



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

March 31, 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)

	March 31, 2007	December 31, 2006
Assets		
Current		
Cash and cash equivalents	\$ 10,240,539	\$ 14,511,062
Other receivables and prepaid expenses	164,270	98,795
Goods and services tax recoverable	49,918	24,861
	10,454,727	14,634,718
Property and equipment	201,398	203,358
Mineral properties and deferred costs (Note 3)	23,639,668	21,052,423
	\$ 34,295,793	\$ 35,890,499
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 919,965	\$ 1,884,769
Due to related parties (Note 7)	150,615	376,616
	1,070,580	2,261,385
Share Capital and Deficit		
Share capital (Note 4)	46,568,587	46,230,295
Contributed surplus (Note 6)	4,483,964	4,588,941
Deficit	(17,827,338)	(17,190,122)
	33,225,213	33,629,114
	\$ 34,295,793	\$ 35,890,499

Nature of business and continued operations (Note 1)

Exeter Resource Corporation
Consolidated Statements of Operations and Deficit (Expressed in Canadian Dollars)
For the period ended March 31, 2007
(Unaudited – Prepared by Management)

	Three Months ended	
	March 31,	
	2007	2006
Income		
Interest Income	\$ 85,856	\$ 55,540
Expenses		
Accounting and audit	\$ 44,300	\$ 5,698
Administration salaries and consulting	166,412	93,751
Amortization	9,630	16,532
Bank charges	4,775	4,187
Directors fees	7,500	7,500
Shareholder communications	155,422	144,066
Legal fees	22,125	43,739
Management fees	28,348	12,000
Office and miscellaneous	21,470	20,239
Property examination costs	43,243	26,792
Rent	12,923	10,990
Stock-based compensation (Note 5)	11,615	566,454
Stock exchange listing and filing fees	15,571	10,648
Telecommunications	6,409	2,877
Transfer agent	5,307	7,207
Travel and promotion	161,238	114,658
	\$ 716,288	\$ 1,087,338
Loss before other items	(630,432)	(1,031,798)
Gain/(Loss) on conversion of foreign currencies	(6,787)	2,018
Net loss and comprehensive loss for the period	\$ (637,219)	\$ (1,029,780)
Deficit at beginning of period	\$ (17,190,122)	\$ (11,901,482)
Deficit at end of period	\$ (17,827,338)	\$ (12,931,262)
Basic & diluted loss per common share	\$ (0.02)	\$ (\$0.04)
Weighted average number of common shares outstanding	37,827,680	28,098,763

Exeter Resource Corporation
Consolidated Statements of Cash Flow (Expressed in Canadian Dollars)
For the period ended March 31, 2007
(Unaudited – Prepared by Management)

	Three months ended March 31,	
	2007	2006
Operating Activities		
Comprehensive loss for the period	\$ (637,219)	\$ (1,029,780)
Adjustments		
Amortization	9,630	16,532
Stock based compensation	11,615	566,454
Unrealized loss/(gain) on conversion of foreign currencies	6,787	(2,018)
	(609,187)	(448,812)
Changes in non-cash working capital items		
Other receivables and prepaid expenses	(65,475)	(127,716)
Goods and services tax recoverable	(25,057)	16,458
Accounts payable and accrued liabilities	(50,556)	(33,595)
Due to related parties	(133,688)	(67,540)
	(883,963)	(661,205)
Financing Activities		
Issue of share capital for cash (Note 4)	221,700	1,098,463
Investing Activities		
Exploration Activities		
Accounts payable and accrued liabilities	(914,248)	540,197
Due to related parties	(92,313)	(38,940)
Acquisition of property and equipment	(16,301)	(64,929)
Deferred exploration costs, net of amortization and property examination costs	(2,578,615)	(1,569,764)
	(3,601,477)	(1,133,436)
Gain / (Loss) on the conversion of foreign currencies	(6,787)	2,018
Net decrease in cash and cash equivalents	(4,270,527)	(694,160)
Cash and cash equivalents – beginning of period	14,511,062	7,788,697
Cash and cash equivalents – end of period	\$ 10,240,539	\$ 7,094,538

Supplemental cash flow information (Note 10)

Exeter Resource Corporation
Consolidated Statements of Deferred Exploration Costs (Expressed in Canadian Dollars)
For the period ended March 31, 2007
(Unaudited – Prepared by Management)

	Don Sixto Project	CVSA Properties	Chilean Properties	Other	Three Months Ended March 31,	
					2007	2006
Exploration Costs						
Assays	\$ 410,916	\$ 32,385	\$ 5,624	\$ -	\$ 448,925	\$ 54,571
Consultants & contractors	65,170	-	-	4,215	69,385	58,687
Drilling	37,922	119,218	172,977	-	330,117	611,204
Engineering	79,382	162	1,315	1,749	82,608	41,284
Environmental	66,287	-	-	-	66,287	3,244
Field Camp	138,692	33,402	115,912	689	288,695	108,370
Geological	48,814	72,119	165,040	23,199	309,172	197,899
Geophysical	-	-	-	-	-	6,696
Hydrology	21,263	-	-	-	21,263	21,667
IVA tax	58,891	46,334	62,293	-	167,518	148,361
Office operations	25,049	24,394	47,758	1,782	98,983	15,444
Metallurgical	46,021	-	-	-	46,021	37,433
Legal and title	13,888	54,252	14,981	1,032	84,153	
Resource development	32,808	-	-	-	32,808	1,639
Travel	100,806	44,934	102,856	475	249,071	119,314
Wages and benefits	255,523	58,341	13,981	7,637	335,482	183,287
	1,401,432	485,541	702,737	40,778	2,630,488	1,609,100
Property examination costs	-	(2,465)	-	(40,778)	(43,243)	(26,792)
Total costs incurred during the period	1,401,432	483,076	702,737	-	2,587,245	1,582,308
Balance of costs, beginning of period	13,039,318	3,876,962	803,024	83,103	17,802,407	7,214,676
Balance of costs, end of period	\$ 14,440,750	\$ 4,360,038	\$ 1,505,761	\$ 83,103	\$ 20,389,652	\$ 8,796,984

Notes to the Interim Consolidated Financial Statements
Three Months ended March 31, 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. The interim consolidated financial statements should be read in conjunction with the 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 standard became a reporting requirement for all publicly traded companies with year-ends after October 1, 2006. The Company, as permitted by CICA Handbook Section 3855, has adopted this section prospectively for financial assets valued after November 1, 2006. The adoption of this handbook section has had no effect on the Company’s financial statements.

3. Mineral Properties and Deferred Costs

	Acquisition Costs	Deferred Exploration Costs	March 31, 2007 Total	December 31, 2006 Total
Don Sixto	\$ 3,076,444	\$ 14,440,750	\$ 17,517,194	\$ 16,115,762
CVSA Properties	128,572	4,360,038	4,488,610	4,005,535
Chilean Properties	-	1,505,761	1,505,761	803,103
Other	45,000	83,103	128,103	128,103
	\$ 3,250,016	\$ 20,389,652	\$ 23,639,668	\$ 21,052,423

Notes to the Interim Consolidated Financial Statements
Three Months ended March 31, 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:

	March 31, 2007		December 31, 2006	
	Number of Shares	Amount	Number of Shares	Amount
Balance, beginning of year	37,836,013	\$ 46,230,295	27,845,763	\$ 27,802,270
Issued during the period/year for:				
Cash	185,000	221,700	9,990,250	18,975,198
Contributed surplus allocated	-	116,592	-	205,203
Share Issue costs	-	-	-	(752,376)
Balance, end of period	38,021,013	\$ 46,568,587	37,836,013	\$ 46,230,295

Transactions for the Issue of Share Capital
During the Three Months ended March 31, 2007

- a) The Company issued 145,000 shares at a price of \$1.17 per share, 35,000 shares at a price of \$1.20, and 5,000 shares at a price of \$2.01 for a total consideration of \$221,700 pursuant to the exercise of stock options.

In addition, an amount totaling \$116,592 representing stock-based compensation recognized on the exercise of the above stock options was allocated to share capital.

5. 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 may not exceed 5,893,119. The Board of Directors has amended the Plan to increase the ceiling, subject to shareholder approval, to 7,567,203. 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.

A summary of the status of options granted under the Plan as of March 31, 2007 and December 31, 2006, and changes during the period/year then ended, is as follows:

	March 31, 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	(15,000)	3.02	(556,000)	1.75
Granted	1,005,000	2.52	1,755,000	2.62
Exercised	(185,000)	1.20	(542,000)	0.83
Options outstanding, end of period/year	6,411,750	\$ 1.74	5,606,750	\$ 1.58

Notes to the Interim Consolidated Financial Statements
Three Months ended March 31, 2007
(Unaudited – Prepared by Management)

At March 31, 2007, the Company had outstanding stock options to acquire 6,411,750 shares as follows:

Number of Options Outstanding	Number of Options Exercisable	Price	Expiry Date
305,000	305,000	\$ 0.41	August 15, 2008
1,123,000	1,123,000	\$ 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
435,000	435,000	\$ 1.12	July 7, 2010
350,000	350,000	\$ 1.10	August 19, 2010
200,000	200,000	\$ 1.20	October 25, 2010
1,020,000	920,000	\$ 1.59	December 30, 2010
75,000	75,000	\$ 1.79	February 3, 2011
160,000	160,000	\$ 2.01	March 9, 2011
290,000	290,000	\$ 2.52	May 3, 2011
50,000	50,000	\$ 1.89	June 12, 2011
860,000	831,250	\$ 3.02	November 30, 2011
785,000*	-	\$ 2.52	February 1, 2012
220,000*	-	\$ 2.52	February 13, 2012
6,411,750	5,278,000		

* Options granted are subject to shareholder approval.

The following table summarizes information about the stock options outstanding at March 31, 2007.

Range of Prices \$	Number	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price
0.00 - 1.00	308,750	1.39	\$ 0.41
1.01 - 2.00	3,788,000	2.98	\$ 1.27
2.01 +	2,315,000	4.62	\$ 2.67
	6,411,750	3.50	\$ 1.74

Stock-based Compensation

The fair values of options vested during the three months ended March 31, 2007 was estimated at the grant date using the Black-Scholes option pricing model with the following weighted average assumptions:

Expected annual volatility	66.8%
Risk-free interest rate	3.9%
Expected life	3 years
Expected dividend yield	0.0%

Stock-based compensation recognized in the quarter, on the vesting of stock options granted, totaling \$11,615 was allocated to contributed surplus.

* The fair value of the 785,000 and 220,000 stock options granted in the quarter has not been presented as the compensation expense will be measured once shareholder approval has been received.

Notes to the Interim Consolidated Financial Statements
Three Months ended March 31, 2007
(Unaudited – Prepared by Management)

Warrants

At March 31, 2007 the Company had outstanding share purchase warrants exercisable to acquire 2,302,000 shares as follows:

Number	Exercise Price	Expiry Date
1,800,000	\$ 3.00	April 4, 2008
252,000	\$ 2.50	April 4, 2008
250,000	\$ 3.00	April 18, 2008
2,302,000		

6. Contributed Surplus

	March 31, 2007	December 31, 2006
Balance beginning of year	\$ 4,588,941	\$ 3,280,672
Stock-based compensation	11,615	1,213,506
Agent's warrants	-	221,139
Contributed surplus allocated	(116,592)	(126,376)
Balance, end of period	\$ 4,483,964	\$ 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 \$271,483 (March 31, 2006: \$171,564) were paid or accrued for related party transactions as described below:

- a) Exploration and consulting fees totaling \$60,000 (2006 - \$36,000) and \$14,250 (2006 - \$5,250) 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 \$15,388 (2006 - \$25,089) 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 \$91,845 (2006 - \$51,225) were paid or accrued to a corporation controlled by the Vice-President, Exploration and Development.
- d) Management fees of \$45,000 (2006 - \$24,000) were paid to a corporation controlled by the Chairman of the Company.
- e) Management fees of \$45,000 (2006 - \$30,000) were paid or accrued to a corporation controlled by the Chief Financial 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
Three Months ended March 31, 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:

March 31, 2007	Canada	Argentina	Chile	Total
Cash and cash equivalents	\$ 10,031,927	\$ 132,796	\$ 75,816	\$ 10,240,539
Other current assets	74,298	86,581	53,309	214,188
Property and equipment	81,149	59,581	60,668	201,398
Mineral properties and deferred costs	-	22,657,704	981,964	23,639,668
	10,187,374	22,936,662	1,171,757	34,295,793
Current liabilities	(551,361)	(487,531)	(31,687)	(1,070,580)
	\$ 9,636,013	\$ 22,449,131	\$ 1,140,070	\$ 33,225,213

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. Supplemental Cash Flow Information

The Company did not incur any non-cash financing or investing activities in the first quarters of 2007 or 2006.

10. 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	After 5 years
Office leases	\$ 375,000	\$ 78,000	\$ 160,000	\$ 103,000	\$ 34,000
Total	\$ 375,000	\$ 78,000	\$ 160,000	\$ 103,000	\$ 34,000

11. Subsequent Events

- a) The Company issued 50,000 shares at a price of \$1.10 and 10,000 shares at a price of \$1.20 upon the exercise of options, for a total consideration of \$67,000.

An amount totaling \$29,725 representing stock-based compensation recognized on the grant of the above stock options was allocated to share capital.