

GETTY COPPER INC.
CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2018

(Stated in Canadian dollars)

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**NOTICE THAT FINANCIAL STATEMENTS HAVE NOT BEEN REVIEWED
BY AN AUDITOR**

**Getty Copper Inc. (the "Issuer")
Condensed Interim
Financial Statements for Nine Months Ending September 30, 2018**

"In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim financial statements as at and for the Nine months ended September 30, 2018. "

GETTY COPPER INC.
Condensed Interim Statements of Financial Position
(Stated in Canadian Dollars)

	September 30, 2018	December 31, 2017
ASSETS		
Current Assets		
Cash	\$ 1,265	\$ 12,753
Amounts receivable (Note 5)	—	724
Prepaid expenses	9,178	4,737
	10,443	18,214
Reclamation Bonds	17,000	17,000
Exploration and Evaluation Assets (Note 6)	5,506,839	5,491,816
Property, Building and Equipment (Note 7)	97,657	100,162
	\$ 5,631,939	\$ 5,627,192
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities (Note 8)	\$ 331,748	\$ 447,966
Provisions (Note 9)	163,000	156,000
Current portion of mortgage payable (Note 11)	8,575	8,203
Loan payable (Note 18)	330,994	123,694
	834,317	735,863
Debenture (Notes 12, 18 and 20)	1,002,377	959,326
Mortgage Payable (Note 11)	29,867	36,345
	1,032,244	995,671
	1,866,561	1,731,534
SHAREHOLDERS' EQUITY		
Share Capital (Note 14)	23,565,099	23,565,099
Share-based Reserves (Note 15)	1,604,394	1,577,494
Deficit	(21,404,115)	(21,246,935)
	3,765,378	3,895,658
	\$ 5,631,939	\$ 5,627,192

Nature of Business and Continuing Operations (Note 1)
Subsequent Events (Note 20)

Approved by the Directors:

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See accompanying notes to financial statements

GETTY COPPER INC.
Condensed Interim Statements of Comprehensive Loss
(Stated in Canadian dollars)

	Three Months Ending Sept. 30, 2018	Nine Months Ending Sept. 30, 2018	Three Months Ending Sept 30, 2017	Nine Months Ending Sept. 30, 2017
Expenses:				
Depreciation	\$ 25	\$ 74	\$ 32	\$ 97
Bank charges & interest	78	257	75	231
Filing fees	1,300	7,174	1,300	7,143
Interest (Note 18)	4,767	11,300	1,321	2,158
Interest - long term (Notes 10, 11, 12 and 18)	15,098	44,912	14,320	42,600
Insurance	3,088	9,209	3,055	5,949
Marketing & promotion	140	348	49	383
Office & miscellaneous	541	3,119	383	11,330
Consulting Fees	(12,050)	(12,050)		
Professional fees (Note 18)	(23,393)	11,505	18,391	48,898
Property tax	-	5,371	-	5,368
Rent (Note 18)	1,500	4,500	1,500	4,500
Share-based compensation)Note 14(d)	26,900	26,900	-	12,478
Telephone	1,439	4,257	1,346	4,342
Transfer fees	5,624	8,494	1,280	3,358
Travel	553	1,114	292	948
Wages & benefits	9,957	30,753	9,511	29,566
	<u>35,567</u>	<u>157,237</u>	<u>52,855</u>	<u>179,349</u>
Other Income;	12	57	12	57
Net and comprehensive loss for the period	<u>\$ (35,555)</u>	<u>\$ (157,180)</u>	<u>\$ (52,843)</u>	<u>\$ (179,292)</u>
Loss per share (Note 3(c))	<u>\$ (0.001)</u>	<u>\$ (0.001)</u>	<u>\$ (0.001)</u>	<u>\$ (0.001)</u>
Number of common shares outstanding	<u>(108,427,205)</u>	<u>(108,427,205)</u>	<u>(108,427,205)</u>	<u>(108,427,205)</u>

See accompanying notes to financial statements

GETTY COPPER INC.
Condensed Interim Statements of Changes in Equity
(Stated in Canadian dollars)

	Share Capital	Share-based Reserves	Deficit	Total
Balance, January 1, 2018	\$ 23,565,099	\$ 1,577,494	\$ (21,246,935)	\$ 3,895,658
Net and comprehensive loss for the period	-	-	(157,180)	(157,180)
		26,900		26,900
Balance, September 30, 2018	<u>\$ 23,565,099</u>	<u>\$ 1,604,394</u>	<u>\$ (21,404,115)</u>	<u>\$ 3,765,378</u>
Balance, January 1, 2017	\$ 23,565,099	\$ 1,565,016	\$ (20,995,159)	\$ 4,134,956
Net and comprehensive loss for the period	-	-	(179,292)	(179,292)
Share-based payments	-	12,478	-	12,478
Balance, September 30, 2017	<u>\$ 23,565,099</u>	<u>\$ 1,577,494</u>	<u>\$ (21,174,451)</u>	<u>\$ 3,968,142</u>

See accompanying notes to financial statements

GETTY COPPER INC.
Condensed Interim Statements of Cash Flows
(Stated in Canadian dollars)

	Three Months Ending Sept. 30, 2018	Nine Months Ending Sept. 30, 2018	Three Months Ending Sept. 30, 2017	Nine Months Ending Sept. 30, 2017
Cash Provided By (used for)				
Operating Activities				
Net loss for the period	\$ (35,555)	\$ (157,180)	\$ (52,843)	\$ (179,292)
Items not involving cash:				
Depreciation	25	74	32	97
Share-based compensation	26,900	26,900	–	12,478
Interest on loan payable	4,768	11,300	1,321	2,158
Interest on debenture	14,508	43,051	13,611	40,389
	<u>10,646</u>	<u>(75,855)</u>	<u>(37,879)</u>	<u>(124,170)</u>
Net Change in Non-Cash Working Capital				
Items:				
Amounts receivable	1,782	724	4,948	(1,339)
Prepaid expenses	4,389	(4,441)	4,355	(7,571)
Accounts payable and accrued liabilities	(46,959)	(116,218)	13,112	76,843
Loan Payable			10,000	100,000
Provisions	12,000	7,000	4,000	(35,000)
Other:				
Interest income	(12)	(57)	(12)	(57)
Interest income received	12	57	12	57
Interest expense	668	2,117	709	2,211
Interest paid	(668)	(2,117)	(709)	(2,211)
	<u>(18,142)</u>	<u>(188,790)</u>	<u>(1,464)</u>	<u>8,763</u>
Financing Activities				
Loan payable proceeds	1,000	196,000	–	–
Mortgage payable repayment	(2,066)	(6,106)	(1,947)	(5,756)
	<u>(1,066)</u>	<u>189,894</u>	<u>(1,947)</u>	<u>(5,756)</u>
Investing Activities				
Investment in exploration and evaluation assets	(800)	(12,592)	(2,174)	(66,229)
	<u>(20,008)</u>	<u>(11,488)</u>	<u>(5,585)</u>	<u>(63,222)</u>
Increase (Decrease) in Cash	(20,008)	(11,488)	(5,585)	(63,222)
Cash, beginning of the period	21,273	12,753	15,965	73,602
Cash, end of the period	\$ 1,265	\$ 1,265	\$ 10,380	\$ 10,380
Non-cash transactions - See Note 19.				

See accompanying notes to financial statements

GETTY COPPER INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Stated in Canadian dollars)

1. Nature of Business and Continuing Operations:

Getty Copper Inc. (the "Company") was incorporated under the Canada Business Corporations Act in September 1987 and its common shares are listed for trading on the TSX Venture Exchange. Subsequent to incorporation, the Company has gone through a number of name changes and in March 2003, its name was changed to Getty Copper Inc. The Company is in the business of mineral exploration and mine development in the Highland Valley area of British Columbia.

These financial statements have been prepared using International Financial Reporting Standards ("IFRS") principles applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they come due. The Company has incurred losses since inception, has no source of operating revenue and at September 30, 2018, has a working capital deficiency of \$823,874. The Company has been and remains dependant on its capacity to raise funds via equity issuances under terms that are consistent with the best interests of shareholders in order to finance its operations. These conditions may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements contain no provisions for adjustments which may become necessary if the Company becomes unable to continue on a going concern basis.

As the Company is in the exploration and evaluation stage, the Company has not yet determined whether its mineral rights contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral rights and the ability of the Company to meet its obligations are dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of the mineral rights and future profitable production or proceeds from the disposition thereof.

2. Statement of Compliance and Basis of Preparation:

Statement of Compliance

These unaudited condensed interim financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting" ("IAS 34"), using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and note disclosure normally included in the annual financial statements prepared in accordance with IFRS have been omitted or condensed. These unaudited condensed interim financial statements should be read in conjunction with the Company's annual audited financial statements for the year ended December 31, 2017.

The Company's interim results for the period ended September 30, 2018, are not necessarily indicative of its results for a full year.

These unaudited condensed interim financial statements for the nine months ended September 30, 2018 and 2017 have been prepared by management and approved and authorized for issuance on November 23, 2018, by the Board of Directors of the Company. Shortly thereafter, the financial statements are made available to shareholders and others through filing on SEDAR.

Basis of Preparation

These unaudited condensed interim financial statements are unaudited and have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These unaudited condensed interim financial statements have been prepared on the historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value, as explained in the accounting policies set out in Note 3. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

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2. Basis of Preparation continued:

The preparation of unaudited condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts and assets and liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of

making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Notes 3(h) and 3(i).

All amounts are presented in Canadian dollars, unless otherwise indicated, as a significant amount of the Company's business is conducted in this currency.

Changes in accounting policies and comparability:

Adoption of new and revised standards and interpretations

The accounting policies applied by the Company in the unaudited condensed interim financial statements are the same as those applied and disclosed by the Company's audited financial statements for the year ended December 31, 2017, except for the following:

The following new and revised standards and interpretations were adopted effective for annual accounting periods beginning on or after January 1, 2018:

IFRS 15 Revenue Recognition

The company has adopted all of the requirements of IFRS 15 as of January 1, 2018. IFRS 15 replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations on revenue. The Company has used the modified retrospective transition method, which had no impact on the Company's financial statements as the Company has not yet reached commercial production and had no revenue recorded in the financial statements. The following is the Company's new accounting policy for revenue recognition under IFRS 15:

Revenue Recognition –

Once commercial production commences, revenue from the sale of ore reserves is recognized based on the identification of contracts with customer, the determination of performance obligation under the contract and the related transaction price and at which the Company satisfies its performance obligation.

IFRS 9 Financial Instruments

The Company has adopted IFRS 9 effective January 1, 2018 and elected not to retroactively restate comparative periods. There was no impact on carrying values and equity as at January 1, 2018 and no measurement differences as a result of adopting IFRS 9.

IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristic of the financial asset. Most of the requirements in IAS 39 Financial Instruments: Recognition and measurement ("IAS 39") for classification and measurement of financial liabilities were carried forward in IFRS 9. IFRS 9

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2. Basis of Preparation continued:

introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The adoption of the expected credit loss impairment model had no impact on the Company's financial statements. The Company's financial instruments are accounted for as follows under IFRS 9 compared to the company's previous policy in accordance with IAS 39:

	IAS 39	IFRS 9
Cash	Fair Value through profit or loss	Fair Value through profit or loss
Reclamation bonds	Fair Value through profit or loss	Fair Value through other comprehensive income
Accounts receivable	Loans and Receivables, measured at amortized cost	Amortized cost
Accounts payable and accrued liabilities, Provisions, Mortgage payable, Debenture and Loan payable	Financial liabilities measured at amortized cost	Financial liabilities measured at amortized cost

New standard not yet effective

At the date of authorization of these unaudited interim condensed financial statements, the following new standard was issued by not yet effective:

IFRS 16 – Leases

For annual periods beginning on or after January 1, 2019, the IASB intends to replace IAS 17, IFRIC 4, SIC -15 and SIC – 27 in their entirety with IFRS 16 – Leases (“IFRS16”). This standard will outline the principles an entity must apply to recognition, measurement, presentation and disclosures of leases. The Company is currently evaluating the impact the final standard is expected to have on its financial statements.

The company has not early adopted this standard and is currently assessing what impact the application will have on the financial statements. The standard and amendment will be applied in the financial report of the Company for the annual reporting period ending December 2019.

3. Significant Accounting Policies:

a) Critical accounting policies, key judgements and estimates

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual outcomes could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgments, apart from those involving estimations that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

GETTY COPPER INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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2. Significant Accounting Policies (Continued):

a) Critical judgements in applying accounting policies

i. Impairments

Exploration and evaluation assets, and property, building and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be fully recoverable. If an asset's recoverable amount is less than the asset's carrying amount, an impairment loss is recognized. Future cash flow estimates which are used to calculate the asset's fair value are based on expectations about future operations primarily comprising estimates about production and sales volumes, commodity prices, reserves, operating, rehabilitation and restoration costs and capital expenditures. Changes in such estimates could impact recoverable values of these assets. Estimates are reviewed regularly by management. Refer to Notes 6 and 7.

ii. Key sources of measurement uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

b) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event; it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the related liability, including any related interest charges, taking into account the risks and uncertainties surrounding the obligation. The Company assesses its liabilities and contingencies based upon the best information available, relevant tax laws and other appropriate requirements. Refer to Note 9.

c) Loss per share

Loss per share has been calculated using the weighted-average number of common shares outstanding during each period. Diluted loss per share has not been calculated as it is anti-dilutive when the numerator used in the calculation is a net loss. For purposes of the calculation of the weighted-average number of common shares outstanding, share consolidations are considered to have occurred on the first day of the earliest fiscal year presented.

d) Financial Assets

Classification

Financial assets are classified as either financial assets at fair value through profit or loss ("FVTPL"), amortized cost, or fair value through other comprehensive income ("FVOCI"). The company determines the classification of its financial assets at initial recognition.

FVTPL

Financial assets are classified at FVTPL if they are acquired for the purpose of selling in the near term. Gains or losses on these items are recognized in net earnings or loss.

Amortized cost

Financial assets are classified at amortized cost if both of the following criteria are met and the financial assets are not designated as FVTPL:

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3. Significant Accounting Policies (continued):

e) Financial Assets (continued)

- i) The objective of the Company's business model for these financial assets is to collect their contractual cash flows; and
- ii) The asset's contractual cash flows represent "solely payments of principal and interest".
The Company's accounts receivables are recorded at amortized cost as they meet the required criteria.

A provision is recorded when the estimated recoverable amount of the financial asset is lower than the carrying amount. At each statement of financial position date, the Company assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. When sold or impaired, any accumulated fair value adjustments previously recognized are included in profit or loss.

FVTOCI

Financial asset are classified as FVOCI if both of the following criteria are met and the financial assets are not designated as FVTPL:

- i) The objective of the Company's business model for these financial assets is achieved by both collecting contractual cash flows and selling financial assets; and
- ii) The asset's contractual cash flows represent "solely payments of principal and interest".

For equity securities that are not held for trading, the Company can make an irrevocable election at initial recognition to classify the instruments FVOCI, with all subsequent changes in fair value being recognized in other comprehensive income ("OCI"). This election is available for each separate investment.

The Company's reclamation bonds are recorded at FVTPL as they meet the required criteria. Under this new FVOCI category, fair value changes are recognized in OCI while dividends are recorded in profit or loss. On disposal of the investment, the cumulative fair value change remains in OCI and is not recycled to net earnings or loss.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Effective interest method

The effective interest method calculates the amortized cost of a financial asset and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset or, where appropriate, a shorter period. Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as FVTPL.

De-recognition of Financial Assets

A financial asset is derecognized when:

- The contractual right to the asset's cash flow expires; or
- If the Company transfers the financial asset and substantially all risks and rewards of ownership to another entity.

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3. Significant Accounting Policies (continued):

f) Financial Liabilities

Classification

All financial liabilities are classified as either financial assets at fair value through profit or loss (“FVTPL”) or amortized cost. The company determines the classification of its financial liabilities at initial recognition.

The Company’s accounts payable and accrued liabilities, debenture, mortgage payable, provisions and loan payable are recorded at amortized cost

The Company does not have any financial liabilities designated at FVTPL

Reclassifications

Financial liabilities cannot be reclassified.

De-recognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or they expire.

g) Cash and cash equivalents

Cash consists of funds held in the Company's chequing and savings account that do not have any restrictions placed on them. Cash equivalents include highly liquid investments having terms to maturity of 90 days or less when acquired. As at September 30, 2018 and 2017, the Company had no cash equivalents.

h) Property, building and equipment

Property, building and equipment are recorded at cost less accumulated depreciation and any accumulated impairment write-downs.

Depreciation is charged to the statement of operations so as to write-off the cost of assets less their residual values using the declining balance basis at the following annual rates:

Automotive equipment	30%
Building	4%
Computer equipment	45%
Computer software	100%
Office equipment	20%
Portable buildings	30%

When parts of an item of property, building and equipment have different useful lives, they are accounted for as separate items (major components) of property, building and equipment.

The Company assesses at each statement of financial position date, whether there is an indication that property, building and equipment may be impaired. If any indication of impairment exists, the Company performs an impairment test to determine whether an impairment loss is required to be recognized. Impairment tests are performed in accordance with the steps discussed in the accounting policy note entitled “Impairment of non-financial assets”.

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3. Significant Accounting Policies (Continued):

i) Exploration and evaluation assets

All direct costs relating to the exploration and evaluation assets that meet the generally accepted criteria for deferral are capitalized as incurred. These criteria include having a clearly defined process with identifiable associated costs, establishment of technical feasibility, an intention to process and sell the recovered minerals to a clearly defined market, and adequate resources exist or are expected to be available to complete the project to commercial production. Acquisition, option payments and direct exploration costs are deferred until the properties are placed into production, sold or abandoned or management has determined there to be impairment, at which time these deferred costs will either be amortized on a unit-of-production basis, charged to operations, if sold, or written-off.

Exploration and evaluation assets are recorded at cost less accumulated impairment losses. Direct costs include any cash consideration and fair market value of shares issued, if any, on the acquisition of a mineral property interest. Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts when payments are made.

Carrying values of exploration and evaluation assets as reported on the statement of financial position do not necessarily reflect the actual present or future value. Recovery of carrying values is dependent upon the future commercial success of operations.

Upon establishment of commercial production, carrying values of mineral interests are amortized over the estimated life of the mines, using the unit-of-production basis, based upon the current estimated recoverable reserves and resources.

The Company reviews capitalized costs on its property interests at each statement of financial position date for impairment in value based upon current exploration results and upon management's assessment of the future profitability of revenues from the property or from the sale of the property. Management's assessment of the property's estimated current market value may also be based upon a review of other property transactions that have occurred in the same geographical area as that of the property under review. Administrative exploration related costs are expensed as incurred.

j) Impairment of non-financial assets

At each statement of financial position date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset, or cash-generating unit, is estimated to be less than its carrying amount, the carrying amount of the asset, or cash-generating unit, is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of operations and comprehensive loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset, or cash-generating unit, is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset, or cash-generating unit, in prior years.

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3. Significant Accounting Policies (Continued):

k) Asset retirement and environmental provisions

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of exploration and evaluation assets and property, building and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an asset retirement and environmental provision is recognized as its fair value in the period in which it is incurred. Upon initial recognition of the liability, the corresponding asset retirement and environmental provision is added to the carrying amount of the related asset and the cost is amortized in a manner consistent with the depreciation of the related asset. Following the initial recognition of the asset retirement and environmental provision, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation and accreted over time to its present value. The accretion charge is included in the statement of operations and comprehensive loss within amortization expense. At September 30, 2018 and 2017, the Company cannot reasonably estimate the fair value of the resource properties site restoration costs, if any.

l) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

m) Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount. Refer to Note 18.

n) Share-based payments

The Company grants stock options and warrants to buy common shares of the Company to directors, officers, employees and service providers. The directors, officers and employees receive a portion of their remuneration in the form of share-based payment transactions, whereby employees and service providers render services as consideration for equity transactions (“equity-settled transactions”).

The Board of Directors grants such options and warrants for periods up to five years, with vesting periods determined at its sole discretion and at prices equal to or greater than the closing market price on the day preceding the date the options were granted.

The Company recognizes the fair value of share-based payments over the vesting period of the options and warrants. The fair value of the options and warrants granted is calculated using the Black-Scholes option pricing model that takes into account the exercise price, expected life of the option, expected volatility of the underlying shares, expected dividend yield, and the risk free interest rate for the term of the option. The fair value excludes the effect of non market-based vesting conditions.

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3. Significant Accounting Policies (Continued):

o) Equity-settled transactions

The costs of equity-settled transactions with employees and service providers are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (“the vesting date”). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to income for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is recorded in share-based reserves.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied. Share options granted to employees and service providers are treated as forfeited when such employees cease employment before the end of the vesting period. Such forfeitures result in a reversal of the expense previously recognized, with a corresponding adjustment to the share-based reserves.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement.

p) Exploration tax credits

Exploration tax credits are recorded as a reduction in exploration costs once there is reasonable assurance that they will be received.

q) Flow through shares

The Company will, from time to time, issue flow-through shares to finance a portion of its exploration program.

Pursuant to the terms of flow-through share agreements and Canadian tax legislation, these shares transfer the tax deductibility of qualifying resource expenditures to investors.

On issuance, the Company allocates the flow-through share into:

- i) Fair value of capital stock; and
- ii) The residual as a flow-through share premium, if any, which is recognized as a liability. Upon expenses being incurred, the Company derecognizes the liability and the related deferred tax liability will be recognized.

The Company is required to spend the proceeds received from the issuance of flow-through shares on Canadian resource property exploration expenditures within a two-year period.

The company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with the Canada Revenue Agency flow-through regulations. When applicable, this tax is accrued as an expense until paid.

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4. Financial Instruments:

Categories of financial instruments

	Sept. 30, 2018	September 30, 2017
Financial Assets		
Cash	\$ 1,265	\$ 10,380
Accounts receivable	–	1,339
Reclamation bonds	17,000	17,000
	<u>\$ 18,265</u>	<u>\$ 28,719</u>
Financial Liabilities		
Accounts payable and accrued liabilities	\$ 331,748	\$ 342,804
Provisions	163,000	123,000
Mortgage payable	38,442	46,524
Debenture	1,002,377	945,715
Loan payable	330,994	102,158
	<u>\$ 1,866,561</u>	<u>\$ 1,560,201</u>

Fair Value

The Company estimates that the fair value of these financial instruments, excluding debenture, approximates the carrying values at September 30, 2018 and September 30, 2017, respectively. Refer to Note 12.

All financial instruments revaluated at fair value must be classified according to a hierarchy containing 3 levels:

- i. Level 1 – Fair values based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- ii. Level 2 – Fair value techniques based on inputs other than quoted prices included in Level 1 that are observable on the market for the assets and liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- iii. Level 3 – Fair values based on inputs for the assets and liabilities that are not based on observable market data.

The following table outlines the financial assets and liabilities measured at fair value in the financial statements and the level of the inputs used to determine those fair values in the context of the hierarchy as defined above as at September 30, 2018 and September 30, 2017:

	Sept. 30, 2018	Sept. 30, 2017
Financial Assets		
Cash – Level 1	\$ 1,265	\$ 10,380

5. Amounts Receivable:

	Sept. 30, 2018	Sept. 30, 2017
GST recoverable	\$ –	\$ 1,339

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6. Exploration and Evaluation Assets:

The Getty mineral claims are contiguous and are located within the Kamloops Mining District of Highland Valley, British Columbia, covering an area of approximately 269 square kilometres. Building and equipment depreciation included in exploration costs during the nine months ending September 30, 2018 amounted to \$2,431 (2017 -\$2.).

During the Nine months ending September 30, 2018, the Company incurred \$15,023 (2017 - \$68,681) in deferred costs as follows:

	Getty South 50% interest	Getty	Total Exploration & Evaluation
Geology	\$ -	\$8,210	\$ 8,210
Other	2,820	3,993	6,813
Total exploration & evaluation costs	\$ 2,820	\$12,203	\$ 15,023

During the nine months ending September 30, 2017, the Company incurred \$68,681 in deferred costs as follows:

	Getty South 50% interest	Getty	Total Exploration & Evaluation
Geology	27,768	27,768	55,536
Other	4,389	4,810	9,199
Acquisition costs	-	3,946	3,946
Total exploration & evaluation costs	\$ 32,157	\$36,524	\$ 68,681

As at September 30, 2018, the Company's historical deferred costs and the current carrying aggregate amount are derived as follows:

	Getty South 50% interest	Getty	Total Exploration & Evaluation
Assay	\$ 66,732	\$ 557,935	\$ 624,667
Drilling	453,304	4,262,022	4,715,326
Environmental	4,059	250,397	254,456
Pre-feasibility study	184,819	343,563	528,382
Geology	444,099	3,429,375	3,873,474
Metallurgy	16,423	974,508	990,931
Other	314,692	2,035,338	2,350,030
Total exploration & evaluation costs	1,484,128	11,853,138	13,337,266
Mineral rights acquisition costs	1,069,134	615,282	1,684,416
	2,553,262	12,468,420	15,021,682
Write-offs	(800,706)	(8,714,137)	(9,514,843)
	\$ 1,752,556	\$3,754,283	\$ 5,506,839

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6. Exploration and Evaluation Assets (Continued):

As at December 31, 2017, the Company's historical deferred costs and the current carrying aggregate amount are derived as follows:

	Getty South 50% interest	Getty	Total Exploration & Evaluation
Assay	\$ 66,732	\$ 557,935	\$ 624,667
Drilling	453,304	4,262,022	4,715,326
Environmental	4,059	250,397	254,456
Pre-feasibility study	184,819	343,563	528,382
Geology	444,099	3,421,165	3,865,264
Metallurgy	16,423	974,508	990,931
Other	311,872	2,031,345	2,343,217
Total exploration & evaluation costs	1,481,308	11,840,935	13,322,243
Mineral rights acquisition costs	1,069,134	615,282	1,684,416
	2,550,442	12,456,217	15,006,659
Write-offs	(800,706)	(8,714,137)	(9,514,843)
	\$ 1,749,736	\$3,742,080	\$ 5,491,816

During the 2017 the Company amalgamated a majority of the mineral property claims. In prior years, the Getty Northwest, Getty Central, Getty North and Getty Southwest properties were presented separately. In the current year, these properties have been consolidated as the Getty property for financial statement presentation purposes.

The Company acquired a 100% interest in the Getty North Property in 1992 from two private corporations controlled by Getty's then president. As consideration, the Company issued 4,608,492 common shares to each of the private corporations involved, subject to the Company obtaining a valuation on the property establishing a minimum value of \$2,304,246 and the approval of the securities commission in existence at that time. The property is subject to a 1.5% net smelter return royalty in favour of a private corporation controlled by the Chief Executive Officer of the Company.

The Getty Northwest property claims were acquired by the Company through staking this property. This property is also subject to a 1.5% net smelter return royalty in favour of a private corporation controlled by the Chief Executive Officer of the Company.

The Company originally entered into an agreement to acquire a 50% interest in the Getty Central, Getty South and Getty Southwest mineral rights from Robak Industries Ltd. ("Robak"), a private corporation controlled by the Chief Executive Officer of the Company. Certain terms and conditions laid out in this original contract were not met and on November 8, 2002, the Company and Robak terminated the original agreement and entered into a subsequent agreement for the Company to acquire a 100% interest in the Getty Central and Getty Southwest mineral rights and a 50% interest in the Getty South mineral rights in exchange for 6,000,000 common shares of the Company at a deemed value of \$1,200,000. The Company also agreed to pay 100% of the costs to place the Getty South mineral rights into production and granted a 1.5% net smelter royalty on all of these claims in favour of Robak.

Title to mining properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mining properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to its properties are in good standing.

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7. Property, Building and Equipment:

	Automotive equipment	Computer equipment	Computer software	Office equipment	Portable buildings	Building	Land	Totals
Cost								
Balance, January 1, 2017	\$ 29,318	\$ 100,841	\$ 74,359	\$ 54,407	\$ 12,112	\$ 178,124	\$ 22,322	\$ 471,483
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Balance, December 31, 2017	29,318	100,841	74,359	54,407	12,112	178,124	22,322	471,483
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Balance, September 30, 2018	\$ 29,318	\$ 100,841	\$ 74,359	\$ 54,407	\$ 12,112	\$ 178,124	\$ 22,322	\$ 471,483
Depreciation and impairment losses								
Balance, January 1, 2017	\$ 29,318	\$ 100,841	\$ 74,359	\$ 53,480	\$ 12,112	\$ 97,813	\$ -	\$ 367,923
Depreciation for the year	-	-	-	185	-	3,213	-	3,398
Impairment loss	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Balance, December 31, 2017	29,318	100,841	74,359	53,665	12,112	101,026	-	371,321
Depreciation for the period	-	-	-	-	-	-	-	-
Impairment loss	-	-	-	111	-	2,394	-	2,505
Disposals	-	-	-	-	-	-	-	-
Balance September 30, 2018	\$ 29,318	\$ 100,841	\$ 74,359	\$ 53,776	\$ 12,112	\$ 103,420	\$ -	\$ 373,826
Carrying Amounts								
At January 1, 2017	\$ -	\$ -	\$ -	\$ 927	\$ -	\$ 80,311	\$ 22,322	\$ 103,560
At December 31, 2017	\$ -	\$ -	\$ -	\$ 742	\$ -	\$ 77,098	\$ 22,322	\$ 100,162
At September 30, 2018	\$ -	\$ -	\$ -	\$ 631	\$ -	\$ 74,704	\$ 22,322	\$ 97,657

The Company owns land and an office/storage building in Logan Lake. The premises are used for core storage, field offices and vehicle storage. The property is encumbered by a mortgage in the amount of \$38,442 as of September 30, 2018 (see Note 11).

8. Accounts Payable and Accrued Liabilities:

	Sept 30, 2018	Sept 30, 2017
Trade payables	\$ 264,207	\$ 296,925
Amounts due to related parties (Note 18)	67,541	45,879
	<u>\$ 331,748</u>	<u>\$ 342,804</u>

9. Provisions:

The provision below represents accruals for professional fees.

Balance, January 1, 2017	<u>\$ 158,000</u>
Decrease	(24,000)
Increase	22,000
Balance, December 31, 2017	<u>156,000</u>
Decrease	(18,000)
Increase	25,000
Balance, September 30, 2018	<u>\$ 163,000</u>

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10. Indemnity:

In April, 2009, the Company reached a settlement with one of its Directors to indemnify him for approximately 88% of legal expenses incurred during 2004 to 2007 in connection with his prosecution of legal actions against former Directors who were alleged to have improperly attempted to impugn for personal reasons a 2002 mineral property interest sale agreement ("MPISA") between the Director's company and the Company. The settlement was premised on the fact that the Director's legal actions were of benefit to the Company in the conduct of its own litigation in defense of the MPISA. The settlement provided that the Director was entitled to receive \$650,000 by way of cash of \$50,000 upon execution of a definitive agreement and a secured debenture of \$600,000 bearing interest at 6%. In November 2016, the indemnity and accrued interest was repaid with the funds from a Debenture. See Note 12.

11. Mortgage Payable:

The mortgage payable is associated with the Logan property (see Note 7).

The mortgage payable is secured by a first mortgage on land and building and requires monthly payments of \$885 including interest at 6.0% per annum and the mortgage payable will mature on September 1, 2022.

Principal repayments required are as follows:

	Sept. 30, 2018	Sept. 30, 2017
Payable not later than one year	\$ 8,575	\$ 8,083
Payable later than one year and not later than five years	29,867	38,441
	\$ 38,442	\$ 46,524

12. Debenture:

During November 2016, the Company executed a \$900,000 debenture with a company controlled by the Chief Executive Officer of the Company. The debenture bears interest at 6% per annum calculated yearly, not in advance. The principal balance plus all unpaid interest is due and payable at the earlier of:

- Debenture is due July 31, 2019
- three days after the Company has completed, and received the proceeds from, one or more securities offering(s) where the aggregate proceeds are at least \$2 million;
- the date on which the Company sells all or substantially all of its assets; and
- the date on which there is a transfer of the Company's shares which results in more than 50% of the shares being beneficially owned, directly or indirectly, by persons other than the CEO of the Company and any related party.

The debenture is secured by:

- a fixed and specific first mortgage, pledge and charge to and in favour of Robak over: (i) all Crown grants, lands and other real and immovable property owned by the Company together with all appurtenances, buildings and fixtures located thereon; and (ii) all furniture, machinery equipment, vehicles and accessories and other goods and chattels of the Company; and
- a security interest by way of a floating charge on the whole of the Company's undertaking and all of its mineral claims, agreement rights, property and assets, but excluding the property subject to the mortgage.

The Company has the right to prepay, in whole or in part and subject to a \$10,000 minimum payment, the debenture together with any accrued and unpaid interest without notice, penalty or bonus.

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12. Debenture (continued):

The debenture proceeds were used to repay \$824,625 in liabilities as follows:

- \$581,647 (indemnity of \$450,000 plus \$131,647 in accrued interest) payable to the CEO of the Company;
- \$2,109 (expense reimbursement) payable to the CEO of the Company;
- \$176,119 (loan proceeds of \$171,000 plus \$5,119 in accrued interest) payable to a company with a common director;
- \$56,350 (management fees of \$52,500 plus \$3,850 in taxes) payable to a company with a common director; and
- \$8,400 (rent of \$8,000 plus \$400 in taxes) payable to a company with a common director.

At December 31, 2017, the fair value of the debenture was approximately \$955,000 (2016 - \$905,000). Fair value was determined using an income approach. An income approach is a present value technique that takes into account the future cash flows that would be expected to be received from holding the debenture as an asset. Present value was calculated using the following attributes – future lump sum of \$900,000, 14 months to maturity, future interest payments of \$122,000 and a discount rate of 6% discounted annually.

Also see Note 18.

13. Share Capital:

a) Authorized: Unlimited number of common shares

b) Issued:

	Shares	Amount
Balance, January 1, 2017	108,427,205	\$ 23,565,099
Shares issued	-	-
Share issue costs	-	-
Balance December 31, 2017	108,427,205	23,565,099
Shares issued	-	-
Share issue costs	-	-
Balance September 30, 2018	108,427,205	\$ 23,565,099

c) Warrants

There are currently no warrants outstanding.

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14. Share Capital (Continued):

d) Share purchase options

The following is a summary of changes in share purchase options from January 1, 2017 to December 31, 2017:

Expiry Date	Exercise Price \$	Number of Options January 1, 2017	Issued	Expired/ Cancelled	Number of Options December 31, 2017
June 20, 2018	0.05	311,850	–	–	311,850
June 20, 2019	0.05	1,434,510	–	–	1,434,510
August 15, 2019	0.07	865,490	–	–	865,490
August 15, 2018	0.05	688,150	–	–	688,150
August 15, 2019	0.05	3,675,000	500,000	(500,000)	3,675,000
		6,975,000	500,000	(500,000)	6,975,000
Wt. Average price		0.05			0.05
Wt. Average remaining life (yrs.)		2.44			1.44

The following is a summary of changes in share purchase options from January 1, 2018 to September 30, 2018:

Expiry Date	Exercise Price \$	Number of Options January 1, 2018	Issued	Expired/ Cancelled	Number of Options September 30, 2018
June 20, 2018	0.05	311,850	–	311,850	–
June 20, 2019	0.05	1,434,510	–	–	1,434,510
August 15, 2019	0.07	865,490	–	–	865,490
August 15, 2018	0.07	688,150	–	688,150	–
August 15, 2019	0.05	3,675,000	–	–	3,675,000
August 15, 2020	0.05	–	1,000,000	–	1,000,000
		6,975,000	1,000,000	1,000,000	6,975,000
Wt. Average price		0.05			0.05
Wt. Average remaining life (yrs.)		2.44			0.98

At the Company's 2017 Annual General Meeting held June 6, 2018 the shareholders approved a new Incentive Stock Option Plan to replace the previous share option plan with a 10% rolling plan whereby the aggregate number of Common Shares that may be reserved for issuance pursuant to options shall not exceed 10% of the issued and outstanding Common Shares of the Company at the time of the granting of options. The Board of Directors is of the view that the New Plan is required in order to provide incentive to the directors, management, employees and consultants of the Company to act in the best interest of the Company and contribute to the future growth and success of the Company.

On April 18, 2017, the Company granted stock options to a new director of the Company to purchase an aggregate of 500,000 common shares in the capital of the Company. The options were granted at an exercise price of \$0.05 per common share expiring on August 15, 2019. The vesting period was waived.

On March 29, 2016, the Company granted stock options to a director and employee of the Company to purchase an aggregate of 1,175,000 common shares in the capital of the Company. The options were granted at an exercise price of \$0.05 per common share expiring on August 15, 2019. The vesting period was waived.

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14. Share Capital (Continued):

d) Share purchase options (continued)

On June 2 and 3, 2016, the Company granted stock options to four directors of the Company to purchase an aggregate of 2,500,000 common shares in the capital of the Company. The options were granted at an exercise price of \$0.05 per common share expiring on August 15, 2019. The vesting period was waived.

On June 2, 2016, the Company modified the terms of 311,850 stock options granted to a consultant of the Company. Originally the options had an exercise price of \$0.05 per common share expiring on June 20, 2016. The options were modified to extend the expiry date to June 20, 2018. The vesting period was waived. No fair value adjustment was made in the statement of operations for this modification. These stock options remained unexercised at the time of expiry.

On June 3, 2016, the Company granted stock options to a consultant of the Company to purchase an aggregate of 500,000 common shares in the capital of the Company at an exercise price of \$0.05 per common share expiring on August 15, 2018. The vesting period was waived. These stock options remained unexercised at the time of expiry.

On August 16, 2016, the Company renewed 188,150 incentive stock options granted to a consultant of the Company. The options were renewed at an exercise price of \$0.05 per common share expiring on August 15, 2018. These stock options remained unexercised at the time of expiry.

On August 16, 2018, the Company renewed 1,000,000 incentive stock options granted to consultants of the Company. The options were renewed at an exercise price of \$0.05 per common share expiring August 15, 2020.

Accordingly, using the Black-Scholes option pricing model, the stock options are recorded at fair value in the statement of operations and comprehensive loss. This amount was recorded as the contributed surplus on the balance sheet.

The following is a summary of stock options outstanding as at September 30, 2018:

Exercise Price	Options outstanding	Remaining Contractual life [years]	Options vested
0.05	1,000,000	1.88	1,000,000
0.05	1,434,510	0.71	1,434,510
0.05	3,675,000	0.88	3,675,000
0.07	865,490	0.88	865,490
	6,975,000		6,975,000

The fair value of the stock options is estimated using the Black-Scholes model with weighted average assumption as follows:

	September 2018	September 2017
Risk free interest rate	2.08	0.64%
Expected life of options in years	2	2.32
Expected volatility	246.44%	197.59%
Dividend per share	\$0.00	\$0.00
Share-based payments	\$26,900	\$12,478

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15. Share-based Reserves:

The continuity is as follows:

	2018	2017
Balance at beginning of the period	\$ 1,577,494	\$ 1,565,016
Share-based payments	26,900	12,478
Balance at end of the period	\$ 1,604,394	\$ 1,577,494

16. Capital Management:

The Company manages its capital structure and makes adjustments to it based on available funds in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its working capital position and capital stock, warrant, and option components of its shareholders' equity.

The Company manages its capital structure in a manner that provides sufficient funding for operational activities. Funds are primarily secured through a combination of equity capital raised by way of issuing equity instruments and external debt. In order to maintain or adjust the capital structure, the Company may attempt to raise additional financing through the issuance of new equity instruments, the exercise of outstanding common share purchase warrants and stock options. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the nine months ending September 30, 2018. The Company is not subject to externally imposed capital requirements.

17. Financial Risk Factors:

The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. The Company does not enter into or trade financial instruments including derivative financial instruments, for speculative purposes.

a) Credit risk

Credit is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Company is of the opinion that credit risk is currently minimal.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity by ensuring there is sufficient capital to meet short and long-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash and cash equivalents. The Company also strives to maintain sufficient financial liquidity at all times in order to participate in investment opportunities as they arise, as well as to withstand sudden adverse changes in economic circumstances.

Management forecasts cash flows for its current and subsequent fiscal years to predict future financing requirements. Future requirements are met through a combination of committed credit facilities to access to capital markets.

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17. Financial Risk Factors (Continued):

b) Liquidity risk (continued)

The following table details the Company's expected remaining contractual maturities for its financial liabilities at September 30, 2018. The table used is based on the undiscounted cash flows of financial liabilities based on the earlier date on which the Company can be required to satisfy the liabilities.

As at September 30, 2018	6 months or less	6 to 12 months	1 to 2 years	Over 2 years	Total
Accounts payable and accrued liabilities, and provisions	\$ 494,748	\$ -	\$ -	\$ -	\$ 494,748
Mortgage payable	4,287	4,288	29,867	-	38,442
Loan Payable	-	330,994	-	-	330,994
Debenture	-	-	1,002,377	-	1,002,377
	\$ 499,035	\$335,282	\$ 1,032,244	\$ -	\$ 1,866,561

c) Interest rate risk

Interest rate risk is the risk borne by an interest-bearing asset or liability as a result of fluctuations in interest rates. The Company currently has no assets or liabilities subject to fluctuating rates of interest and consequently, the Company is of the opinion that interest rate risk is currently nominal.

18. Related Party Transactions:

In addition to balances and transactions described elsewhere in these financial statements, the Company had the following balances with officers and directors of the Company and companies or professional firms with which officers or directors are associated:

	Sept. 30, 2018	Sept. 30, 2017
Companies affiliated with key management personnel ⁽¹⁾	\$ 55,991	\$ 147,635
Companies controlled by directors (payables) ⁽¹⁾	11,550	-
Companies controlled by directors (loan payable)	330,994	945,715
Companies controlled by directors (debenture) Note 12	1,002,377	-
	\$ 1,400,912	\$ 1,093,350

⁽¹⁾ These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

In June 2018, the directors of the Company approved the borrowing of up to \$350,000 at an interest rate of 6% per annum from a company controlled by the Chief Executive Officer of the Company. During 2018 196,000, was advanced to the Company and \$11,300 in accrued interest was recorded for the Nine months ending September 30, 2018.

During the period, the Company incurred the following transactions with officers of the Company and companies or professional firms with which officers are associated:

	Sept. 30, 2018	Sept. 30, 2017
Rent	\$ 4,500	\$ 4,500
Loan	196,000	100,000
Interest on debenture	43,051	40,389
Interest on loan payable	11,300	2,158
Professional fees	11,016	10,521
	\$ 265,867	\$ 157,568

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18. Related Party Transactions (continued):

These transactions are in the normal course of operations and are measured at fair value as determined by management.

Also see notes 10 and 12.

19. Non-cash Transactions:

During the nine months ending September 30, the Company incurred the following non-cash transactions that are not reflected in the statement of cash flows:

	Nine Months Ending	
	Sept 30, 2018	Sept 30, 2017
Depreciation included within exploration and evaluation assets	\$ 2,431	\$ 2,452

20. Additional Information:

The Company will not be proceeding with the contentious Financing reported in the Subsequent Events to the June 30, 2018 financial statements.

On August 28, 2018, Dentons Canada filed a Notice of Civil Claim in the Supreme Court of British Columbia claiming that the Company is indebted to the law firm for legal services totaling \$227,837.35. The Company has filed a Response to Civil Claim disputing the indebtedness and has also filed a Counterclaim against the said law firm.

21. Subsequent Events:

Effective October 2, 2018, directors Dennis Milburn, Donald Willoughby and Edward Robinson resigned and therefore the Special Meeting requisitioned by John Lepinski under Section 143(1) of the Canada Business Corporation Act has been cancelled.