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MEMBER CIPF

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Exeter Resource Corporation (XRC-V; \$0.90)^{1,2}

RATING:

SECTOR OUTPERFORM (SPECULATIVE)

Drilling Begins at Cerro Moro

Current Shares O/S: 12.7 million	Fully Diluted: 19.8 million
52-Week High/Low: \$1.63/\$0.285	Market Capitalization: \$17.8 million
Cash (estimated): \$5.0 million	Per Share Fully Diluted: \$0.25

Exeter Resource Corporation (XRC-V) has commenced a 2,000-metre reverse circulation (RC) drill program on its Cerro Moro project, located in the Patagonia region (Santa Cruz province) of Southern Argentina. The Cerro Moro project contains 22 known epithermal vein targets, most of which have received only cursory exploration by previous operators. Exeter is earning a 100% interest in a large land package that includes the Cerro Moro project from AngloGold Ltd. (AU-N) and Fomicruz S.A. (a Santa Cruz provincial mining company).

Exeter plans to drill several of the more advanced vein targets where past drilling has identified encouraging results, including 10.2 metres grading 8.8 g/t gold and 21 g/t silver at Filon North, 1.6 metres grading 25 g/t gold and 1,107 g/t silver at Filon Escondida, and 1.9 metres grading 15.6 g/t gold and 880 g/t silver from Filon Nini.

Drilling is planned as an initial test, with several holes drilled at each target. The focus of drilling will be to provide sufficient data to evaluate the continuity of mineralization in each zone, the results of which will be used to target future exploration. In addition to Cerro Moro, Exeter is currently drilling at the Company's La Cabeza deposit as part of a \$1.1 million prefeasibility study planned to be completed later in 2004.

With a market capitalization of under \$20 million, positive results from any one project will have a beneficial impact on the Company. We reiterate a SECTOR OUTPERFORM (SPECULATIVE) rating for the shares of Exeter Resource Corporation.

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Rating Structure

SECTOR OUTPERFORM Haywood's top recommendation category. The analyst believes that the security will outperform its sector. Although all securities involve substantial risk, this recommendation is used if a company has tangible underlying assets to support its market valuation. **SECTOR OUTPERFORM (SPECULATIVE)** Investment for risk accounts only. The security has strong upside and downside potential. **SECTOR PERFORM** The analyst believes that the security will trade with tight correlation to its underlying sector and the target price (together with any anticipated distributions) is at or above the market price. **SECTOR UNDERPERFORM** Investors are advised to sell the security or hold alternative securities within the sector, or the analyst's target price is below the current price or targeted return supporting investment in alternative sectors. **RESEARCH COMMENT** An analyst comment about an issuer event that does not include a recommendation. **COVERAGE DROPPED** Haywood Securities will no longer cover the issuer. Haywood will provide notice to clients whenever coverage of an issuer is discontinued. The termination of coverage will not occur unless clients have been provided advice relating to positions they may still hold, such as a recommendation to sell their securities.

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