

Kareg Corporation
347 Fifth Avenue, Suite 1103
New York, NY 10016
sstanalyst@aol.com

Sheldon S. Traube
Director of Research
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INDEPENDENT INVESTMENT ReSEARCH

Initiating Coverage with a Speculative Buy Recommendation

EXETER RESOURCE CORPORATION

(XRC-Toronto Venture Exchange)

(EXB-Frankfurt Exchange)

Recent Price:	U.S. 1. 48		
52 Week Range:	1.55-0.70		
Est. 2005*	EPS.....loss	2005 P/E.....	negative
Market value/oz. of resource:			\$53.19
Indicated Dividend:			none
Market Capitalization:			\$40.6 Million
Average Daily Volume:			55,500 shares
Management/Insider Ownership:			30%
Institutions:			30%
Retail:			40%
Corporate Address:		Suite 301, 700 West Pender Street Vancouver, BC V6C 1G8 888-688-9592	

*Fiscal year end December 31

CAPITALIZATION

(September 30, 2005)

Long-Term Debt.....	none
Stockholders Equity.....	\$10,144,381
Total Assets.....	\$10,827,799
Total Liabilities.....	\$683,418
Common Shares Outstanding*	27,801,263
*Fully diluted shares	38,143,764

The information contained herein has been prepared from sources believed to be reliable. However, its' interpretation, correctness or accuracy and the accuracy of our estimates and projections cannot be assured. Nor should the report be used as a sole source of information. Kareg Corp. and its directors, its officers and its employees, from time to time may be long or short the securities mentioned herein. Kareg has received a cash fee of \$21,000 for the preparation and publication of reports.

Exeter: Summary and Conclusion

Exeter Resource Corporation is attractive for purchase for risk-oriented accounts seeking above-average potential appreciation based upon the following considerations.

Highlights

1. Based in Vancouver Canada, Exeter Resource Corporation is a leading “pure-play” gold exploration company focused on the discovery and development of epithermal (hydrothermal deposits formed at low temperature and pressure) gold/silver projects in Argentina and Chile.
2. La Cabeza, Exeter’s flagship project, consists of seven gold concessions, covering approximately 400 square kilometers (encompassing an entire gold district) in Argentina’s southern Mendoza province (370 km south of the city of Mendoza). Geologically, La Cabeza is categorized as a partially-explored, low-sulphidation (a compound of sulphur and some other element), epithermal gold system. It is readily accessible by gravel roads, lying at an elevation of 1,100 meters above sea level. La Cabeza has **inferred resources** (a mineral resource inferred from geoscientific evidence, drill holes, underground openings, or other sampling procedures where the lack of data is such that continuity cannot be predicted with confidence and where geoscientific data may not be known with a reasonable level of confidence) **of 891,000 ounces of gold of which 391,000 ounces are in the indicated category** (a mineral resource sampled by drill holes, underground openings or other sampling procedures at locations too widely spaced to ensure continuity but close enough to give a reasonable indication of continuity and where geoscientific data are known with a reasonable level of reliability, leading to probable ore reserves).
3. A 3-rig, 14,000 meter (50,000 feet) expansion drilling program currently well underway could potentially increase the resource (i.e. amount of gold) from nearly one million, to two million ounces of gold, and outline additional near-surface high-grade mineralization in new zones and extensions of existing zones. Specifically, five additional veins adjacent to the Cuello Zone have been identified– the Cuello East and Cuello West Zones; new high-grade gold mineralization in the Central Vein Zone has been found; and new mineralization adjacent to the Ojo Zone has been discovered by RAB drilling.
4. Concurrently, engineering [by Exeter’s experienced exploration team and independent QP (Qualified Professional) Peter Allen of Australian Mine Design and Development (“AMDAD”) of Brisbane, Australia)], metallurgical (Amtech Laboratories of Sydney, Australia) and environmental studies should enable the company to timely complete a definitive feasibility study and progress the project through development. Most of the gold seems to lie near the surface making open pit mining ideal.
5. In April 2005, Exeter signed an agreement with Rio Tinto Mining & Exploration Limited (“Rio Tinto”) to explore gold anomalies uncovered by Rio Tinto in an 800-km² area in Chile, considered prospective for epithermal gold and silver mineralization. Upon completing 10,000 meters of drilling by Exeter, Rio Tinto has the

right to back into a 60% property interest by paying Exeter an amount equal to three times Exeter's expenditures on the project. If Rio Tinto does not exercise the option, Exeter retains 100% of the acquired properties with Rio Tinto receiving a 1% net smelter return from any production on the property.

6. Exeter has an agreement with CVSA (owned 92.5% by AngloGold Ashanti "AngloGold"), and 7.5 % by Fomicruz S.A., the Santa Cruz Argentina state mining company to acquire the rights to all of CVSA's projects except for the Cerro Vanguardia gold mine in Patagonia. Patagonia, at the tip of Argentina, is a very promising mining district in Argentina that has been hardly explored. The agreement covers 39 properties, divided into 4 projects, covering an area of 1,047 square kilometers. The company is centering activities on the Cerro Puntudo and Cerro Moro projects, reducing its' portfolio to 15 properties in order to maintain focus on "company maker" opportunities. The Cerro Vanguardia mine, located in this region annually produces in excess of 300,000 ounces of gold and has mineral reserves of 9.1 million tons at a grade of 10 g/t gold and 113 g/t of silver.
7. In September 2005, Exeter signed an agreement with Minera Anglo American Chile Limitada and Empresa Minera Mantos Blancos S.A. (collectively "Anglo American") covering seven gold projects on a combined area of 3,063 hectares in the prospective Maricunga gold district. The terms of the agreement provide for exploration commitments and increasing annual drilling over five years, with a phased reversion back to Anglo American of five of the seven projects after the second and third years. The reversion of properties back to Anglo American should focus Exeter's exploration on the most promising properties in the package.
8. Through these agreements, the company positions itself as the leading exploration company to the majors in the Argentina-Chile region.
9. In the first half of 2006, Exeter has 4 gold discoveries scheduled for drilling.
10. Through its exploration efforts, should the Company successfully delineate commercially mineable reserves, it may seek to develop the property by bringing it into commercial production by itself, or via a contract mining arrangement, or by way of a joint venture) or most likely we think the company would be acquired by a mid-size or large producer.
11. Exeter has a strong, seasoned and well- respected management team that are proven mine finders with a single-company focus. Yale Simpson, Chairman of the Board has more than thirty years experience as a senior geologist, exploration manager and CEO; Bryce Roxburgh, President, also with 30 years of experience; and Cecil Bond, the Chief Financial Officer, a Chartered accountant having 20 years experience.
12. Exeter also has a strong geological team with considerable experience in Argentina. Its President Bryce Roxburgh led the team that discovered the La Cabeza deposit. Mr. Matt Williams, the Exploration Manager, worked for many years with Mount Isa Mines in South America and Glen Van Kerkvoort, the Chief Geologist has worked extensively in South America for over 10 years focusing on exploration and discovery of epithermal gold deposits.

13. The company in December 2005 raised Cdn \$7.77 million via a non-brokered private placement, consisting of 5.9 million units at a price of \$ 1.30 per unit. Each unit includes one common share and one half of a one-year warrant to purchase one additional share at an exercise price of Cdn \$1.70. The proceeds of this financing will be used to advance the Company's La Cabeza gold project and for exploration of its other properties in Argentina and Chile. These funds should be sufficient to bring the company to a development decision.
14. Investment in Exeter offers exceptional leverage to rising gold prices. Since posting an interim low of \$255 an ounce in April 2001, the price of gold recently hit a 24-year high above the \$540 level; a jump in value of more than 111 percent. Consolidation in the sector should continue as "majors" look to increase reserves. Generally, many small gold companies have not seen their share prices move in tandem with the increase in price in the metal. In this investment environment, it is likely that those with reserves and/or major exploration upside, such as Exeter, will attract attention. With the recent takeover of Virginia Gold Mines Inc. (TSX: VIA) by Goldcorp Inc. (TSX: G) we expect imminently to see more deals.
15. Exeter, currently trading at US \$1.66 per share, has a total market capitalization of US \$40.6 million. This implies US \$53.19 of market value per ounce of gold, low relative to excellent upside, its' well-experienced management team; its' strong geological team having considerable experience in Argentina; an extensive portfolio of properties in Argentina and Chile obtained via relationships with Anglo American, AngloGold and Rio Tinto; and being in an excellent position to become a gold producer with an expanding gold resource inventory. Thus, at the current level, we recommend purchase of the shares.
16. The commercialization risks associated with mineral exploration and development are high. Hence, an investment in Exeter Resource is only suitable for risk-oriented investors seeking potential long-term capital appreciation.
17. The Analyst who wrote this report completed a site visit to the La Cabeza Property held by Exeter Resource Corp.
- 18. Our price target: Cdn. \$3.00 within the next 6 to 18 months.**

The completeness of this summary can not be guaranteed. This report does not constitute a solicitation to buy or sell any security. Before investing in this security, individual investors should consider the risk factors associated with their personal and individual objectives.

The information contained in this report expresses the views of Kareg Corporation, and are not necessarily those of Exeter Resource Corporation ("Exeter"). This executive summary forms part of a detailed research report which can be viewed on our web site at www.exeterresource.com. Alternatively, a copy will be provided upon request.