

## **COMPAÑIA MINERA CERRO DEL MEDIO SCM**

**FOR IMMEDIATE RELEASE** – March 13, 2014

### **Cerro Del Medio Strongly Rejects Exeter Resources Subsidiary, Minera Eton's Claim that it has no Grounds under Chilean Law to refute Eton Surface Easements which cover 65 % of Cerro Del Medio's pre-existing Santa Cecilia Claims**

Providencia, Santiago, Chile – Compañía Minera Cerro Del Medio SCM (Cerro Del Medio) very strongly rejects Exeter Resource Corporation's (NYSE-MK:XRA,TSX-XRG, Frankfurt: EXB) Chilean subsidiary Minera Eton's ("Eton") statement ([link to Exeter Feb 27, 2014 NR](#)) that Cerro Del Medio has no grounds under Chilean Law to refute Eton's recently granted surface easement (surface rights) over 2,115 hectares or 65 % of Cerro Del Medio's Santa Cecilia Project which covers 3,251 hectares and is located directly west and adjacent to Exeter's Caspiche Project. Both projects are located in the Maricunga gold/copper belt of Chile. ([link for map on www.cerrodemedio.cl](#))

It is extremely unusual under Chilean law for the Chilean Government not to have considered Cerro Del Medio's prior easement claims, before granting the easement to Eton over 65% of the Santa Cecilia project, affecting in this way long held valid mining concessions on which active exploration is ongoing and that predate the Caspiche concessions. In consequence, Cerro Del Medio has retained Cariola Diez Perez-Cotapos y Cia., one of Chile's foremost law firms, to pursue its claim against the easement agreement between the Chilean Government and Eton because it is based on null and void administrative acts. Furthermore, the easement agreement is also null because of the parties' non-fulfillment of legal requirements to arrive at such an agreement and due to Minera Eton's easement effectively blocking work on the Santa Cecilia project. The claim was submitted on January 7<sup>th</sup>, 2014.

Anglo American between 1986 and 1989 carried out extensive geological and geochemical studies including 3,478 meters of diamond drilling and 6,540 meters of percussion drilling at Santa Cecilia. Anglo American encountered many gold vein intercepts ranging up to 10 g/t over one meter within the overlying silica cap as well as a 11.26 g/t gold diamond drill intercept over 12 meters, with an estimated width of 4 meters in DDH SC-12 which has yet to be followed up with further drilling. There is also near this intercept 142 meters of drift which assayed 0.66 g/t and 18.68 g/t of silver. The overall outlook for finding economic reserves at Santa Cecilia is good. A deep seated gold copper system was inferred which lead to Cerro Del Medio maintaining the Santa Cecilia claims for over thirty years.

In 2009 Cerro Del Medio conducted extensive geological, geophysical and Mobile Metal Ion geochemical studies at Santa Cecilia prior to drilling in 2011 two deep diamond drill holes. Drill hole CDM 002 was drilled to a depth 1,862 meters and drill hole CDM 003 to a depth of 1,598 meters. The drill holes respectively encountered 868 and 1,047 meters of mineralization each as shown below.

**CDM 002** Drilled due south at - 60 degrees with mineralization starting at 870 meters below the surface:

Intercept Meters	Length meters	GOLD g/t	COPPER %	MOLY ppm
994-1,084	90	0.14	0.26	107
1,084-1,556	472	0.10	0.23	155
1,556-1,716	160	0.05	0.13	241
1,716-1,862.8	146.8	0.03	0.03	43
Total	868.8	0.08	0.18	147

**CDM 003** Drilled due south at - 60 degrees and starting at 540 meters below the surface:

Intercept Meters	Length meters	GOLD g/t	COPPER %	MOLY ppm
550-760	210	0.14	0.16	59
760-1,060	300	0.19	0.26	41
1,060-1,140	80	0.23	0.27	49
1,140-1,260	120	0.28	0.34	70
1,260-1,390	130	0.25	0.28	174
1,390-1,597.7	207.7	0.20	0.25	114
Total	1047.7	0.20	0.25	80

For two initial exploratory drill holes testing beneath some 400 meters of siliceous capping, the results are very encouraging. Interestingly the average copper values in CDM 003, over 1,047.7 meters, exceed the average grade for copper in the nearby Caspiche orebody reserves as reported by Exeter Resources.

In June 2010, Cerro Del Medio received an offer in writing from Minera Barrick for Santa Cecilia. This amounted to US\$10,000,000 in cash plus an uncapped 1.5% NSR. This offer was turned down by Cerro Del Medio.

In late 2012 following the successful initial drill program, Cerro Del Medio engaged Quantec Geoscience Ltd, Toronto, Canada to conduct an ORION – 3D DC/IP/MT Survey which is a deep probing geophysical study on the project to better define drill targets. Quantec issued its initial report on the survey in March, 2013. The study identified 23 drill targets on Santa Cecilia. The cost of the survey was in excess of US\$480,000. The

geophysical anomalies correlate well with Mobile Metal Ion geochemical anomalies. Quantec's ORION geophysical study can be seen on Cerro Del Medio's web site [www.cerrodelmedio.cl](http://www.cerrodelmedio.cl) together with geochemical data.

Since 2011, Cerro Del Medio has spent US\$4,500,000 on its Santa Cecilia Project.

While there are as yet no defined Mineral Resources at Santa Cecilia, the geological, geochemical, geophysical and drilling results to date are favourable for their existence. As already stated, Cerro Del Medio has held the mining claims on Santa Cecilia for more than thirty years and is now being denied access by Exeter Resources to explore favourable geology, geochemistry and geophysical targets within 2,115 hectares or 65 % cent of its own long held claims.

Exeter Resources has published in the January 16, 2012 43-101 on its Caspiche Pre-Feasibility report available on its web site [www.exeterresource.com](http://www.exeterresource.com) a production plan which shows proposed mine dumps which cover promising Cerro Del Medio exploration targets. Furthermore, deep level access tunnels to mine Exeter's Caspiche orebody are shown to pass through or near a very deep and very strong geophysical anomaly with attendant geochemical indications centrally within the Santa Cecilia claims.

During 2008, Exeter negotiated over a period of six months an option agreement with Cerro Del Medio for the Santa Cecilia Claims without success, even though the business terms consisting of a US\$30,000,000 payment on the start of production plus a 3% NSR had been agreed upon. In spite of the long established standing of Cerro Del Medio's Santa Cecilia's mining claims and Exeter's attempt to reach an option agreement, Exeter Resources has since 2009 made no approach to Cerro Del Medio to discuss matters of obvious mutual interest.

The easement granted Eton effectively blocks Cerro Del Medio from freely exploring 65% of its own claims in which there are very favourable geochemical and geophysical anomalies and many identified drill targets, thereby directly interfering with Cerro del Medio's ability to 'define mineral resources associated with Cerro del Medio's mining tenements'. Cerro el Medio will vigorously defend its rights to explore, define and develop any mineral resources located with its own valid and long held mining tenements.

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