



For Immediate Release: NR 17-01

Exeter Secures Second Water Source – Outlines Pathway for First Stage Development of Caspiche Oxides

Vancouver, B.C., January 17, 2017: Exeter Resource Corporation (NYSE-MKT:XRA, TSX:XRC, Frankfurt: EXB – “Exeter” or the “Company”) is pleased to announce that it has secured a second water source, which will provide a timely development pathway for its 100% owned Caspiche gold oxide/ gold-copper project in Chile.

The Company will now proceed with technical studies intended to advance the first stage 1.7 million ounce gold oxide project through to a production decision.

Caspiche is one of the largest gold discoveries made in Chile in recent years. Unique characteristics of the deposit include its sizeable oxide gold zone and underlying higher grade gold-copper core. This combination offers mining opportunities that range from modest scale oxide heap leach gold production, to larger scale open pit/underground mining of the gold-copper zone.

Development options were assessed in the Preliminary Economic Assessment (“2014 PEA”)^A released in 2014. This report reviewed three potential development alternatives, all of which require significantly less capital than earlier studies.

Over the course of the last 18 months, the Company has been optimizing Caspiche oxide development requirements, including detailed metallurgical studies, and importantly, infrastructure alternatives, as well as now securing a second water source.

The Second Water Source

To ensure an immediate development pathway for Caspiche oxides, Exeter has signed an option agreement (the “Option”) with Cleanairtech Sudamerica SA (“CAT”) to supply 50 litres per second (L/s) of desalinated water. It is the Company’s intention to use this water in construction, commissioning and operation of the first stage heap leach gold facility at Caspiche, subject to the outcome of a feasibility study.

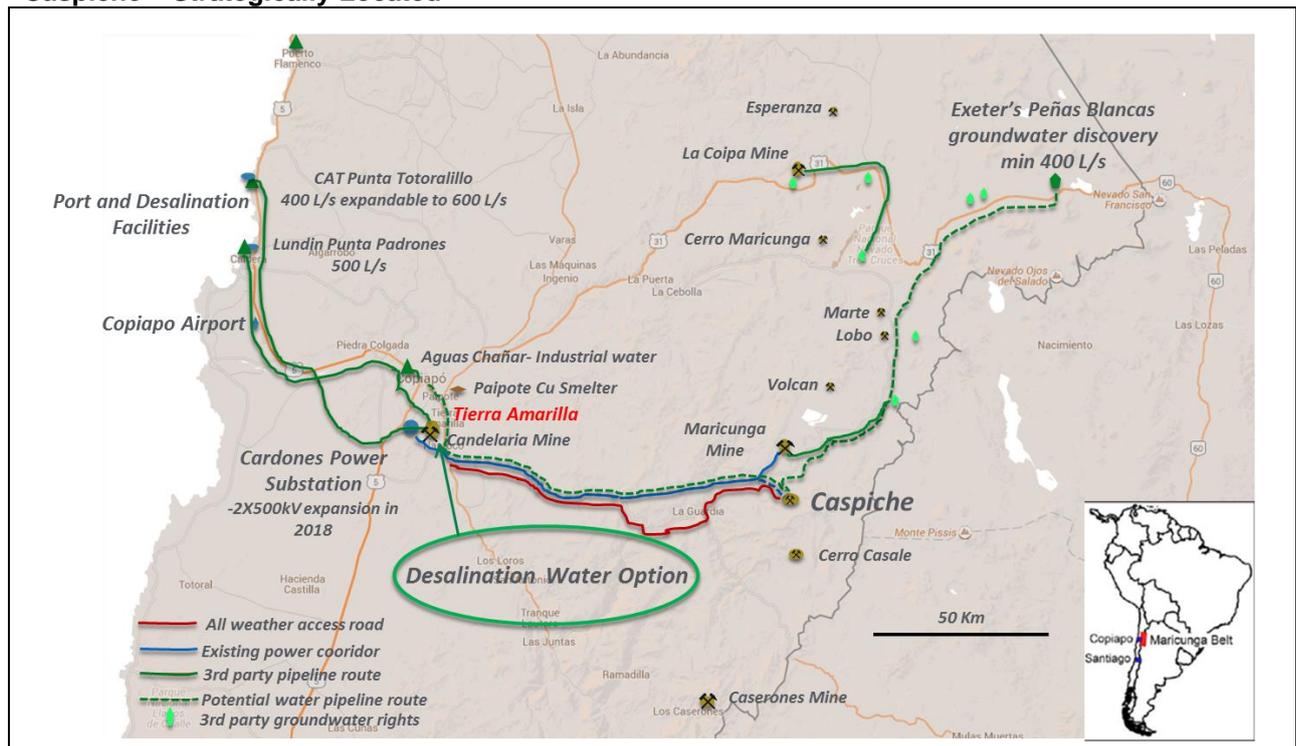
The plant and pipeline that CAT operates to Tierra Amarilla, already has the capacity available to deliver this water. Exeter will now initiate design, engineering and permitting of the required pipeline from Tierra Amarilla to Caspiche.

Wendell Zerb, Exeter’s President and CEO, stated “Securing the water option now allows the Company to advance planning and studies for the development of the oxide heap leach gold project.

Any question regarding potential development of the oxides due to the uncertain timeline for approval of water rights at Exeter’s large Peñas Blancas water discovery, by the Chilean Government, is eliminated by the water option.

In the medium to long term, the development of the Maricunga region’s huge mineral potential will depend on sustainable and low-cost supplies of water and energy. The area has both, in terms of large volumes of unused subterranean water, including Exeter’s Peñas Blancas water discovery, and world class solar and wind power resources.”

Caspiche – Strategically Located



Source: Exeter Resource Corporation

Next Steps

Background engineering studies for Caspiche have been ongoing and are now sufficiently advanced that new studies leading to a production decision, can be fast tracked. **Exeter initially plans to conduct a 6,000 metre infill and expansion drill program starting in early Q1/17.** The program is designed to improve the definition of the oxide gold zone and other potentially leachable gold zones currently not included in the oxide gold heap leach mine plan. While the gold oxide zone is well defined by previous drilling, potentially leachable material defined as occurring within a transition zone below the oxides, has not been well defined. Additional drilling and expanded metallurgical studies on this material opens the potential for future leachable gold mineralization at Caspiche.

Upon completion of the drilling program, Exeter expects to initiate new advanced studies on the oxide gold project using updated capital and operating cost estimates, as well as alternative infrastructure requirements associated with the desalination water source.

In the 2014 PEA^A, the heap leach oxide gold project produced a projected average of 122,000 oz AuEq* annually over a planned 10 year mine life, including 148,000 oz AuEq* annually in the first five years. A very low strip ratio (0.27:1) and favorable gold recoveries, produced excellent economics at US\$1,300/oz gold, including after-tax (27% tax rate) NPV5% of US\$252M, IRR 28.5% and projected average total cash operating costs US\$589/oz AuEq* and AISC of US\$676/oz AuEq*.

Our 2014 PEA included US\$65 million in capital costs (direct and indirect) to reticulate water from Peñas Blancas, and we estimate only moderately higher capital costs to reticulate water from the CAT site. Exeter expects a desalination alternative used in a new gold heap leach model will however, result in an increase in operating costs when compared to using the high altitude Peñas Blancas water source. That being said, Exeter anticipates that cost reductions, including lower power, fuel, consumables, and currency exchange ratios, together with the higher initial gold recoveries, as reported earlier by the Company, will mitigate the impact of an increase in water costs.

The Water Option Agreement

The Option, which has an initial term of three years, can be extended for an additional year. To maintain the Option over the four year period, Exeter will make escalating annual option payments totaling US\$1,250,000.

Exeter can exercise the Option at any time and negotiate a water sales and purchase contract (the "Supply Contract") with CAT, following which Option payments cease. The Supply Contract will be in line with existing sales and purchase contracts that CAT has with other customers, where water costs are based on a transparent model of fixed and variable costs. Once the Supply Contract has been signed, CAT must supply the agreed quantity of water to Exeter at Tierra Amarilla within 12 months.

CAT currently operates a 400 L/s desalination plant at Punta Totoralillo and a pipeline to Tierra Amarilla, located 120 km from the Caspiche project. It will supply the optioned water at Tierra Amarilla from existing capacity. CAT also has permits and infrastructure in place to expand supply to 600 L/s.

CAT is a company jointly owned by CAP S.A. and Mitsubishi Corporation. CAP, listed on the Santiago Stock Exchange, is the Chilean holding company for the largest Chilean iron ore miner and steel producer, as well as the third largest port operator in the country. CAP has invested substantially in infrastructure for its operations, such as ports, energy & water and markets access to its infrastructure to third parties.

2014 PEA

The 2014 PEA showed three potential development options:

1. A 30,000 tpd heap leach oxide gold project producing a projected average of 122,000 oz AuEq* annually over a planned **10 year mine life**, including 148,000 oz AuEq* annually in the first five years. A very low strip ratio (0.27:1) and favorable gold recoveries, drive excellent economics.

- Projected average total cash operating costs US\$589/oz AuEq*. AISC US\$676/oz AuEq*.
- Pre-tax NPV5% of US\$355M at US\$1,300/oz Au; IRR of 34.7%.
- After-tax (27% tax rate) NPV5% of US\$252M; IRR 28.5%.
- Payback period of 3.4 years from initial construction.
- Estimated initial capex US\$210M plus US\$41M in contingencies.
- Required water, 44 L/s.

2. A larger, scalable 60,000 tpd open pit, heap leach oxide gold operation followed by expanded open pit mining (27,000 tpd) of the gold copper sulphide zone. **Planned mine life is 18 years** with projected average annual production of approximately 289,000 oz AuEq* per year.

3. A scalable 60,000 tpd open pit, heap leach oxide gold operation transitioning to underground sub level open stope mining (27,000 tpd) of the higher grade gold copper sulphide zone. Projected annual average production is 250,000 oz of Au in years 1-3 and 425,000 oz AuEq* in years 4-13. **Over a planned 42 year mine life** projected average production is 344,000 oz AuEq* per year.

Mineral Resources

Material	Class	Tonnes Mt	Au g/t	Cu %	Ag g/t	AuEq ¹ g/t	AuEq ² M oz
Oxide	Measured	65.9	0.46	-	1.55	0.46	1.0
Oxide	Indicated	55.6	0.39	-	1.63	0.40	0.7
Total Oxide	M & I	121.5	0.43	-	1.58	0.43	1.7
Sulphide	Measured	554.2	0.58	0.23	1.16	1.02	18.3
Sulphide	Indicated	727.9	0.48	0.18	1.17	0.84	19.6
Total Sulphide	M & I	1,282.1	0.52	0.20	1.17	0.92	37.9
Total M & I		1,403.6	0.51	0.19	1.20	0.88	39.6

-oxide and sulphide materials above cut-offs of 0.18 g/t AuEq¹ and 0.30 g/t AuEq¹

Higher Grade Gold – Copper Zone at 1.50, 1.00 and 0.75 g/t AuEq³ cutoff

Material	Class	Tonnes Mt	Au g/t	Cu %	Ag g/t	AuEq ³ g/t	AuEq ² M oz
Total Sulphide	M & I	177.1	1.05	0.41	1.71	1.83	10.4
Total Sulphide	M & I	510.0	0.80	0.33	1.45	1.43	23.5
Total Sulphide	M & I	810.2	0.67	0.29	1.35	1.22	31.8

-underground operation

About Exeter

Exeter is a Canadian mineral exploration company focused on the exploration and development of the Caspiche project in Chile. The project is situated in the Maricunga gold district, between the Maricunga mine (Kinross Gold Corp.) and the Cerro Casale gold deposit (Barrick Gold Corp. and Kinross Gold Corp.). The discovery represents one of the largest known mineral discoveries made in Chile in recent years.

On December 19, 2014, Exeter announced the filing of an Amended NI 43-101 Technical Report on the Caspiche Project ("2014 PEA"). Refer to the Exeter web site or Sedar for details regarding the 2014 PEA.

The Company currently has cash reserves of C\$16 million and no debt.

If you have any questions regarding Exeter, or would like a complete corporate presentation forwarded to you, **please contact Mr. Rob Grey**, VP Corporate Communications at:
Toll-free **1.888.688.9592** or by email at rgrey@exeterresource.com

A. Disclaimer: The economic analysis contained in the 2014 PEA is considered preliminary in nature. There is no certainty that the economic forecast outlined in the 2014 PEA will be realized. No inferred mineral resources were used in the PEA. See Exeter's website or Sedar for the news release dated December 19, 2014: Amended NI 43-101 Technical Report on the Caspiche Project; Effective date: April 30, 2014.

Wendell Zerb, Exeter's President & CEO and a "qualified person" ("QP") within the definition of that term in National Instrument 43-101, Standards of Disclosure for Mineral Projects, has reviewed and approved the technical information in this corporate update.

The 2014 PEA used prices of: Au US\$1,300 US\$/oz., Ag US\$20/oz. and Cu US\$3/lb.

* Gold equivalent oz (AuEq) value is based on Au, Ag and Cu revenues (prices and recoveries involved). $AuEq\ oz\ [troy\ oz] = [Au\ g/t * Rec\ Au * tonnes] / 31.1 + [Ag\ g/t * Rec\ Ag * tonnes] / 31.1 * silver\ price\ troy\ oz / gold\ price\ troy\ oz + [(Cu\ % * Rec\ Cu * tonnes) * 2204] * copper\ price\ lbs / gold\ price\ troy\ oz$. Recoveries are adjusted based on metallurgical characteristic of the resource.

$$1\ AuEq[g/t] = Au[g/t] + Cu[\%] * \left(\frac{P_{Cu}[\$/lb]}{P_{Au}[\$/oz]} \right) * \left(\frac{R_{Cu}[\%]}{R_{Au}[\%]} \right) * 0.06857[g \cdot lb / oz] * 10,000$$

PAu and PCu are the Au and Cu prices (US\$1,150/oz and US\$2.50/lb, respectively), and RAu and RCu are the Au and Cu projected metallurgical recoveries, 65% and 85%, respectively for sulphide material and 78% for Au oxide material.

$$2\ AuEq\ (M\ oz) = resource\ tonnes * AuEq^1$$

$$3\ AuEq[g/t] = Au[g/t] + Cu[\%] * \left(\frac{P_{Cu}[\$/lb]}{P_{Au}[\$/oz]} \right) * \left(\frac{R_{Cu}[\%]}{R_{Au}[\%]} \right) * 0.06857[g \cdot lb / oz] * 10,000 + Ag[g/t] * \left(\frac{P_{Ag}[\$/oz]}{P_{Au}[\$/oz]} \right) * \left(\frac{R_{Ag}[\%]}{R_{Au}[\%]} \right)$$

PAu, PAg and PCu are the gold, silver and copper prices (1,250 US\$/oz, 15US\$/oz. and 2.75 US\$/lb, respectively). RAu and RCu are the Au and Cu projected metallurgical recoveries based on a number of S % thresholds.

EXETER RESOURCE CORPORATION

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Safe Harbour Statement – This news release contains "forward-looking information" and "forward-looking statements" (together, the "forward-looking statements") within the meaning of applicable securities laws and the United States Private Securities Litigation Reform Act of 1995, including in relation to the Company's belief as to the potential significance of water discovered and the potential to utilize the desalinated water secured under option, the timing and completion of a new preliminary economic assessment or other studies for the advancement of Caspiche, including a production decision on the oxide project, the potential to establish new opportunities for the advancement of Caspiche, results from the 2014 PEA including estimated annual production rates, capital and production costs or expected changes to such costs, water and power requirements and metallurgical recoveries, expected taxation rates, potential for securing water rights and adequate water and potential approval of water extraction, potential for reduced power costs, potential to acquire new projects and expected cash reserves. These forward-looking statements are made as of the date of this news release. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes or results anticipated in or implied by such forward-looking statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur. While the Company has based these forward-looking statements on its expectations about future events as at the date that such statements were prepared, the statements are not a guarantee that

such future events will occur and are subject to risks, uncertainties, assumptions and other factors which could cause events or outcomes to differ materially from those expressed or implied by such forward-looking statements. Such factors and assumptions include, among others, the effects of general economic conditions, the price of gold, silver and copper, changing foreign exchange rates and actions by government authorities, uncertainties associated with negotiations and misjudgments in the course of preparing forward-looking information. In addition, there are known and unknown risk factors which could cause the Company's actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements. Known risk factors include risks associated with project development; including risks associated with the failure to satisfy the requirements of the Company's agreement with Anglo American on its Caspiche project which could result in loss of title; the need for additional financing; operational risks associated with mining and mineral processing; risks associated with metallurgical recoveries, risks associated with operating in areas subject to drought conditions and scarcity of available water sources, power availability and changes in legislation affecting the use of those resources; fluctuations in metal prices; title matters; uncertainty and risks associated with the legal challenge to the easement secured from the Chilean government; uncertainties and risks related to carrying on business in foreign countries; environmental liability claims and insurance; reliance on key personnel; the potential for conflicts of interest among certain officers, directors or promoters of the Company with certain other projects; the absence of dividends; currency fluctuations; competition; dilution; the volatility of the Company's common share price and volume; tax consequences to U.S. investors; and other risks and uncertainties, including those described herein and in the Company's Annual Information Form for the financial year ended December 31, 2015 dated March 22, 2016 filed with the Canadian Securities Administrators and available at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company is under no obligation to update or alter any forward-looking statements except as required under applicable securities laws.

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