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**INDEPENDENT  
RESEARCH**

## Exploration Round-Up ...

September 23, 1997

Excerpted from Mr. Eric Zaunserb's Independent Research Report

**Right place  
at the right  
time?**

**G**etty Copper (T.GTY - \$0.64, 24.7 million shares outstanding) may be at the right place at the right time. The company's President, Mr. John Lepinski, has spent the last twenty-five years building his 210km<sup>2</sup> property position just north of the massive Highland Valley Copper copper-molybdenum mining operation, 70km southwest of Kamloops, British Columbia (see Figure 1). We visited the property on September 10<sup>th</sup>. Most of the property is held 100% by Getty but a portion is owned 100% by a private corporation and optioned as to 50% by Getty. Highland Valley Copper is owned by Cominco (50%), Rio Algom (33.6%), Teck (13.9%) and Highmont Mining (2.5%). In 1996, Highland Valley Copper milled 42.6Mt of ore to produce 153,800t of copper in concentrate, 1,400t of molybdenum in concentrate, 910,400 ounces of silver and 5,800 ounces of gold. The average ore grade was 0.40% copper and 0.006% molybdenum. Approximately 90% of the ore was mined from the Valley pit with the remainder coming from the Lornex pit. The mineable reserve at December 31, 1996 stood at 633Mt grading 0.414% copper. This figure does not include a possible reserve of 200Mt grading 0.40% copper located beneath the existing Valley Pit nor the nearby but uneconomic (too deep) JA deposit containing an estimated 286Mt grading 0.43% copper and 0.017% molybdenum.

Mining of high grade copper and gold mineralisation in the district goes back before the turn of the century. The Bethlehem deposits were the first to be mined in a large scale from 1962 to 1982 with combined mined and remaining reserves of 136.6Mt grading 0.47% copper and 0.012g/t gold. The Lornex and Highmont deposits were discovered in 1962 and the Valley deposit was discovered in 1967. Lornex and Valley are currently in production while Highmont was in production from 1980 to 1984, with combined mined and remaining reserves of 123.1Mt grading 0.25% copper and 0.023% molybdenum. In total, approximately 900 million tonnes of ore averaging 0.43% copper have been mined from the Highland Valley District. All of these porphyry copper or porphyry copper-molybdenum deposits are hosted by various phases (or ages) of the Upper Triassic (~210 million year old) Guichon Creek Batholith, a very large body (approximately 60km by 30km) of granitic material intruding the surrounding rocks.

The Bethlehem deposits are distinctly different from their neighbours to the west and southeast. They are interpreted to be hosted in a younger phase of the Guichon Creek Batholith and situated at a higher level within the intrusive than the Highmont, Lornex and Valley deposits. As a consequence, the Bethlehem style of deposit is smaller but of a higher grade, with a higher precious metal vs. molybdenum content, and with some greater structural complexity (more faulting). The land package assembled by Getty Copper covers the younger phase of the Guichon Batholith and may, therefore, be considered prospective for Bethlehem-style mineralisation.

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It is not surprising, given the staking rush that ensued after the discovery of copper and gold mineralisation in the early 1900's and again in the 1960's, that much of the land surrounding the main area was tied up by private corporations, widows, fractured partnerships, etcetera. It is only through the efforts of Mr. Lepinski that modern systematic exploration may now be applied for the first time to Getty Copper's land package. The package already includes two smallish, open-ended deposits, the Getty North and Getty South deposits. Induced Polarisation geophysical surveying, the primary tool for delineating copper porphyry mineralisation in this environment, has already identified very attractive targets worthy of follow-up investigation.

Getty Copper has been active during 1997 with an exploration programme budgeted at \$3 million. Two drills have been testing the Getty North deposit while a trenching programme has been testing the oxide ore potential at surface on the Getty South deposit. In March 1997, Watts, Griffis & McOuat delivered a resource calculation for Getty North totalling 35 million tonnes grading 0.47% copper including 7 million tonnes of oxide material grading 0.60% copper. This resource is based on drilling results up to and including the first two holes of 1997. Drilling since has met with measured success and we expect the next resource calculation to have been increased by 5 to 10 million tonnes. Importantly, much of this increase should come in the form of oxide material.

The Getty South deposit is host to an estimated resource of 36Mt of mixed oxide and sulphide material averaging 0.47%, including 719,500t grading 1.41% copper. On September 9, Getty Copper announced the results from seven trenches driven and sampled across the Getty South oxide zone. Results were excellent confirming the existence of an extensive oxide cap. The widest trench cut 194m grading

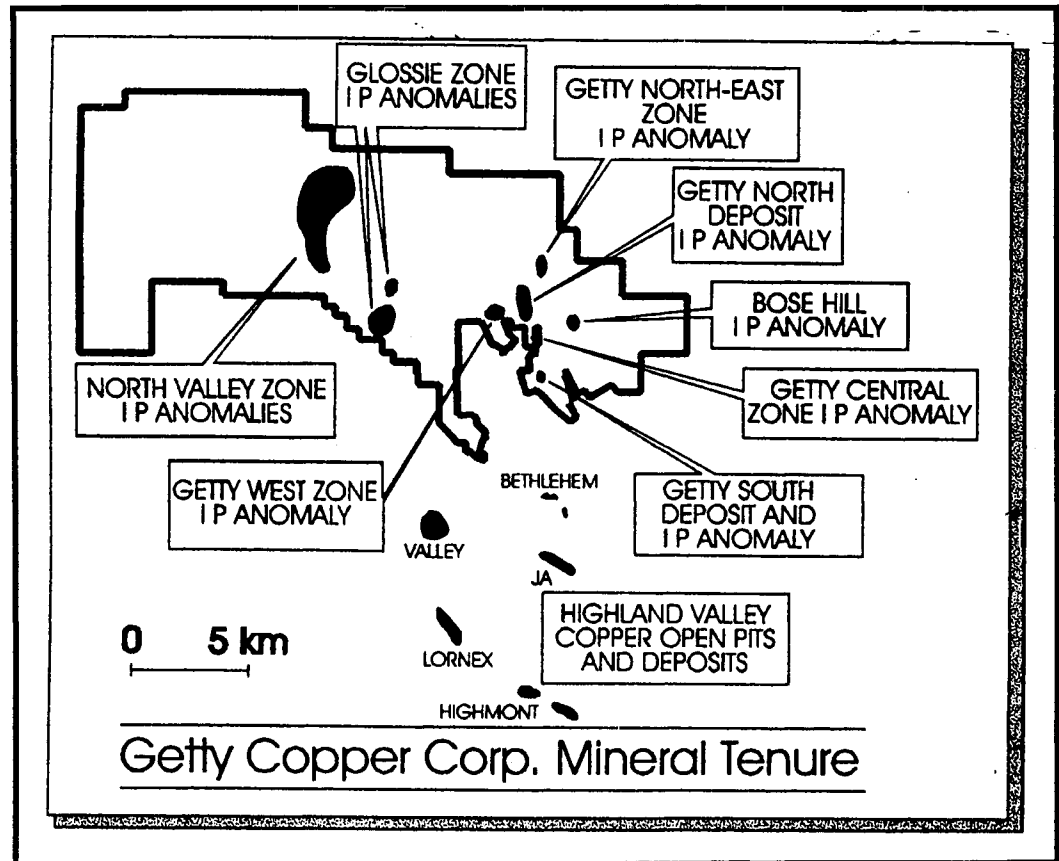


Figure 1: Highland Valley Copper District, courtesy of Getty Copper.

0.48% total copper (0.38% oxide copper). A second trench cut 132m grading 0.91% total copper (0.70% oxide copper) including a section measuring 74m grading 1.46% total copper (1.16% oxide copper). Additional drilling and large diameter drilling is now planned to test the extent of the oxide cap.

Getty Copper management is now into a very interesting "game". The existence of an oxide cap at both Getty North and Getty South, gives the Getty Copper property an economic boost in the consideration of the development of any sort of mining operation thereon. A relatively inexpensive SX-EW plant could conceivably be constructed to process the oxide material. Preliminary metallurgical studies show good recoveries for the oxide material and suggest passable long-term recoveries for the sulphide material. Getty Copper, armed with these thoughts and the not unfounded hope for more ore at Getty North and Getty South as well as exploration successes at the Getty West, Glossie and North Valley IP anomalies, can hold its head high and purport to develop the whole project on its own. This cannot sit well with the neighbours down the valley.

Senior companies, at the best of times, are rarely on the ball when it comes to covering all the ground around its active operations preferring to believe that "we've got all that's worth getting anyway", or "we'll just buy up the neighbours when they've run out of money". Highland Valley Copper, being a joint effort of three senior companies, has taken a long time to get around to looking outward from its own grounds and has only recently come to realise that Getty Copper has all the grounds to the north. The stated reserves for Highland Valley Copper suggest a remaining mine life of ten to twelve years, not including the option to deepen the Valley pit to access the ore beneath. The Valley pit, however, is getting a bit long in the tooth. Last year, a fault caused some slippage in the northwest pit wall which had to be addressed with a double bench, a modified mining plan and the drilling of horizontal holes to relieve stresses. The in-pit primary crushers were moved at considerable expense and reduced productivity. The prudent course of action would be to tie up nearby reserves both because those reserves may be more economic than those at depth and secondly as a back-up in case a more serious pit-wall failure impedes or prevents further mining in the Valley pit.

At this point, Getty Copper's able management is proceeding on the assumption that it will develop its reserves, assuming the current and future resources can be upgraded. The company has an excellent geological team including Mr. Kevin Newman, the former Senior Mine Geologist at Highland Valley Copper. Getty Copper hopes to begin the permitting process early in 1998. This will not likely be a problem given the area's mining history and the British Columbia Government's pro-mining stance for that region. We recommend purchase of the shares of Getty Copper for exposure to the continued exploration of this well-placed property package as well as the potential development of a mineable reserve adjacent to the fourth largest copper mining complex in the world.

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