

Getty Copper Corp.
GTU - \$1.10 (VSE)

Recommendation: BUY

12 Month Price Range: \$0.95- \$2.80
Shares Outstanding: 23.8 million
Float: 11.7 million, 49%
Warrants & Options: 7.8 million
Fully Diluted Total: 31.6 million
Market Capitalization (f.d.): \$34.8 million
Cash (f.d.): \$20 million
Per Share: \$0.63

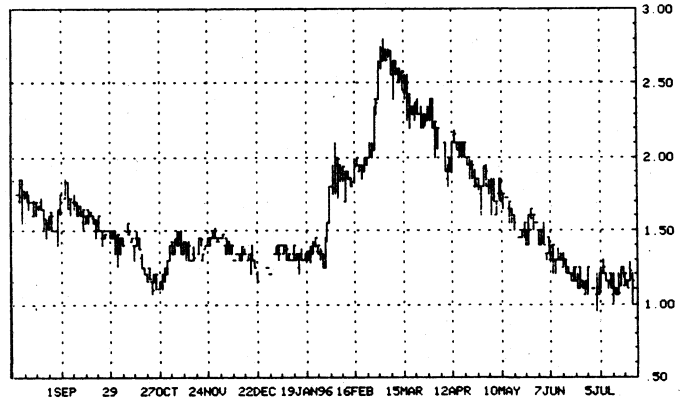


Chart courtesy of Bloomberg

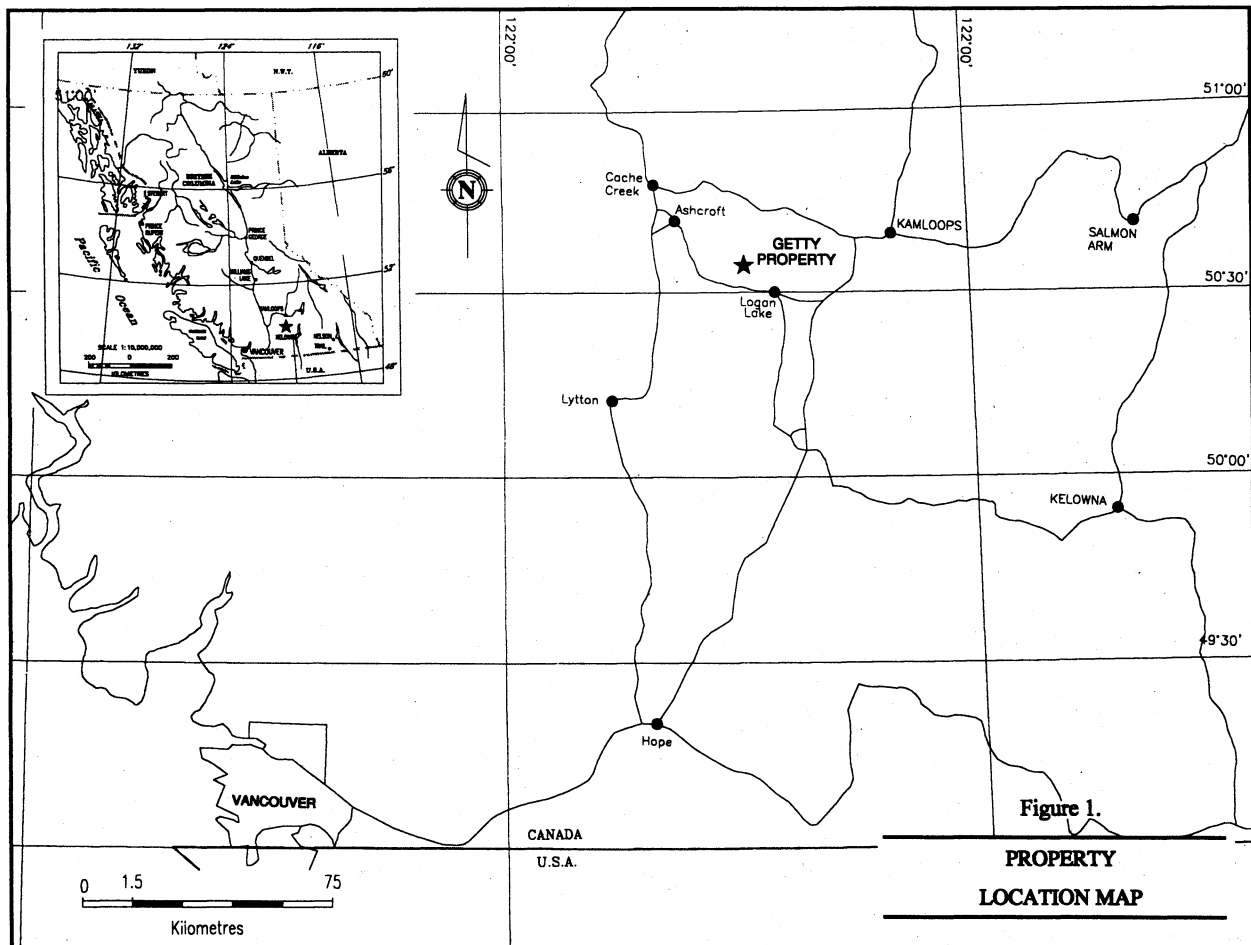
Highlights

- Excellent Exploration Company On Its Way to Becoming Copper Producer.
- Very Promising Advanced Stage Exploration Project in Highland Valley B.C.
- New Director Dr. R. M. Ginn of Watts, Griffis McOuat in Charge of Operation.
- Over 80 Sq. Kms. Next to Highland Valley Copper Extremely Prospective.
- 1995 Operating Profit of Highland Valley Copper - \$258 Million.
- Could be Next Major Producer in Highland Valley Through Staged Development.
- Resource Tonnage Potential Over 250 million tonnes with Oxide Cap.
- Oxide Copper Cap Could be in SX-EW Production by Late 1998.
- Oxide Cash Flow to be Used to Prove up Major Sulphide Potential.
- Capex for 5 year SX-EW operation US\$50 million.
- At US\$ 1.10 /lb. Copper, Forecast Cash Flow \$0.60 per share and EPS \$0.22.
- Production Costs US\$0.55 per lb. Three Year Payback on SX-EW Operation.
- Leverage to Copper + US\$0.10 changes EPS & Cash Flow by \$ 0.15 Per Share.

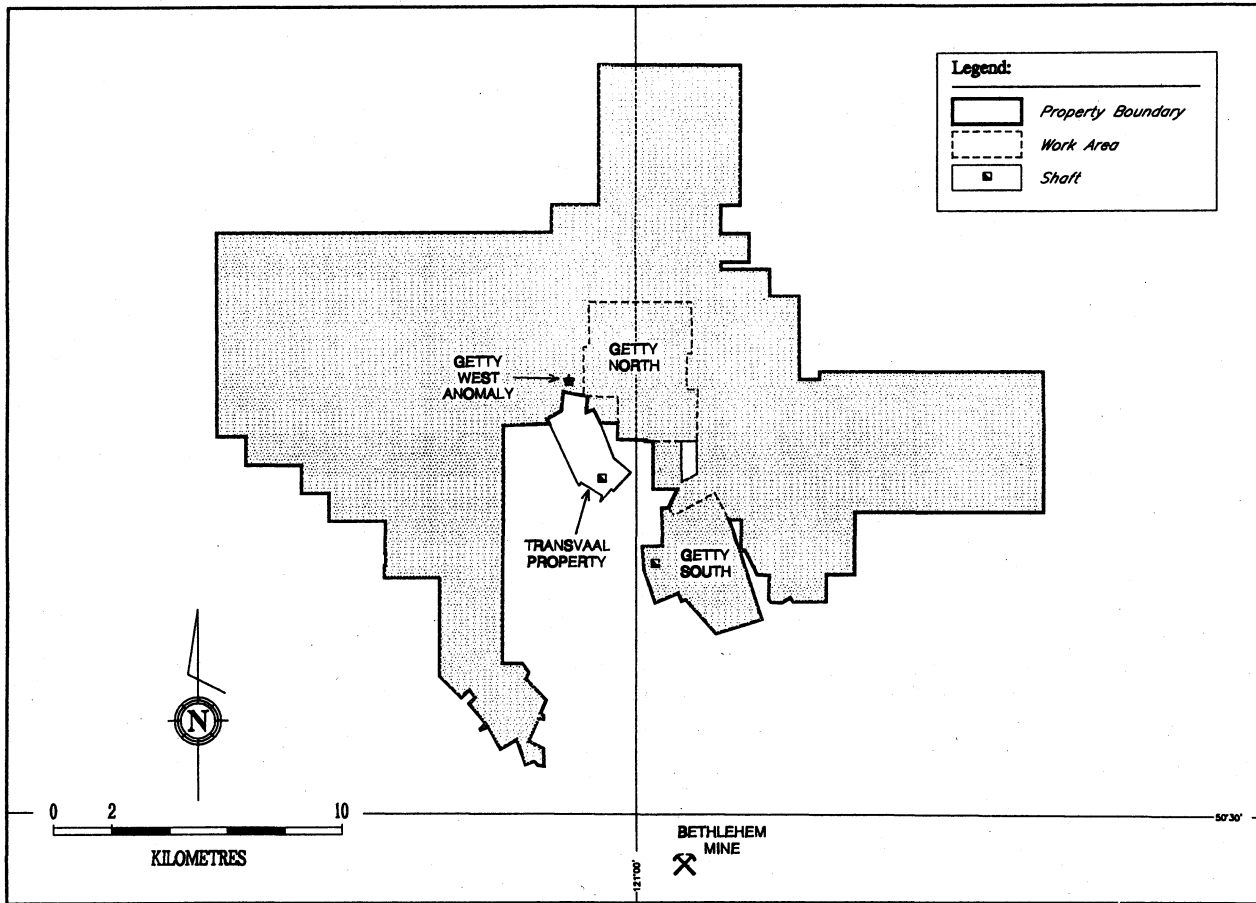
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The Getty Property in the Highland Valley BC.

Getty Copper has varying interests in a number of potentially large tonnage copper deposits in the Highland Valley of BC. The deposits are located on a property of over 80 square kilometres immediately north of the Bethlehem Copper mine and the Highland Valley Copper joint venture mine of Cominco, Teck Corp and Rio Algom. The property is situated between Logan Lake and Ashcroft BC. It is well developed with road access, power, communications and other infrastructure. Except for some recently staked claims on the western outer boundary, title is secure until A.D. 2006.



On the property, Getty has 100% of the Getty North deposit and, what is now becoming known as, the Getty West zone. The Company also has the right to earn a 50% interest in the Getty South A deposit, the Getty South B, Getty Central and Southwest properties for the aggregate expenditure of \$6.95 million on these properties. Thereafter, a joint venture agreement on the latter deposits will become effective between the owners. Two of these deposits are well known, but, as yet, imperfectly delineated zones of mineralization which were actively explored between 1955 and 1972.



Getty Copper Corporation - Highland Valley property map.

Management Augmented by Addition of Widely Respected Dr. Robert M. Ginn.

Getty Copper's land package was acquired over the last thirty years by the John Brent Lepinski the CEO and President of the Company who controls 11.2 million, or 47%, of the outstanding shares.

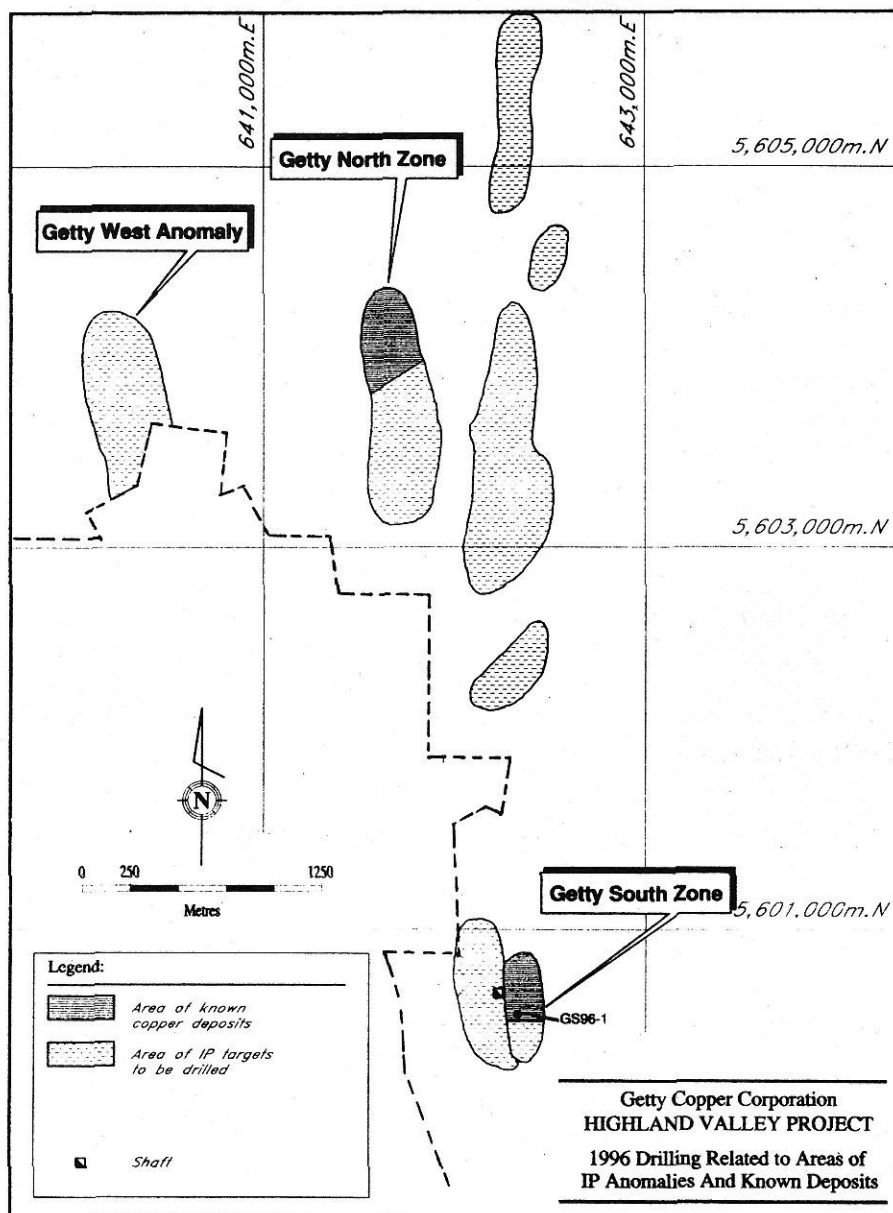
On June 6, 1996, Dr. Robert M. Ginn, P.Eng. was appointed to the Board of Getty Copper with the specific responsibility of directing the Company's exploration program. Dr. Ginn is a senior geological associate with the consulting firm of Watts, Griffis and McOuat, who had been acting previously in a senior geological consulting capacity to Getty Copper and in which role he will continue.

Dr. Ginn brings with him a wealth of knowledge and experience gained over 35 years in the mining industry. Both the appointment of Dr. Ginn and his acceptance of the position are testimony to the serious nature attached to the Getty Copper project. The potential of which has long been recognised by John Lepinski through his successful efforts in putting together the largest land package in the Highland Valley mining camp.

Drilling Confirms and Extends Previously Known Mineral Resource.

Recent drilling on Getty North has confirmed and extended the size of the geological resource indicated from work done by Canex Aerial (Placer Development), Noranda and others. The earlier work showed the presence of a good sized copper oxide deposit overlaying a large tonnage copper porphyry deposit reminiscent of the ore bodies which have been mined in the Highland Valley.

Lornex, Valley Copper, Bethlehem and Highmont are four nearby past or currently producing copper-molybdenum mines which have collectively more than 830 million tonnes of ore grading between 0.22% and 0.6% copper. The mines are all located within 9 kms. of Getty Copper's property. The Getty North and the Getty South deposits are at the high end of the camp grade range, despite the fact that they have yet to be fully explored. Even now, however, both deposits are considered to be excellent candidates for development when sufficient tonnage is delineated..



Drilling on Getty North & Getty South Proving Very Successful.

To-date, Getty North has been tested by over 27,000 metres of percussion and diamond drilling of which 12,000 metres has been in Getty Copper's current work program. The resource, which is largely drill indicated and partially inferred, contains approximately 22 million tonnes of copper sulphide ore grading 0.43% and 6 million tonnes of copper oxide ore grading 0.44% copper. Metallurgical tests conducted on the primary sulphide zone indicate that a high grade concentrate (over 35%) can be achieved, recovering about 87% of the copper.

Getty South is an inferred resource of some 36 million tonnes grading 0.47% copper in both oxide and sulphide form with probably the same proportions of sulphide and oxide as Getty North. Within the deposit is a zone of mineralization of some 400,000 tonnes grading 1.5% copper. The results from the recently completed hole GS96-1 were very encouraging, encountering 70 metres of 0.53% copper which include 18 metres of 1.63% copper.

Both the known zones have the potential to be significantly increased by additional exploration. A recent Induced Polarization (I.P.) survey across much of the property indicates that the postulated limits of the mineralization are geophysically extended in both areas and remain to be drilled.

Getty West Discovered with Induced Polarization Geophysics.

To-date Getty West is only an I.P. anomaly similar in size to Getty North. The Getty West anomaly extends southward onto a property held by Globe Resources on which old underground workings were established in the early 1900s on conspicuous oxide copper with reported **good showings of gold**. As Getty West appears to be covered by tertiary volcanics, any oxidized copper should be still in place as it would not have been subjected to the glaciation which removed outcropping oxide caps from many unprotected porphyry ore bodies.

At Least Nine Other Major Anomalies on Getty Property

As there are another nine known anomalies of comparable size on the property, it appears that the model which could be used is that of either Gibraltar Mines or the adjoining Bethlehem Copper which have a series of pods of 30 million to 50 million tonnes. Molybdenum values are also showing up as is some silver. It is early days yet and further drilling will be needed to prove this model. In addition to the known anomalies on the property satellite imaging has indicated a further 90 targets to explore.

The presence of molybdenum and silver suggest that what has been discovered may be the cupola, or dome, at the top of a porphyry system. The central core has yet to be discovered and this should keep the hunt exciting.

Oxide Copper Could Be in Production By Second Half 1998

Should the Getty West turn out to be similar to the other two resources then it is highly probable that mining will start with copper oxide ore. It is not unreasonable at this stage to postulate that Getty has in the order of 20 million tonnes of copper oxide amenable to SX-EW extraction. This alone would be sufficient for 5 years of operations at the rate of 10,000 tonnes per day producing 34 million lbs per year. Mining the oxide caps would expose the sulphides underneath which would be available for treatment possibly as a joint venture at the Highland Valley Copper mill which lies only 5 kilometres away from the Getty property.

While much work still has to be done before a mining plan can be finalized, things look very promising. If the property encompasses at least 6 deposits of 30 million to 50 million tonnes each then there would be between 180 million and 300 million tonnes of copper ore. By comparison, Bethlehem Copper mined out a total of 92 million tonnes in its entire life. Further drilling could well add significantly to the resource estimate.

Joint Venture with Highland Valley seems best way to mine Sulphide Copper.

While it is too early to contemplate the extraction of the sulphide copper until the resource has been proven as a reserve, it is probably fair to conclude that it is unlikely that Getty Copper would undertake the task of duplicating the \$1 billion of mining and milling infrastructure that has been put in place in the Highland Valley over the years. However, as the reserves of Highland Valley Copper are sufficient for only another 12 years, it makes sense for both companies to contemplate an eventual joint venture.

The planned development and exploitation of the Getty property, starting with the oxide zones to generate cash flow with which to prove up the sulphide zones, makes eminent sense. As a result, there should be little need for significant share dilution beyond the exercise of outstanding warrants and options.

EPS of \$0.22 & Cash Flow of \$0.60 per share Possible In First Full Year.

In the meantime Getty Copper appears to have sufficient oxide copper available to start up a cash flow generating operation with a US\$50 million, 10,000 tonne per day mine and SXEW plant within the next 24 to 30 months. Assuming the project is fully funded by debt and a copper price of US\$1.10 per lb. Getty Copper could be generating an annualized cash flow of \$0.60 per share and earnings of \$0.22 (un-taxed) in 1998-1999. By the third year, fully taxed cash flow and earnings should run at the same level as interest payments on the Capex will have ended.

Assumptions

Tonnes of Oxide Reserves	20 million
Grade Copper	0.5%
Recovery	85%
Waste to Ore Ratio	1.5:1
Copper Price US\$/lb	US \$1.10
Exchange Rate	US \$1.00 = Can \$1.33
Capex	US \$50 million

Mine Production Rate TPD	10,000
Copper Production lbs/Yr.	34.2 million
Production Costs US\$/lb	US \$0.55
Interest Rate	9%
Tax Rate	47%
Fully Dil. Shares o/s	31.6 million

	<u>Year No. 1</u>	<u>Year No. 3</u>
Cash Flow Per Share	\$0.60	\$0.70
EPS	\$0.22	\$0.30

Leverage to Change in Copper Price ± US \$0.10 per lb = ± \$0.15 EPS

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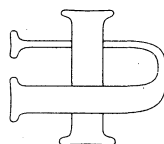
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