572 | 178 | 1,014 | 564 |
| Total | **$ 1,464** | $ 462 | **$ 6,022** | $ 3,791 |

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 September 30, 2009 the Company had outstanding share purchase warrants exercisable to acquire 666,369 shares as follows:

| Number | Exercise Price | Expiry Date |
|---|---|---|
| 666,369 | $ 2.40 | February 26, 2010 |

*during the period 118,506 warrants were exercised.

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

| | **September 30, 2009** | December 31, 2008 |
|---|---|---|
| Balance, beginning of year | **$ 11,822** | $ 7,234 |
| Stock-based compensation | 6,022 | 4,598 |
| Warrants | 824 | 681 |
| Bonus Shares | - | (353) |
| Contributed surplus allocated | (852) | (338) |
| Balance, end of period / year | **$ 17,816** | $ 11,822 |

## 9. Related Party Transactions

Amounts due to related parties of $58 at September 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 nine months ended September 30, 2009 a total of $1,060 (September 30, 2008 - $1,269) was paid or accrued for related party transactions as described below:

a) Exploration and consulting fees totalling $370 which included a bonus of $100 (2008 - $270) were paid or accrued to a corporation of which the President and CEO of the Company is a principal.

b) Exploration fees of $192 (2008 - $207) were paid or accrued to a corporation controlled by the Vice-President, Exploration and Development.

c) Management fees of $238 which included a bonus of $100 (2008 - $120) were paid to a corporation controlled by the Chairman of the Company.

d) Management fees of $260 which included a bonus of $100 (2008 - $211) were paid or accrued to a corporation controlled by the Chief Financial Officer of the Company.

During the nine months ended September 30, 2009 the Company received $35 (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 | $ 157 | $ 27 | $ 130 |
| Property access agreements | 159 | 21 | 138 |
| Total | **$ 316** | **$ 48** | **$ 268** |

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.

## 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:

| **September 30, 2009** | Canada | Argentina | Chile | Total |
|---|---|---|---|---|
| Cash and cash equivalents | $ 31,367 | $ 430 | $ 160 | $ 31,957 |
| Amounts receivable and prepaid expenses | 567 | 107 | 114 | 788 |
| Property and equipment | 85 | 100 | 216 | 401 |
| Mineral properties | - | 3,354 | - | 3,354 |
| | 32,019 | 3,991 | 490 | 36,500 |
| Current Liabilities | (499) | (1,551) | (120) | (2,170) |
| | $ 31,520 | $ 2,440 | $ 370 | $ 34,330 |
| Net loss - 3 months ended September 30, 2009 | $ 1,378 | $ 2,515 | $ 1,498 | $ 5,391 |
| Net loss - 9 months ended September 30, 2009 | $ 6,701 | $ 6,250 | $ 7,669 | $ 20,620 |

| **December 31, 2008** | Canada | Argentina | Chile | Total |
|---|---|---|---|---|
| Cash and cash equivalents | $ 18,314 | $ 414 | $ 385 | $ 19,113 |
| Amounts receivable and prepaid expenses | 224 | 55 | 381 | 660 |
| Property and equipment | 91 | 86 | 193 | 370 |
| Mineral properties | - | 3,354 | - | 3,354 |
| | 18,629 | 3,909 | 959 | 23,497 |
| Current Liabilities | (823) | (1,532) | (468) | (2,823) |
| | $ 17,806 | $ 2,377 | $ 491 | $ 20,674 |
| Net loss - 3 months ended September 30, 2008 | $ 1,034 | $ 4,568 | $ 1,118 | $ 6,720 |
| Net loss - 9 months ended September 30, 2008 | $ 5,469 | $ 11,022 | $ 5,222 | $ 21,713 |

## 12. Subsequent Event

Subsequent to September 30, 2009, the Company entered into a syndicated overnight marketed public offering in which it has offered to sell up to 9,832,500 shares (including an overallotment option of 15%) at a price of $5.85 per share to raise gross proceeds of $57.5 million. The offering is expected to close in late November 2009. As consideration to the underwriters, the Company has agreed to pay a cash fee in an amount equal to five percent (5.0%) of the gross proceeds received by the Company from the offering. The Company has also agreed to issue to the underwriters non-transferable warrants ("Underwriters' Warrants") constituting three percent (3.0%) of the aggregate number of shares sold pursuant to the offering. Each Underwriters' Warrant will be exercisable for a period of twelve (12) months at a price of $6.00.