HAPPY CREEK MINERALS LTD.

Financial Statements

For the years ended January 31, 2015 and 2014

(Expressed in Canadian Dollars)

DeVISSER GRAY LLP
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Happy Creek Minerals Ltd.,

We have audited the accompanying financial statements of Happy Creek Minerals Ltd. which comprise the statements of financial position as at January 31, 2015 and 2014, and the statements of loss and comprehensive loss, cash flows and changes in equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Happy Creek Minerals Ltd. as at January 31, 2015 and 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 in the financial statements which indicates the Company has limited working capital, limited sources of revenue, and is dependent upon its ability to secure new sources of financing. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

De Visser Gray LLP

CHARTERED ACCOUNTANTS
Vancouver, BC
May 28, 2015

HAPPY CREEK MINERALS LTD.
Statements of Financial Position
January 31, 2015 and 2014

	Note	January 31, 2015	January 31, 2014
ASSETS			
Current assets			
Cash and cash equivalents		$ 134,136	$ 207,689
Amounts receivable	5	5,202	16,068
Mineral exploration tax credits receivable	5	3,365	3,365
Prepaid expenses		11,796	14,808
Total current assets		154,499	241,930
Non-current assets			
Equipment	6	7,897	14,149
Reclamation deposits	7	62,000	62,000
Marketable securities		7,000	10,000
Exploration and evaluation properties	8	13,068,730	13,027,565
Total non-current assets		13,145,627	13,113,714
Total assets		$ 13,300,126	$ 13,355,644
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other accounts payable	9	$ 49,703	$ 126,574
Non-current liabilities			
Deferred tax liability	11	841,302	965,750
Total liabilities		891,005	1,092,324
Equity			
Share capital	10	16,002,633	15,507,483
Share option reserve	10	1,731,375	1,662,181
Deficit		(5,300,092)	(4,881,782)
Accumulated other comprehensive loss		(24,795)	(24,562)
Total equity		12,409,121	12,263,320
Total equity and liabilities		$ 13,300,126	$ 13,355,644
Going concern	2		
Commitments	15		
Subsequent events	16		

These financial statements are authorized for issue by the Board of Directors on May 28, 2015.

Approved by the Board of Directors:

"David Blann" Director *"Rodger Gray"* Director

HAPPY CREEK MINERALS LTD.
Statements of Loss and Comprehensive Loss
January 31, 2015 and 2014

	Note	Years ended January 31, 2015	2014
Revenue			
Interest income		$ 1,052	$ 6,998
Other expenses			
Advertising and promotion		113,536	151,905
Conferences and travel		10,734	26,887
Management fees and salaries	12	217,957	178,897
Share-based payments	12	69,194	41,506
Office and administration		87,612	101,545
Professional fees		32,010	39,265
		531,043	540,005
Loss before other item		(529,991)	(533,007)
Write-off of deposit		(10,000)	-
Loss before income taxes		(539,991)	(533,007)
Provision for income taxes			
Deferred income tax recovery (expense)	11	121,681	(385,191)
Net loss for the year		(418,310)	(918,198)
Unrealized loss on available for sale financial assets, net of tax		(233)	(10,000)
Comprehensive loss for the year		$ (418,543)	$ (928,198)
Basic and diluted loss per share		$ (0.01)	$ (0.02)
Weighted average number of shares outstanding		60,042,261	57,486,493

The accompanying notes are an integral part of these financial statements

HAPPY CREEK MINERALS LTD.
Statements of Cash Flows
January 31, 2015 and 2014

	Years Ended January 31, 2015	2014
CASH AND CASH EQUIVALENTS FROM (USED IN) OPERATING ACTIVITIES		
Net loss for the year	$ (418,310)	$ (918,198)
Items not involving cash:		
Deferred income tax (recovery) expense	(121,681)	385,191
Depreciation	6,252	1,630
Share-based payments	69,194	41,506
Write-off of deposit	10,000	-
	(454,545)	(489,871)
Changes in non-cash working capital items:		
Receivables	10,866	21,990
Prepaid expenses	3,012	7,845
Trade and other accounts payable	(61,690)	40,220
	(502,357)	(419,816)
FINANCING ACTIVITIES		
Issuance of shares	500,400	-
Share issuance costs	(5,250)	-
	495,150	-
INVESTING ACTIVITIES		
Expenditures on exploration and evaluation properties	(93,462)	(510,588)
Mineral property option payments	(15,000)	(10,000)
Mineral exploration tax credits ("METC") received	42,116	-
Purchase of equipment	-	(1,921)
Reclamation deposits	-	(2,500)
	(66,346)	(525,009)
Decrease in cash and cash equivalents	(73,553)	(944,825)
Cash and cash equivalents, beginning of year	207,689	1,152,514
Cash and cash equivalents, end of year	$ 134,136	$ 207,689
Supplemental Cash Flow Information:		
Depreciation capitalized to exploration and evaluation properties	$ -	$ 4,623
Accounts payable related to exploration and evaluation costs	$ 14,459	$ 39,640
Cash and cash equivalents consist of:		
Cash	$ 107,339	$ 175,224
Money market fund	26,797	32,465
	$ 134,136	$ 207,689

The accompanying notes are an integral part of these financial statements

HAPPY CREEK MINERALS LTD.
Statements of Changes in Equity
January 31, 2015 and 2014

	Common Shares		Share Option	Accumulated Other Comprehensive		
	Number	Amount	Reserve	Loss	Deficit	Total Equity
February 1, 2013	57,286,630	$ 15,442,857	$ 1,620,675	$ (14,562)	$ (3,963,584)	$ 13,085,386
Common shares issued for mineral properties	425,000	64,626	-	-	-	64,626
Share-based payments	-	-	41,506	-	-	41,506
Net loss for the year	-	-	-	-	(918,198)	(918,198)
Other comprehensive loss	-	-	-	(10,000)	-	(10,000)
January 31, 2014	57,711,630	$ 15,507,483	$ 1,662,181	$ (24,562)	$ (4,881,782)	$ 12,263,320
February 1, 2014	57,711,630	$ 15,507,483	$ 1,662,181	$ (24,562)	$ (4,881,782)	$ 12,263,320
Common shares issued for mineral properties	3,336,001	500,400	-	-	-	500,400
Share issuance costs	-	(5,250)	-	-	-	(5,250)
Share-based payments	-	-	69,194	-	-	69,194
Net loss for the year	-	-	-	-	(418,310)	(418,310)
Other comprehensive loss	-	-	-	(233)	-	(233)
January 31, 2015	61,047,631	$ 16,002,633	$ 1,731,375	$ (24,795)	$ (5,300,092)	$ 12,409,121

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS

Happy Creek Minerals Ltd. ("Happy Creek" or the "Company") was incorporated under the laws of British Columbia on November 17, 2004 and is in the exploration stage of the development of its mineral property interests. The Company's registered office is Suite 460 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

The Company's principal business activity is the exploration and development of mineral properties. At the date of these financial statements, the Company has not been able to identify a known body of commercial grade ore on any of its properties and the ability of the Company to recover the costs it has incurred to date on these properties is dependent upon the Company being able to identify a commercial ore body, to finance its exploration and development costs and to resolve any environmental, regulatory, or other constraints which may hinder the successful development of the property. The Company is in the development stage with no source of operating revenue and is dependent upon equity financing on terms that are acceptable to the Company, to maintain its current operations. The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol "HPY.V".

2. GOING CONCERN

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties (as described in Note 1) related to events or conditions that cast significant doubt upon the Company's ability to continue as a going concern.

The Company's ability to continue to meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and on securing additional financing. There is, however, no assurance that any such initiatives will be sufficient and, as a result, there is significant doubt regarding the going concern assumption and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations for the foreseeable future. These adjustments could be material.

3. BASIS OF PRESENTATION

These financial statements have been prepared on a historical cost basis. In addition these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The accounting policies below have been applied to all periods presented in these financial statements and are based on International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretation Committee ("IFRIC").

The policies applied in these financial statements are based on IFRS issued and outstanding as of January 31, 2015.

3.1. Basis of measurement

These financial statements have been prepared using the measurement basis specified by IFRS for each type of asset, liability, revenue and expense. Certain items are stated at fair value.

3.2. Significant judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

(i) Going concern
The assessment of the Company's ongoing viability as an operating entity and determination of the related disclosures require significant judgment.

(ii) Exploration and evaluation properties and impairment
The Company is required to make significant judgments regarding the capitalization of the costs incurred in respect to its exploration and evaluation properties. The Company is also required to make significant judgments on the ongoing feasibility of mineral exploration, and whether there are indicators that the development of a specific area is unlikely and exploration and evaluation properties should be impaired. Management has assessed impairment indicators on the Company's exploration and evaluation properties and has concluded that no impairment indicators existed as of January 31, 2015.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash within ninety days of purchase.

4.2 Equipment

Equipment is recorded at cost and carried net of accumulated depreciation and accumulated impairment losses. Costs of additions and improvements are capitalized. An item of equipment is derecognized upon disposal, or impaired when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss on disposal of the asset, determined as the difference between the proceeds and the carrying amount of the asset is recognized in profit or loss.

	Depreciation Rate
Computer equipment	45%
Off-road vehicle	12%
Mobile equipment	20%

The Company provides for depreciation using the straight-line method at rates designed to depreciate the cost of individual items over their estimated useful lives. Depreciation on operating assets is included in the statements of loss and comprehensive loss as a component of office and administration expenses. Depreciation on assets utilized in mineral exploration activities is capitalized as a cost of exploration and evaluation properties.

4.3 Exploration and Evaluation Properties

(i) Pre-license costs:
Costs incurred before the Company has obtained the legal right to explore are expensed as incurred.

(ii) Exploration and evaluation costs:
Once the legal right to explore has been acquired, exploration and evaluation expenditures are capitalized as incurred, unless future economic benefit is not expected to be realized. The Company capitalizes, on a property by property basis, the costs of acquiring, maintaining its interest in, and exploring and evaluating mineral properties until such time as the lease expires, it is, abandoned, sold or considered impaired in value. Indirect administrative costs are expensed as incurred. Exploration and evaluation properties are not depreciated during the exploration and evaluation stage.

Recovery of capitalized costs is dependent on successful development of economic mining operations or the disposition of the related mineral property.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company’s title. Such properties may be subject to prior agreements or transfers, non-compliance with regulatory requirements or title may be affected by undetected defects.

4.4 Decommissioning and Restoration

The Company is subject to various governmental laws and regulations relating to the protection of the environment. The environmental regulations are continually changing and are generally becoming more restrictive.

Decommissioning and restoration obligations encompass legal, statutory, contractual or constructive obligations associated with the retirement of a long-lived tangible asset (for example, mine reclamation costs) that results from the acquisition, construction, development and/or normal operation of a long-lived asset. The retirement of a long-lived asset is reflected by an other-than-temporary removal from service, including sale of the asset, abandonment or disposal in some other manner.

The fair value of a liability for decommissioning and restoration is recorded in the period in which the obligation first arises. The Company records the estimated present value of future cash flows associated with site closure and reclamation as a long-term liability and increases the carrying value of the related assets for that amount. Over time, the liability is increased to reflect an interest element in the estimated future cash flows (accretion expense) considered in the initial measurement of fair value. The capitalized cost is depreciated on either the unit-of-production basis or the straight-line basis, as appropriate. The Company's estimates of its provision for decommissioning and restoration obligations could change as a result of changes in regulations, changes to the current market-based discount rate, the extent of environmental remediation required, and the means of reclamation or cost estimates. Changes in estimates are accounted for in the period in which these estimates are revised.

As at January 31, 2015, the Company has determined that it does not have any decommissioning and restoration obligations related to current or former operations in excess of the reclamation bonds held by the B.C. Ministry of Energy and Mines.

4.5 Impairment of Non-Financial Assets

For the purposes of assessing impairment, the recoverable amount of an asset, which is the higher of its fair value less costs to sell and its value in use, is estimated.

4.6 Provisions

Liabilities are recognized when the Company has a present obligation (legal or constructive) 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. A provision is a liability of uncertain timing or amount.

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 the current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as a financing expense.

4.7 Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current tax assets and liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects taxable profit or accounting profit. Deferred tax liabilities on temporary differences associated with shares in subsidiaries and joint ventures is not provided for if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are likely to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that includes the substantive enactment date. Deferred tax assets are recognized for all temporary differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same entity or different entities which intend to settle current tax assets and liabilities on a net basis or simultaneously in each future period in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

4.8 Flow-through Shares

Canadian tax legislation permits a company to issue flow-through shares whereby the deduction for tax purposes relating to qualified resource expenditures could be claimed by the investors rather than the company.

A flow-through common share comprises both the transfer of income tax deductions equal to the proceeds received on issue, and a common share with a deemed cost for tax purposes of nil. The issuer of these shares allocates the proceeds to their liability and equity components according to the respective fair values of each at the date of issuance, with the tax attribute considered a liability to the extent that a premium to market is obtained for the shares. Upon satisfaction of the spending requirements associated with the flow-through share agreements, a proportionate amount of the related flow-through liability recognized in previous periods in the statement of financial position will be reversed and the related deferred tax liability will be recognized. Any difference between the liability settled and the deferred tax liability recognized is accounted for as other income or income tax expense.

4.9 Share-based Payments

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled transactions and, when determinable, are recorded at the value of the goods and services received. If the value of the goods and services received are not determinable, then the fair value of the share-based payment is used.

The Company uses a fair value based method (Black-Scholes Option Pricing Model) for all share options granted to directors, employees and certain non-employees. For directors and employees, the fair value of the share options is measured at the date of grant. For grants to non-employees where the fair value of the goods or services is not determinable, the fair value of the share options is measured on the date the services are received.

The fair value of share-based payments is charged either to profit or loss or exploration and evaluation properties, with the offsetting credit to share option reserve. For directors, employees and consultants, the share options are recognized over the vesting period based on the best available estimate of the number of share options expected to vest. If options vest immediately, the expense is recognized when the options are issued. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods where vested. For non-employees, the share options are recognized over the related service period. When share options are exercised, the amounts previously recognized in share option reserve are transferred to share capital.

In the event share options are forfeited prior to vesting, the associated fair value recorded to date is reversed. The fair value of any vested share options that expire remain in share option reserve.

4.10 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.

4.11 Earnings (Loss) per Share

Basic earnings (loss) per share is computed by dividing net income (loss) (the numerator) by the weighted average number of outstanding common shares for the period (denominator). In computing diluted earnings per share, an adjustment is made for the dilutive effect of outstanding share options, warrants and other convertible instruments.

In the periods when the Company reports a net loss, the effect of potential issuances of shares under share options and other convertible instruments is anti-dilutive. Therefore basic and diluted loss per share are the same. When diluted earnings per share is calculated, only those share options and other convertible instruments with exercise prices below the average trading price of the Company's common shares for the period will be dilutive.

During the years ended January 31, 2015 and 2014, all the outstanding share options and warrants were anti-dilutive.

4.12 Financial Instruments - Recognition and Measurement

Non-derivative financial assets and financial liabilities
The Company classifies financial assets as financial assets at fair value through profit or loss, held-to-maturity investments or loans and receivables. Available-for-sale financial assets are those financial assets that are not classified as any of the above. Financial liabilities are either classified as financial liabilities at fair value through profit or loss or as other financial liabilities.

Financial assets and financial liabilities are recognized initially at fair value.

Financial assets and financial liabilities at fair value through profit or loss are subsequently measured at fair value with changes in fair values recognized in profit or loss.

Financial assets classified as available for sale are subsequently measured at fair value with changes in fair value recognized in other comprehensive income.

Loans and receivables, held-to-maturity investments and other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, reclamation deposits, marketable securities, and trade and other accounts payable.

Cash and cash equivalents and reclamation deposits are classified as fair value through profit or loss and amounts receivable are classified as loans and receivables. Marketable securities are classified as available for sale. Trade and other accounts payable are classified as other financial liabilities.

Transaction costs, other than those related to financial instruments classified as financial assets and financial liabilities at fair value through profit or loss, are added to the fair value of the financial asset and financial liability on initial recognition.

4.13 Share Issuance Costs

Share issue costs, which include commissions, facilitation payments, professional fees and regulatory fees, are charged directly to share capital. Share issue costs incurred from the issuance of flow-through shares are charged directly to share capital and expense in proportion to the value of the Company's shares at time of issue and any flow-through share premium.

4.14 Comprehensive Income (Loss)

Total comprehensive income comprises all components of profit or loss and other comprehensive income. Other comprehensive income includes items such as gains and losses from translating the financial statements of a foreign operation, gains and losses on re-measuring available-for-sale financial assets and the effective portion of gains and losses on hedging instruments in a cash flow hedge.

4.15 Changes in Accounting Standards

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

Accounting Standards Issued and Effective January 1, 2015 or Later
IFRS 9 Financial Instruments replaces the current standard *IAS 39 Financial Instruments: Recognition and Measurement*, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value.

5. RECEIVABLES

The Company has amounts receivable from the Province of British Columbia and the Government of Canada due to statutory credits and refunds. These receivables are not financial assets.

6. EQUIPMENT

		Computer equipment		Off-road vehicle		Mobile equipment		Total
Cost								
Balance, February 1, 2013	$	3,180	$	18,818	$	23,965	$	45,963
Additions		1,921		-		-		1,921
Balance, January 31, 2014		5,101		18,818		23,965		47,884
Accumulated depreciation								
Balance, February 1, 2013	$	3,180	$	15,509	$	8,793	$	27,482
Depreciation for the year		432		1,029		4,792		6,253
Balance, January 31, 2014		3,612		16,538		13,585		33,735
Net book value		1,489		2,280		10,380		14,149

		Computer equipment		Off-road vehicle		Mobile equipment		Total
Cost								
Balance, February 1, 2014 and January 31, 2015	$	5,101	$	18,818	$	23,965	$	47,884
Accumulated depreciation								
Balance, February 1, 2014	$	3,612	$	16,538	$	13,585	$	33,735
Depreciation for the year		432		1,028		4,792		6,252
Balance, January 31, 2014		4,044		17,566		18,377		39,987
Net book value		1,057		1,252		5,588		7,897

7. RECLAMATION DEPOSITS

As at January 31, 2015, the Company had reclamation deposits held in trust by the Province of British Columbia totalling $62,000 (January 31, 2014 - $62,000) with regards to its exploration of properties in British Columbia.

8. EXPLORATION AND EVALUATION PROPERTIES

The following table summarizes the capitalized costs associated with the Company's exploration and evaluation properties:

	Cariboo properties British Columbia	Highland Valley properties British Columbia	Revelstoke properties British Columbia	Total
February 1, 2013	$ 5,444,384	$ 6,843,815	$ 131,567	$ 12,419,766
Acquisition Costs				
Option and acquisition costs	-	74,625	-	74,625
Exploration Costs				
Assaying and petrographic	53,940	11,620	-	65,560
Geophysics	930	-	-	930
Communications	4,424	1,276	-	5,700
Field supplies	1,574	1,469	-	3,043
Geological and consulting (Note 12)	87,154	49,223	2,300	138,677
Depreciation of field equipment	2,861	1,762	-	4,623
Mineral tenure costs	2,102	2,272	-	4,374
Field support and drilling	273,210	32,325	-	305,535
Travel and accomodation	102	1,934	-	2,036
Insurance - mobile equipment	2,169	527	-	2,696
January 31, 2014	5,872,850	7,020,848	133,867	13,027,565
Acquisition Costs				
Option and acquisition costs	300	16,404	-	16,704
Exploration Costs				
Assaying and petrographic	4,258	4,994	1,323	10,575
Communications	300	500	250	1,050
Field supplies	2,748	1,793	-	4,541
Geological and consulting (Note 12)	15,942	13,078	3,562	32,582
Mineral tenure costs	778	-	72	850
Field support and drilling	8,854	4,375	-	13,229
Travel and accomodation	1,380	-	-	1,380
Insurance - mobile equipment	1,185	1,185	-	2,370
BC METC	(42,116)	-	-	(42,116)
January 31, 2015	$ 5,866,479	$ 7,063,177	$ 139,074	$ 13,068,730

As at January 31, 2015, cumulative METC rebates offset against deferred exploration and evaluation property costs totalled $866,299 (January 31, 2014 - $824,183).

The Company is required by the Government of British Columbia to incur a minimum amount of expenditures to maintain concessions. The minimum expenditure amount is based on the number of tenures and the length of time that the right to each concession has been held. Expenditures in excess of the required annual minimum may be carried over to future years and, subject to certain conditions, to other mineral tenures located in B.C.

8.1 Highland Valley Properties

8.1.1 Rateria

In 2004, the Company acquired an option, subsequently completed, to earn a 100% interest in the Rateria Property, comprised of 7 mineral claims located 10 kilometres south of the Highland Valley copper molybdenum concentrator near Logan Lake, British Columbia. To earn its interest the Company paid $155,000 cash, issued 950,000 shares, and incurred $500,000 in exploration expenditures prior to December 31, 2007. These claims are also subject to a 2.5% net smelter returns ("NSR") royalty capped at $3,000,000. The Company may at any time buy back 1% of the NSR for $2,000,000. During the year ended January 31, 2009 the Company also purchased a 100% interest in four additional mineral claims for a total of $25,750 cash. Two of the claims are subject to a 2.5% NSR, which the Company can purchase for $3,000,000. Currently, the property is comprised of 39 claims totaling approximately 6,266 hectares.

8.1.2 West Valley

During the year ended January 31, 2009, the Company purchased for $25,000 cash a 100% interest in a group of 43 mineral claims known as the West Valley Property, which lies to the west of the Rateria Properties. The Company subsequently purchased 9 additional contiguous claims for $7,500. Currently, the property is comprised of 51 claims totaling approximately 9,569 hectares.

8.1.3 BX Property

On June 6th, 2011, the Company announced that it had negotiated an Option agreement with an arm's length party to earn a 100% interest in the BX property, which is approximately 11.5 square kilometres in area and adjoins Teck's Highland Valley Copper mine property. The Company was granted the exclusive right to acquire an undivided 100% interest in the BX property over a three year period by paying a total of $130,000 in cash ($20,000 paid to date), issuing a total of 500,000 in shares (50,000 issued to date) and incurring a total of $400,000 in exploration expenditures. Upon vesting of the Company's interest, the Optionor would hold a 2% NSR, and the Company would have the right to purchase 1% of the NSR by paying $1,000,000 in cash to the Optionor. During the period of the option agreement the vendor allowed the related clams to lapse, resulting in a loss of the BX property. Accordingly, the Company wrote off all $130,600 in costs that had been incurred on the property to January 31, 2012.

On April 2, 2012, the Company reached a settlement agreement whereby the vendor paid $35,000, returned to the Company the common shares issued to date and transferred to the Company a 100% interest in certain B.C. mineral properties (refer to Note 8.3). The $35,000 and the 50,000 shares (issued at an original value of $10,500) were recovered in current income. The Company has elected to record no amount in respect to the mineral property interests received.

8.1.4 Abbott Lake Property

On May 30, 2012, the Company acquired an option to earn a 100% interest in the Abbott Lake Property, comprised of 8 mineral claims that adjoin the south side of the Company's West Valley property. To earn its interest the Company must pay $15,000 cash (paid) and issue, in aggregate, 350,000 shares (issued). These claims are also subject to a 0.5% NSR royalty. The Company completed the terms of the agreement in October, 2013 and has earned a 100% interest. Currently, the property is comprised of 8 claims totaling approximately 2,911 hectares.

8.1.5 Tyner Lake Property

On September 27, 2013, the Company acquired an option to earn a 100% interest in the Tyner Lake Property, comprised of 18 mineral claims totaling 2,250 hectares. To earn its interest the Company must pay $30,000 cash ($10,000 paid) and issue 500,000 shares (250,000 issued). The balance of the cash and share payments must be made within one year of the anniversary date. These claims are also subject to a 2% NSR royalty.

The Company and the Optionor amended the original agreement in February 2014. To earn its 100% interest, the Company paid $25,000 cash and issued 250,000 shares.

8.2 Cariboo District

In 2005, the Company acquired from three individuals, including two directors of the Company, a 100% interest in five mineral properties located in the Cariboo Region, approximately 80 kilometres northeast of 100 Mile House, British Columbia. To acquire its interest the Company issued 5,000,000 common shares and paid $25,000 to the optionors, and spent $160,000 on exploration. The acquisition is subject to a 2.5% NSR, of which 1% can be bought back by the Company for $2,000,000.

The Property is comprised of 5 groups of claims known as the Silverboss (31 claims totaling 8,088 hectares), Fox (38 claims totaling 16,651 hectares), Hen, Art-DL (13 Hen and Art-DL claims totaling 6,704 hectares) and Hawk (22 claims totaling 1,897 hectares) claim groups.

8.2.1 Gus Property
In 2007, the Company entered into an option agreement to earn a 100% interest in the Gus Property, located in the Cariboo Region approximately 80 kilometres northeast of 100 Mile House, British Columbia. During the year ended January 31, 2011, the Company issued an additional 100,000 shares to the optionor for a total of 300,000 shares to date and made additional cash payments of $20,000 for a total of $50,000 cash paid to date. This completes all necessary obligations under the agreement. The Company now holds a 100% interest in the claims subject to a 1.5% NSR, which the Company can buy back at any time for $1,500,000. Currently, this property is comprised of 3 claims totaling approximately 913 hectares.

8.2.2 Grey Property
In 2007, the Company entered into an option agreement to earn a 100% interest in the Grey Property, located in the Clinton Mining Division, British Columbia. To acquire its interest, the Company agreed to issue 300,000 common shares and pay $100,000 to the optionors over a five year period. During the year ended January 31, 2011, the Company completed all obligations under this agreement and acquired a 100% in the property by issuing an additional 150,000 common shares and paying $60,000 in cash. The claims are subject to a 2% NSR, of which 1% can be bought out by the Company for $1,000,000. Currently, this property is comprised of 3 claims totaling approximately 599 hectares.

8.2.3 Eye claim option
On July 20th 2011, the Company announced it had granted an Option to Newmont Mining Corporation (Newmont) to acquire the Company's Eye mineral claim in south central British Columbia, Canada. To earn a 100% interest in the Eye property, Newmont must pay the Company a total of $368,000 in cash and perform $280,000 in exploration in stages over a five year period. If Newmont elects to purchase the property it will grant to the Company an NSR of 0.5%, subject to a cap of $1.5 million. In addition, Newmont was to assume the underlying royalty obligations to the previous owner of the property. In June 2013, Newmont dropped its option on the Eye property. Currently, the Company retains this claim, totaling 119 hectares.

8.3 Revelstoke District Properties

As part of the settlement with the vendor of the BX property (refer to Note 8.1.3), the Company received 100% interest in 17 claims known as the Silver Dollar Property, located in the Revelstoke Mining District of British Columbia. Currently, the property is comprised of 16 claims totaling approximately 2,098 hectares.

During the year ended January 31, 2013 the Company acquired from unrelated parties a 100% interest in 18 additional contiguous mineral claims in consideration for $10,150 cash. Currently, the property is comprised of 16 claims totaling approximately 1,696 hectares.

9. TRADE AND OTHER ACCOUNTS PAYABLE

	January 31, 2015		January 31, 2014	
Financial liabilities				
Trade payables	$	17,006	$	90,496
Payroll accruals		10,197		6,078
Accrued liabilities		22,500		30,000
	$	49,703	$	126,574

All amounts are short term. The carrying value of trade payables, payroll accruals and accrued liabilities is considered a reasonable approximation of fair value.

10. EQUITY

10.1 Authorized Share Capital

Unlimited number of common shares with no par value.

10.2 Shares Issued

Shares issued and outstanding as at January 31, 2015 are 61,047,630 (January 31, 2014 – 57,711,630).

During the year ended January 31, 2015, the following share transactions occurred:

i. On May 21, 2014, the Company completed a non-flow-through private placement, issuing a total of 3,336,001 units of the Company at a subscription price of $0.15 per unit for gross proceeds of $500,400. Each unit consists of one common share of the Company and one-half of one share purchase warrant exercisable into a common share of the Company at a price of $0.20 for one year after closing of the private placement. The Company paid a cash finder's fee of $5,250 pursuant to this private placement.

During the year ended January 31, 2014, the following share transactions occurred:

ii. The Company issued 425,000 shares with a value of $64,626 to fulfill its obligations to earn a 100% interest in the Abbott Lake property (refer to Note 8.1.4) and Tyner Lake property (refer to Note 8.1.5).

10.3 Warrants

The following warrants were outstanding:

	Warrants	Weighted Average Exercise Price
January 31, 2013	9,492,667	$ 0.37
Expired/cancelled	(8,597,667)	0.38
January 31, 2014	895,000	0.41
Issued	1,668,000	0.20
Expired/cancelled	(895,000)	0.37
January 31, 2015	1,668,000	$ 0.20

Expiry date	Number of warrants	Weighted average exercise price
May 21, 2016	1,668,000	$ 0.20

See Note 16.

10.4 Share-based Compensation

The Company has adopted an incentive share option plan for the benefit of directors, officers and employees, which options to acquire up to 10% of the issued share capital, at the award date, may be granted to eligible optionees from time to time. Additional shares have also been issued to consultants of the Company, as part of their compensation arrangement. Share options granted have a term of between one and five years, vest immediately or over time and have an exercise price determined by the directors. The Company's policy is that the exercise price may not be less than the closing quoted price of the Company's common shares traded through the facilities of the exchange on which the Company's common shares are listed.

Total share options granted during the year ended January 31, 2015 were 2,925,000 (year ended January 31, 2014 – 950,000). Total share-based payments recognized for the fair value of share options granted, vested and approved by the shareholders during the year ended January 31, 2015 was $69,194 (year ended January 31, 2014 - $41,506).

The fair value of the share options granted during the year ended January 31, 2015 and the year ended January 31, 2014 was estimated on the date of grant using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

	Year Ended January 31, 2015	Year Ended January 31, 2014
Strike price	$0.18	$0.22
Risk free interest rate	1.06 - 1.11%	1.19%
Expected option life (years)	2.83 - 3	0.84
Expected stock price volatility	70.79 - 80.48%	80%
Dividend payments during life of option	Nil	Nil
Expected forfeiture rate	Nil	Nil

Option pricing models require the input of highly speculative assumptions, including the expected future price volatility of a company's shares. Expected volatility has been estimated based on historical volatility. Changes in these assumptions can materially affect the fair value estimate and, therefore, existing models do not necessarily provide a reliable single measure of the fair value of the Company's share options.

The following stock options issued under the employee stock option plan were outstanding:

	Options	Weighted average exercise price
January 31, 2013	4,500,000	$ 0.22
Issued	950,000	0.20
Expired	(2,175,000)	0.21
January 31, 2014	3,275,000	0.19
Issued	2,925,000	0.18
Expired	(1,875,000)	0.18
January 31, 2015	4,325,000	$ 0.19

At January 31, 2015, the weighted average remaining life of the outstanding options was 2.00 years (2014 – 0.78 years).

Outstanding			**Vested**		
Number of options	**Weighted average exercise price**	**Weighted average remaining contractual life (years)**	**Number of options**	**Weighted average exercise price**	**Weighted average remaining contractual life (years)**
200,000	0.18	0.45	200,000	0.18	0.45
250,000	0.23	0.77	250,000	0.23	0.77
750,000	0.20	0.40	750,000	0.20	0.40
200,000	0.20	0.56	200,000	0.20	0.56
2,850,000	0.18	2.72	1,124,998	0.18	2.72
75,000	0.18	2.72	75,000	0.18	2.72
4,325,000	0.19	2.00	2,599,998	0.19	1.52

10.5 Agent Options

	Options	Weighted average exercise price
January 31, 2013	841,466	$ 0.31
Expired	(841,466)	0.31
January 31, 2014 and 2015	**-**	**$ -**

11. INCOME TAXES

The income tax provision differs from the amount computed by applying the statutory rates to pre-tax income as a result of the following:

For the year ended January 31,	2015	2014
Expected tax recovery at a rate of 26.00% (2014 - 25.83%)	$ **140,398**	$ 137,693
Increase (decrease) resulting from:		
Non-deductible expenses, net	**(19,616)**	(11,143)
Share issuance costs	**37,187**	36,679
Flow-through share premiums recognized in income	-	39,308
Deferred taxes applicable to flow-through expenditures	**124,447**	(600,588)
Effect of tax rate changes	-	12,860
Valuation allowance	**(160,735)**	-
Income tax recovery (expense)	$ **121,681**	$ (385,191)

The deferred tax liability is comprised of the following tax effected temporary differences:

As at January 31,	2015	2014
Exploration and evaluation properties	$ **2,311,852**	$ 2,311,852
Non-capital lossess carried forward	**(1,438,760)**	(1,280,507)
Marketable securities	**(3,705)**	(3,315)
Equipment	**(10,480)**	(8,854)
Cumulative eligible capital carried forward	**(140)**	(140)
Share issuance costs	**(17,465)**	(53,286)
Net recognized deferred tax liability	$ **841,302**	$ 965,750

The Company has Canadian non-capital losses of $5,553,695 for income tax purposes which expire as follows:

Year of origin	Non-capital loss	Year of expiry
2006	$ 37,679	2026
2007	373,798	2027
2008	624,065	2028
2009	609,444	2029
2010	571,196	2030
2011	772,131	2031
2012	638,908	2032
2013	665,959	2033
2014	632,942	2034
2015	607,573	2035
	$ 5,533,695	

12. RELATED PARTY TRANSACTIONS AND BALANCES

Relationships	**Nature of the relationship**
1820546 Ontario Inc. (“1820546 Ontario”)	1820546 Ontario is a private company controlled by a former director of the Company. 1820546 Ontario provided consulting services to the Company.
Standard Metals Exploration Ltd. (“Standard”)	Standard is a private company controlled by an officer and director of the Company. Standard provides geological exploration and management consulting services to the Company.
Key management	Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and include the President and Chief Executive Officer, Directors, Chief Financial Officer, and Senior Geologist.

Services provided for the year ended January 31, 2014	Geological exploration services	Management services	Consulting services
1820546 Ontario	$ -	$ -	$ 24,000
Standard	61,480	57,725	-
	$ 61,480	$ 57,725	$ 24,000

Services provided for the year ended January 31, 2015	Geological exploration services	Management services	Consulting services
Standard	$ 22,194	$ 70,000	$ -

Key management compensation includes:

	Year ended January 31, 2015	Year ended January 31, 2014
Management fees	$ 48,000	$ 60,000
Share-based payments	37,225	15,292
	$ 85,225	$ 75,292

These transactions were in the normal course of operations.

13. MANAGEMENT OF CAPITAL

The Company defines capital that it manages as its cash and cash equivalent and share capital.

The Company's objective when managing capital is to maintain corporate and administrative functions necessary to support the Company's operations and corporate functions; to perform mineral exploration activities on the Company's exploration projects; and to seek out and acquire new projects of merit.

The Company manages its capital structure in a manner that provides sufficient funding for operational and capital expenditure activities. Funds are secured, when necessary, through debt funding or equity capital raised by means of private placements. There can be no assurances that the Company will be able to obtain debt or equity capital in the case of working capital deficits.

The Company does not pay dividends and has no long-term debt or bank credit facility. The Company is not subject to any externally imposed capital requirements.

There have not been any changes to the Company's capital management policy during the year.

14. RISK MANAGEMENT

14.1 Financial Risk Management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

a. Capital Risk
The Company manages its capital to ensure that there are adequate capital resources for the Company to maintain title to and explore its mineral properties. The capital structure of the Company consists of cash and cash equivalents and share capital.

b. Credit Risk
Credit risk is the risk that a counter party will be unable to pay any amounts owed to the Company. Management's assessment of the Company's exposure to credit risk is low.

c. Liquidity Risk
Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at January 31, 2015, the Company's working capital is $104,796, and it does not have any long term monetary liabilities. The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at January 31, 2015, the Company had cash and cash equivalents of $134,136 to settle current liabilities of $49,703.

d. Market Risk
Market risk incorporates a range of risks. Movements in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities. The Company is exposed to

these risks as the ability of the Company to develop or market its properties and the future profitability of the Company is related to the market price of certain minerals such as copper, molybdenum, tungsten, gold and silver.

14.2 Fair Values

The carrying values of cash and cash equivalents, amounts receivable (excluding GST), reclamation bonds, marketable securities and trade and other accounts payable approximate fair values due to their short-term to maturity nature or the ability to readily convert to cash.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. All financial instruments are classified as Level 1 items.

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

15. COMMITMENTS

15.1 Lease Commitment

The Company has an operating lease for office premises that has a two-year term, expiring on November 30, 2016. Monthly lease payments include rent, operating costs and property taxes. The minimum annual payments for the remaining period are as follows:

Fiscal Year	Amount	
2016	$	28,866
2017		24,055
	$	52,921

15.2 Termination of Service Agreements

The Company has a management and administrative services agreement with its President and CEO. In the event that the Company terminates this agreement without cause, it must make a lump sum payment of $120,000, based on his current salary, to the President and CEO.

The Company has a professional services agreement with its CFO. In the event that the Company terminates this agreement, it must make a final payment of $5,000 to the CFO.

16. SUBSEQUENT EVENTS

The following events occurred subsequent to January 31, 2015:

- The expiry date of 1,668,000 share purchase warrants issued pursuant to the May 21, 2014 private placement was extended by one year from May 21, 2015 to May 21, 2016.
- The Company granted 500,000 share purchase options exercisable into common shares of the Company at a price of $0.18 for a period of three years.
- On May 22, 2015, the Company completed a private placement of 1,090,000 non-flow-through units at a price of $0.15 per unit, receiving $163,500 in gross proceeds. Each unit consists of one common share and one-half of one share purchase warrant exercisable into a common share of the Company at a price of $0.20 for three years after closing of the private placement.

HAPPY CREEK MINERALS LTD.
FORM 51-102F1
MANAGEMENT'S DISCUSSION and ANALYSIS
For the Years Ended January 31 2015 and 2014

Overview

This Management's Discussion and Analysis ("MD&A") provides relevant information on the operations and financial condition of Happy Creek Minerals Ltd., ("Happy Creek" or the "Company") for years ended January 31, 2015 and 2014. This MD&A has been prepared by management as of May 28, 2015 and includes information up to that date.

The MD&A supplements, but does not form part of, the audited financial statements of the Company for the years ended January 31, 2015 and 2014. The following MD&A should be read in conjunction with the audited financial statements for the years January 31, 2015 and 2014. The financial statements and the notes therein have been prepared in accordance with International Financial Reporting Standards ("IFRS") for annual reporting. All monetary amounts in this MD&A and in the financial statements are expressed in Canadian dollars unless otherwise stated. Additional information may be found on SEDAR at www.sedar.com, and www.happycreekminerals.com .

The MD&A may contain "forward-looking information" within the meaning of applicable securities laws, including statements that address capital costs, recovery, grade, and timing of work or plans at the Company's mineral projects. Forward-looking information may be, but not always, identified by the use of words such as "seek", "anticipate", "plan", "planned", "continue", "expect", "thought to", "project", "predict", "potential", "targeting", "intends", "believe", "opportunity", "further" and others, or which describes a goal or action, event or result such as "may", "should", "could", "would", "might" or "will" be undertaken, occur or achieved. Statements also include those that address future mineral production, reserve potential, potential size or scale of a mineralized zone, potential expansion of mineralization, potential type(s) of mining, potential grades as well as to Happy creek's ability to fund ongoing expenditure, or assumptions about future metal or mineral prices, currency exchange rates, metallurgical recoveries and grades, favourable operating conditions, access, political stability, obtaining or renewal of existing or required mineral titles, licenses and permits, labour stability, market conditions, availability of equipment, accuracy of any mineral resources, anticipated costs and expenditures. Assumptions may be based on factors and events that are not within the control of Happy creek and there is no assurance they will prove to be correct. Such forward-looking information involves known and unknown risks, which may cause the actual results to materially differ, and/or any future results expressed or implied by such forward-looking information. Additional information on risks and uncertainties can be found within Financial Statements, Prospectus and other materials found on the Company's SEDAR profile at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there can be no assurance that such information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. The Company withholds any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by law.

Overall Performance

Happy Creek Minerals Ltd. (the "Company") is engaged in the business of acquisition and exploration of mineral properties in British Columbia, Canada. The company's focus is to explore for and locate economic mineral deposits in areas that are in proximity to existing and past producing mines and existing resource-based infrastructure. The Company's objective is to partner or sell such deposits to a larger mining company for development and production, or under certain conditions may carry the project to production.

The Company owns a 100% interest in 9 properties located in British Columbia, Canada. The Company acquired these properties at an early stage mainly between 2005 and 2009, and initially performed systematic, surface exploration to identify quality targets. Important exploration success was achieved on the Rateria and Fox properties with new discoveries now at the advanced exploration and resource definition stage:

1. Rateria property: Two new copper zones, starting at bedrock surface are partially defined and open in extent and located approximately 6.5 km from a producing open pit at Teck's Highland Valley Copper mine (HVC). Drill results returned grades similar to that currently mined at HVC. Zone 1 is approximately 1.2 km in length, 50 to 200 metres in width, and at least 400 metres in depth and is open in extent. Zone 2 is currently 450 metres long, up to 150 metres wide, 300 metres in depth and remains open in extent. Metallurgy of Zone 1 shows excellent recoveries and concentrate grades of 40% copper, 396 g/t silver. Due to the type of copper mineral present, it is also potentially leachable. The Company is the first in the area to announce rhenium (Re) in drill results, with concentrations thought to be important in Zone 2. The Company has also identified several other prospective copper targets on the Rateria and West Valley properties;

2. Fox property: A new discovery of tungsten and molybdenum in a mineral system overall 10 km by 3 km in dimension. Five prospect areas contain tungsten grades and thickness in surface, trench and drill core that are comparable or exceed that which occurs in mines and advanced stage projects elsewhere in the western world. Metallurgy shows excellent potential for a commercial concentrate, along with by-product zinc, silver, gold and indium. The near-surface setting, grade and proximity to infrastructure are positive qualities of this project, and it is thought to be a rare and exceptional tungsten find.

   The Company has advanced several other early-stage properties to where well-defined, quality targets are ready for drill testing:

1. Silverboss property: Surface rock and soil sampling, geology and geophysics have identified several bulk-tonnage copper, molybdenum and gold targets adjacent to the former Boss Mountain molybdenum mine (Glencore-Xstrata/NMC Resource Corp.);

2. Silver Dollar property: Recently acquired, this property covers several historical past producing gold, silver, lead and zinc prospects that occur along a well-defined nine kilometre structural trend. The Company has confirmed positive to high grades occur within a regional fault zone and it is thought to have good potential for quality, high grade base and precious metal deposits.

3. Hawk property: Geochemistry, geology, geophysics, trenching and limited drilling has outlined several bulk tonnage copper-gold (alkalic porphyry) targets. These are typical of others within the Quesnel Trough a geological formation which contains most of B.C.'s copper-gold mines and deposits.

4. Hen-Art-DL property: Prospecting, rock and soil sampling, trenching and reconnaissance drilling has identified several new gold skarn and sediment-hosted gold-silver prospects.

Exploration updates

The following is an overview of the Company's properties with results from the most recent years. Please refer to the Company's website, news releases and filings on SEDAR for additional details, maps, photos and other information.

The Company acquires claims and conducts property evaluation work, and may drop claims as a normal course of its business. Exploration work is necessary to maintain mineral claims in good standing with the provincial government. Some claims are allowed to lapse if they are deemed less desirable, or insufficient work is conducted on them. In 2014, the Company selected and reduced its overall land position, while some claims were added. Work was allocated to claims thought to have the most importance to the Company. Due to the poor market conditions for resource exploration, work was limited to dominantly geological investigations. 2014 was the first in 10 years in which the Company did not conduct a drilling program.

Summary of 2014 Exploration work Completed.

Highland Valley Property

On February 18 2014, the Company announced it had completed the Tyner Lake property acquisition which adjoins the Rateria property to the south. On August 19th 2014, the Company announced that metallurgical testing of Zone 1 showed 61.9% of the copper can be leached using acid within 3 days and higher recoveries are possible with longer leach time. A 23.5 square kilometre LIDAR topographic survey was completed over the Tyner property and property-wide geology compilation, field mapping, drill core review, alteration studies, deposit modelling, prospecting and sample collection were performed. A number of property tours were conducted with interested major mining Companies and others. An improved understanding of the copper targets on West Valley and Rateria properties were realized and new targets identified. On February 19, 2015, the Company announced results from metallurgical tests from Zone 2, which shows metallurgy compatible with Zone 1, allowing future resources to be combined. In addition, results show rhenium occurs within molybdenite in a ratio approximately 4 kg Re/tonne molybdenite concentrate, and gold is present with copper with concentrates having 36.2% copper, 7.49 g/t gold and 189 g/t silver.

Fox Tungsten Property

On June 10th, 2014, the Company announced that samples obtained from the Black Riders prospect which adjoins the Fox property to the southeast, contains awaruite and other nickel-iron alloys that are potentially recoverable by magnetic separation. These minerals are similar to the advanced stage Decar nickel-iron project in B.C. in which Cliff's Resources is a partner. On September 17th, 2014 the Company announced completion of geological mapping, and sampling on the north and western side of Deception Mountain. New tungsten outcrops were found and geology shows potential for RC, BN and BK zones to continue through the mountain onto its western side. The target area for tungsten deposits increased to 3 km X 1.5 km in dimension. Geological mapping and sampling at eastern side of Nightcrawler zone located new tungsten zones that extend the deposit to the east, and high grades in samples suggest potential for quality tungsten deposits in this area. On January 26, 2015, the Company announced analytical results including 0.80% W03 in grab samples over 30 metres, and 800 metres southwest, 0.40% W03 in a grab sample from the northwest side of Deception Mountain. At the east end of the Nightcrawler zone, samples returned an average 1.97% W03, 0.14% zinc, 0.20 g/t gold over a 0.40 metre thickness which remains open in extent.

Silverboss Property

On October 21, 2014, the Company announced that airborne geophysical targets situated south of the Boss mountain moly mine were investigated on the ground. Recent logging activity provided good access and confirmation that the area is completely covered by glacial till. Boulders that are likely transported to some extent by glaciers locally contain copper, gold values. On December 8, 2014, the Company announced that sampling in the area returned 0.52% copper, 0.20 g/t gold from a large boulder in the vicinity of the airborne target and this area is thought to hold good potential for bulk tonnage copper-gold deposits that requires geophysics and drill testing.

Silver Dollar Property

On October 21, 2014 the Company announced that geological work was performed which focussed dominantly on the northern claim block adjacent the historical Windflower/Goldfinch mine. Although numerous samples of quartz veins were collected, only several located in close proximity to the mine structure contained encouraging-looking mineralization. Samples were also collected at some distance from the Gilman prospect. Geological interpretation suggests the Camborne mining camp occurs along a 40 km long regional fault zone, and there is opportunity for blind/hidden deposits to occur beneath surface, and further detailed geology is required.

Project Overview

Highland Valley District- Rateria and West Valley properties

The Company's Highland Valley property adjoins and surrounds the southern end of Teck's Highland Valley Copper Mine property (HVC). The HVC mine is one of Canada's largest copper producers utilizing three separate open pits to feed a current 130,000 tonnes per day concentrator. Forecast grades of reserves and resources range from 0.20 to 0.34% copper. There are geological similarities between HVC and the Company's properties. On the Rateria property between 2006 and 2013, the Company completed property-wide three dimensional induced polarization and magnetic geophysical, geology, geochemical surveys and diamond drilling. Zone 1 was first identified in 2006 with drill holes intersecting the interpreted edge of a mineralized zone. Follow up drilling carried out between 2007 and 2011 has outlined positive copper grades starting at surface and is overall approximately 1.2 kilometres in length, 50 to 200 metres in width to over 400 metres in depth. Zone 1 remains open to further expansion.

Zone 1 Highlights

Hole	Interval (m)	Cu %
R07-9	100.0	0.29
R10-11	152.1	0.24
R10-12	253.7	0.24
R10-13	145.3	0.25
R11-1	95.0	0.67
R11-6	100.0	0.35
R11-8	250.0	0.25
R11-8	162.5	0.32
R11-11	242.5	0.25
includes	102.5	0.43
R11-13	47.5	0.42
R11-28	307.8	0.10
includes	40.0	0.28
And	22.5	0.20

Several hundred metres to the west of Zone 1, drilling returned 7.5 metres of 1.35% copper, 12.4 g/t silver, and 7.5 metres of 1.7% copper, 30.7 g/t silver and 7.5 metres of 0.60% copper, 3.5 g/t silver. These holes partially outline a new copper zone over a distance of 600 metres that remains undefined and open in extent. It is interpreted to be the southern extension to Teck's Yubet prospect and part of the adjacent Zone 1 mineral system. The Company performed metallurgical testing of Zone 1 which returned a concentrate grading 40.0 % copper and 398 g/t silver which indicates the material is readily recoverable using standard flotation methods into a quality, high grade concentrate.

In 2008, drilling discovered a second zone (Zone 2).

Zone 2 Highlights

	Interval (m)	Cu %	Mo %	Au (g/t)	Ag (g/t)	Re (g/t)
R08-01	113.0	0.33	0.002	0.05	1.5	N/A
R08-05	126.0	0.46	0.008	0.10	1.7	N/A
R09-06	38.2	0.11	0.029	0.03	1.2	2.14
R09-07	48.0	0.30	0.002	0.07	1.6	0.26

R11-36	152.5	0.26	0.008	0.07	0.8	0.67
R11-39	277.5	0.10	0.002	0.01	0.5	0.15
R12-01	92.8	0.30	0.001	0.15	1.5	0.02
R12-02	152.5	0.35	0.004	0.06	1.7	0.57

In Zone 2, drilling has returned continuous, positive drill results in an area approximately 450 metres in length, 50-100 metres in width and to a depth of 300 metres., however more widely spaced drilling suggests the mineral system is over one km by 500 metres in dimension, and remains open in extent in several directions.

West Valley

From its acquisition in 2008 to 2011, the Company completed property-wide reconnaissance stream sediment sampling and prospecting, geological mapping and a limited induced polarization and diamond drilling of three holes at the NTP prospect in 2010. These drill holes returned approximately 300 ppm copper from the top to end of the holes and are thought to indicate proximity to a large mineralized system. The geology also suggests that younger phases of the Guichon batholith underlie the area which supports potential for new deposits to be found. On May 4th 2012 the Company announced that twelve stream sediment samples returned strongly positive values of copper, underlain by north to northwest trending fault structures that are sub-parallel to, or splay off the Lornex fault; the Lornex fault extends southward from the giant Valley and Lornex deposits and is an important structure in the Highland Valley copper district. On May 27th 2013, the Company announced results from geology, prospecting and a property-wide airborne magnetic and radiometric geophysical survey conducted in 2012. On October 8, 2013, the Company announced it has acquired an additional 18 mineral claims totaling 22.5 square kilometres.

Both Zone 1 and 2 are new copper deposit discoveries in which clear resource potential exists that are 6.5 km from a currently producing open pit at the adjacent HVC mine. Other prospects on the Rateria and West Valley properties contain positive copper values in stream sediment, soil and rock, and positive geophysical and geological data to support the potential for additional porphyry copper deposits. The Company's Highland Valley properties have attracted interest from a number of companies for potential investment or JV, and a number of property tours were conducted.

<u>*Cariboo Property*</u>

Fox

The Fox tungsten-moly property was explored by the Company since 2005, starting at a very early stage. Surface sampling has identified an area approximately 10 by 3 kilometres in dimension, including the Nightcrawler and Deception Mountain areas, where positive tungsten and molybdenum values occur. Tungsten prices are based on contained W03 (tungsten trioxide). Market prices for W03 have increased in the past ten years and range from US$26/kg to US$45/kg Globally, tungsten mine grades generally average 0.18 to 0.35% W03 for open pit and 0.35 to 1.2% W03 for underground. Very few deposits worldwide have grades over 0.7% W03 that are at surface. On the Fox property, there are positive to potentially economic values of tungsten located in two main areas: the Nightcrawler and Deception Mountain.

The Nightcrawler–Discovery Zone results include 5.0 metres of 0.33% W03 in 07F-03, 2.0 metres of 0.74% W03, 3.0 metres of 0.34% W03, and 2.0 metres of 0.48% W03 in 07F-05, 0.90 metres of 1.37% W03, 2.5 metres of 0.33% W03, and 9.2 metres of 0.16% W03, including 2.2 metres of 0.39% W03 in F10-1.

At the Discovery moly zone, two drill intercepts that are approximately 150 metres apart returned 1.7 metres of 0.51% molybdenum and 0.50 metres of 0.51% molybdenum, respectively. Locally, boulders contain over ten percent molybdenum. Multiple layers of tungsten mineralization at the Nightcrawler-Discovery zone has been intersected by widely spaced drilling over an area approximately 1.5 kilometres by 500 metres in dimension. The best grade-width in the drill holes occurs to the east where the mineralized zones remain open in extent.

On the east side of Deception Mountain, four outcropping mineralized zones occur over a three kilometre distance: from south to north, they are called the 708, BN, RC (Ridley Creek), and BK prospects. During 2010 hand trenching at three zones returned 7.0 metres of 0.80% W03, 4.9 metres of 1.07% W03, 2.0 metres of 5.0% W03, 7.3 metres of 1.25% W03, and 0.4 metres of 11.10% W03, respectively.

Between 2011 and 2013 drill programs on Deception Mountain discovered and outlined a well mineralized zone at the RC prospect that remains open in extent. Approximately one kilometre to the north and south of the RC prospect, positive results were also obtained from the BK and BN zones, respectively. At the BN, F12-27 returned three separate intervals; 4.1 metres of 1.78% W03, 14.8 metres of 4.0% W03, and 24.0 metres of 0.79% W03. This hole is thought to be one of the best tungsten drill results worldwide from a recent new discovery. Due to the gentle dip to the mineralized zones, the true thickness is estimated at approximately 90-95% of the reported drill width.

Highlights of drill results from the RC and BN Zones

Hole	From	Width	% W03
F11-02	5.70	**5.15**	**0.91**
F11-07	14.30	**4.70**	**1.03**
F11-08	8.25	**12.40**	**0.74**
F12-01	14.00	**19.40**	**0.82**
F12-09	15.00	**11.00**	**0.80**
F12-11	27.00	**14.00**	**0.66**
F12-17	20.00	**20.00**	**0.63**
F12-18	18.00	**24.70**	**0.68**
F12-27	1.90	**4.10**	**1.78**
F12-27	83.20	**14.80**	**4.04**

F12-27	136.00	**24.00**	**0.79**
F13-01	20.00	**9.50**	**0.60**
F13-03	20.00	**22.00**	**0.76**
F13-08	12.00	**14.82**	**0.59**
F13-09	31.65	**17.35**	**0.50**
F13-19	31.75	**26.25**	**1.19**

In a global comparison of tungsten projects, the results are thought to be strongly encouraging- among the highest in grade and generally close to surface. In addition, positive values of zinc, bismuth, indium, gold and silver also occur that are a potential by-product.

On December 11th 2013, the Company announced results of preliminary metallurgical work performed on an 800 kg surface sample. The first-pass gravity circuit recovered an average 59.3 per cent of the tungsten into a concentrate with 43.3 per cent WO3. The results include a 70% W03 product from the coarse cleaner concentrate that exceeds published commercially viable grades. In addition, a primary zinc cleaner concentrate yielded 18.4 per cent zinc, 4.04 grams per tonne gold, 156 grams per tonne silver and 66 grams per tonne indium, recovering 68.9 per cent of the zinc. The test is considered very positive for the first stage, as it does not include the normal upgrading and recovery benefits of subsequent cleaning, recycling and tungsten flotation that are conducted during locked-cycle testing and incorporated into a final full-scale design. Advanced metallurgical work is recommended.

On September 17th, 2014, the Company announced it had performed geological work on the Fox property. On the northwest side of Deception Mountain, favorable calc silicate and skarn zones were located in several areas with positive tungsten indicated by ultra violet light. The interpretation of the geology suggests the zones of favorable calc silicate, skarn and tungsten occurring at the BN, RC, and BK on the east side of the mountain continue through the mountain to the other side, a distance of approximately 1.4 km. Geological work and sampling was also completed at the Nightcrawler area, with several areas showing positive tungsten that suggest the zone continues eastward from previous drilling.

On January 26, 2015, the Company announced analytical results including an average 0.80% W03 in grab samples over 30 metres, and 800 metres southwest, 0.40% W03 in a grab sample from the northwest side of Deception Mountain. At the east end of the Nightcrawler zone, samples returned an average 1.97% W03, 0.14% zinc, 0.20 g/t gold over a 0.40 metre thickness which remains open in extent.

On the Fox tungsten property, all of the results are thought to indicate a large scale, strong mineral system and drill results confirm the presence of zones having potentially economic grades that are comparable to the highest grade tungsten mines or projects.

The Company has received a permit for a five year plan including trenching, drilling and bulk sampling, with a goal of achieving a resource and feasibility status.

Black Riders

Located to the southeast of the Fox, the Black Riders property is underlain by a large magnesium-rich ultramafic complex containing nickel and chrome values in outcrops in an area approximately one km by three km in dimension. On June 10th 2014, the Company announced results of petrographic work from several samples. The samples were found to contain, in part, nickel occurring as iron-nickel alloy and awaruite. These minerals are of interest for their ability to be concentrated using magnetic and gravity methods, unlike traditional nickel sulphide deposits. The preliminary results are thought to be encouraging and further sampling and testing for the abundance of nickel-iron alloy minerals is planned.

Silverboss

The Silverboss property surrounds the former Boss Mountain molybdenum mine, currently owned by Xstrata/Glencore and under Option to NMC Resource Corp. The Boss Mountain molybdenum mine was Canada's first significant "primary" producer of molybdenum because of its relatively high grades. Exploration by Happy Creek has identified large scale and positive soil and rock geochemical anomalies of copper, molybdenum and gold extending outward from the known mineralized zones and well onto the Silverboss property. The Horse Trail zone contains numerous mineralized rock samples ranging from 0.10 to 1.69% copper, 0.108 to 0.637% molybdenum and 1.03 to 10.0 g/t gold. The Dogtooth and East Breccia zones have returned values of 0.10 to 5.0 g/t gold and up to 53.01 g/t gold, 343.0 g/t silver in grab samples and 9.29 g/t gold, 27.3 g/t silver over 1.17 metres in width. These veins are located within a positive soil geochemical anomaly that is approximately 1.6 by 1.2 kilometres in dimension. The historical Silverboss shaft zone consists of a shear and quartz vein system, 1.0 to 3.0 metres in width that has been traced on surface for 350 metres. Samples from this zone contain 9.25 g/t gold, 514.8 g/t silver over 0.25 metres and 2.52 percent copper, 6.21 g/t gold, 295 g/t silver and 6.76 g/t indium in grab samples. Further north, the Company has also identified another area (Gus) where positive copper values occur in soil approximately 2 kilometres by 1 kilometre in dimension.

On April 3, 2013, the Company announced completion of a three dimensional induced polarization (3D IP) and magnetic geophysical survey over the Silverboss Shaft and Horse Trail prospects. At the Silverboss Shaft prospect, the 3DIP survey has produced a clear and positive response of 9 to over 13 milliseconds chargeability that extends to over 250 metres below surface. This positive response extends north and eastward, forming another zone approximately 350 metres by 400 metres in dimension that remains open in extent. At the Horse Trail zone, the 3D IP survey has returned a moderate to very strong response that extends westward from the open pits of the past-producing Boss Mountain mine. Importantly, chargeability values of greater than 40 milliseconds occur near the edge of the property and decrease gradually westward for up to one kilometre distance. This positive geophysical expression at surface contains positive values of copper, molybdenum, gold and silver in quartz veins and soil samples. The geophysical results combined with the positive surface samples and geology located adjacent a significant past-producer are thought to represent a quality bulk tonnage exploration target that is ready for drill testing.

On December 8th, 2014, the Company announced results from a geological investigation on the Silverboss property to the south of the Boss Mountain mine, where an airborne geophysical survey and some previous soil samples returned encouraging results. The target area is completely covered by overburden or glacial till, however recent logging activity has made access much easier. Large boulders located in the area contain from trace to 0.52% copper and 0.20 g/t gold, and support the potential for underlying bulk tonnage style porphyry copper-gold mineralization. Further work is recommended to include a geophysical survey and drill testing.

Hawk

The Hawk property is located within the Quesnel Trough where the geology is known to host alkalic style copper-gold-silver deposits and mines within central B.C. Exploration on the Hawk property has returned surface samples containing positive copper, gold and silver values in an area approximately 3.5 kilometres by 1.5 kilometres in dimension. Chip sampling at the Main zone returned 0.88% copper and 1.07 g/t gold across 5.0 metres and boulders nearby contain up to 4.5% copper and 18.0 g/t gold. Historical drilling approximately 100 metres north of the Main zone returned 3.0 metres grading 0.79% copper, 1.73 g/t gold, 9.43g/t silver and 1.83 metres containing 0.93% copper, 3.1 g/t gold and 12.34 g/t silver.

In 2007, and several hundred metres east and southeast of these samples, reconnaissance drilling returned 9.1 metres of 0.093% copper and 0.134 g/t gold in the first few samples of 07H-02. As the mineralization occurs right at the top of the angled hole, it is thought the hole may have only cut one edge of a mineralized zone and it remains open in extent behind the hole.

During the year ended January 31, 2010, The Company optioned the Hawk property to Jiulian Resources Inc. who focused on additional geological mapping, outcrop sampling and soil geochemical confirmation. During the period ending July 31, 2010, Jiulian completed two drill holes totaling 995 metres that targeted the centre of a large induced polarization geophysical anomaly. Details on this work can be found in Jiulian Resources news release dated June 21, 2010, respectively. In summary, the drill holes intersected long intervals containing abundant pyrite (up to 10%), and trace up to 0.10% copper and 0.20 g/t gold and much of the core remains un-sampled. It is interpreted that these holes intersected the margins of a porphyry copper system at some distance from the Main zone described above.

Additional prospecting and rock sampling were conducted during 2011. On March 1, 2012, the Company announced that surface rock sample results include 1.64% copper, 3.0 g/t gold, 18.3 g/t silver, 0.007 g/t palladium and 0.007 g/t platinum. One sample returned 0.767% copper, 1.18 g/t gold, 4.08 g/t silver, 0.024 g/t palladium, and 0.189 g/t platinum. These are the first samples on the property analyzed for platinum and palladium and results indicate these precious metals are present and in part support an alkaline porphyry copper-gold model.

On October 11, 2012, the Company announced results of machine trenching conducted during 2012. Selected sample assays include 4.55 per cent copper, 12.8 grams per tonne gold and 52.3 grams per tonne silver; 1.93 per cent copper, 10.5 grams per tonne gold and 18.6 grams per tonne silver; and 0.43 per cent copper, 1.61 grams per tonne gold and 3.4 grams per tonne silver. At the Main zone trenching confirmed previous chip sampling and returned 0.76% copper, 2.09 g/t gold, 8.64 g/t silver over 5.0 metres.

The Hawk property contains a large scale alkaline type copper-gold system, similar to others in the Quesnel Trough, and has a number of targets thought to be ready for drill testing.

Hen

The Hen property is located about 16 kilometres southeast of the Boss Mt. molybdenum mine. The property adjoins to the south the Company's Silverboss property. The Hen property is approximately 5172 hectares (52 square kilometres) in area. The key prospects on the Hen property include, from west to east: Anomaly Creek (porphyry style copper, lead, zinc, gold), and the Hen, Dyke and Ledge (calcic skarn gold). The Hen prospect contains 2.1 meters of 3.98 g\t gold in a trench. First pass diamond drilling during 1995 and 1996 on the Hen showing returned 8.0 metres of 0.80 g/t gold including 1.0 metre of 1.30 g/t gold, 1.6 metres of 1.00 g/t gold, 0.8 metres of 2.08 g/t gold and 0.86 metres of 1.98 g/t gold. Soil samples located uphill of the trench and drill holes returned 2.65 and 1.41 g/t gold that have not been investigated. Approximately one kilometre along strike to the southeast of the Hen zone, the Dyke zone contains 3.5 metres of 3.46 g/t gold and up to 35.06 g/t gold in grab samples. Approximately 15 metres north of this sample, a subcrop rock sample returned 2.34 g/t gold. Trenching in 2009 at the Dyke zone returned 4.0 metres of 2.08 g/t gold, and 2.0 metres of 4.20 g/t gold. The Ledge zone is located approximately 1.5 kilometres east of the Dyke zone and boulders returned 1.14 g/t gold and 1.1 g/t gold. In 2009, trench T-13 returned 28.0 metres containing 400 ppm arsenic and 0.02 g/t gold, and 16 metres of 300 ppm arsenic. Trench T-14 returned 36.0 metres of 300 ppm arsenic and 4.0 metres grading 0.12 g/t gold and 0.11 percent arsenic that remains open in extent. Together, the Hen, Dyke and Ledge prospects comprise calcic gold skarn zones occurring over a distance of approximately 4 kilometres that is largely underexplored.

On July 5, 2011, the Company announced that chalcopyrite and molybdenite (copper, molybdenum sulphides) were located in a previously underexplored area of the property, and soil geochemical sampling surveys are underway.

On February 13, 2012 the Company announced results from the 2011 Hen and Art-DL sampling. In total, 708 soil, 20 stream sediment (silt) and 21 rock samples were collected. Rock samples contain from less than 0.01 gram per tonne gold to 1.04 grams per tonne gold, less than 0.01 g/t silver to 17.7 g/t silver and 2.8 parts per million copper to 1,300 parts per million copper. Soil samples returned values from trace to 0.10 g/t gold, 2.1 g/t silver, 480 ppm copper, 16.9 ppm molybdenum and 627 ppm zinc. Silt samples returned from trace to 0.03 g/t gold, 0.60 g/t silver, 193 ppm copper, 11.6 ppm molybdenum and 180 ppm zinc. These results are thought to indicate potential for porphyry copper type mineralization and in part may explain the gold bearing skarn mineralization of the adjacent Hen, Dyke and Ledge zones. Exploration to date has developed several targets that are thought to warrant drilling.

Art-DL

The Company's Art-DL property has an historical adit with a large quartz vein containing values up to 42 g/t gold over 1.0 metre. Drilling during 2010 beneath the adit did not intersect the quartz vein or significant gold values and the orientation of the gold-bearing quartz vein in the adit remains unknown. To the southwest of the adit, drill hole GL10-3 returned 72.5 metres of 4.03 g/t silver including 20.0 metres of 8.5 g/t silver. These results are thought to be positive and of exploration interest. Several positive anomalies of up to 1.8 g/t gold in soil also occur that require further investigation, and much of the Art-DL property remains unexplored. The Art-DL property is thought to hold potential for sediment hosted bulk tonnage gold deposits with similarities to the Thunder Ridge and the Spanish Mountain gold deposit that are located to the south and north, respectively.

On February 13, 2012 the Company released results from 2011 sampling including the location of new showings containing 1.04 g/t gold, 17.7 g/t silver and 0.29 g/t gold, 14.0 g/t silver in quartz carbonate veins within black phyllite. These results are consistent with previous results from the property and expand the area containing positive gold and silver values. Further work is recommended to include geological mapping, trenching and drilling.

<u>*Revelstoke Property*</u>

Silver Dollar

The Silver Dollar property consists of 4,590 hectares (45.9 square kilometres) of mineral tenure owned 100% by the Company and located approximately 45 kilometres southeast of Revelstoke, B.C. A number of mineral showings and past-producing lead-zinc-silver-gold prospects dating from over 100 years ago occur over a distance of approximately nine kilometres. There is an access road through most of the length of the property, and remnants of a historical aerial ore tram and mill site. The Silver Dollar, Iron Dollar, Gilman and other developed prospects are part of the historical Camborne mining camp. In 1933, the Gillman shipped between one and 14 tonnes of ore grading 62 grams per tonne gold, 62 grams per tonne silver. In 1947, the Silver Pass Development Syndicate processed six tonnes of ore and recovered 9,860 grams silver, 1,378 kilograms lead and 1,009 kilograms zinc. With multiple small claim owners, there was intermittent, fragmented surface work and underground development occurring into the 1950's. Ore shipments were transported to the smelter in Trail, B.C., or to the United States. In 1984, a drill hole on the Silver Dollar zone returned 2.10 metres grading 229.0 grams per tonne silver, one gram per tonne gold, 10.95 per cent zinc, 4.04 per cent lead and 0.29 per cent copper. In 1986, a drill hole intersected 0.70 metres grading 38.0 grams per tonne gold.

During 2012, the Company completed an airborne geophysical survey and geological mapping and sampling. On May 16, 2013, the Company announced that strong precious metals occur including samples containing 50.30 g/t gold, 216 g/t silver and 4.49 g/t gold, 4496 g/t silver. Important base metal results include a1.8 metre chip sample returning 16.8% zinc, 3.9% lead, 1.67 g/t gold and 241.0 g/t silver.

During 2014, the Company performed additional geological work on the Silver Dollar property and results are pending.

The geophysical surveys geology and numerous mineralized zones support a prominent through-going favorable structure that is part of the 40 km long Camborne fault. The large scale of the fault system and numerous prospects containing positive base and precious metal values suggest potential for large and quality mineral deposits to occur.

Mineral property Transactions

The Company is active in its exploration and prospecting business, which requires from time to time, the acquisition or disposition of mineral claims depending on relative opportunity cost, market conditions and financial resources available. For mineral claims that are disposed, abandoned, or otherwise relinquished there can be no assurance that such property does not contain economic resources. The Company is registered as a Free Miner in British Columbia that allows it to stake its own mineral claims. The Company may see an appropriate opportunity to increase its existing mineral properties by staking claims directly itself, or may acquire from arm's length individuals mineral claims for cash-only payments of less than $10,000. These transactions are conducted in the normal course of its business activity. Larger property acquisitions involving option payments, work commitments and share issuance are described below.

Highland Valley District

Rateria

In 2004 the Company acquired an option to earn a 100% interest in the Rateria Property located approximately 10 kilometres southeast of Teck's Highland Valley copper-molybdenum mine concentrator near Logan Lake, British Columbia. To earn its interest the Company paid $155,000 to the Optionor, issued 950,000 shares and spent $500,000 on exploration. The Company's interest in the Property is also subject to a 2.5% net smelter royalty ("NSR"). The Company at its own option may buy down the NSR by 1% for a payment of $2,000,000, or purchase 100% of the NSR for $3,000,000. On June 24, 2008 the Company paid the final $50,000 and issued 250,000 shares to acquire a 100% interest in the Rateria property.

During the year ended January 31, 2009 the Company purchased a 100% interest from an arm's length individual, mineral claims totalling approximately 1340 hectares (13.4 square kilometres) that adjoin the

Rateria property to the south. The Company paid $25,000 in cash and granted a NSR of 2% with the Company having the right to purchase the NSR for a lump sum of $3,000,000.

On June 5th 2012, the Company announced it had acquired by staking or paying less than $5,000 cash to arm's length vendors for a 100% interest in 309 hectares of mineral claims on the south side of the Rateria property.

On October 8th 2013, and pursuant to the terms of an Option agreement with an arm's length vendor, the company acquired the right to a 100-per-cent interest in certain minerals claims known as the Tyner Lake property. The Tyner Lake property consists of 18 mineral claims that total approximately 22.5 square kilometres in area. By way of consideration, the company will make cash payments totalling $30,000 ($10,000 paid) and will issue 500,000 shares (250,000 issued) at a deemed price of 15 cents per share by September 15th 2014. The property is subject to a 2-per-cent net smelter return (NSR) in favour of the Optionor, which may be repurchased by the company for $2-million. On February 8th 2014, the Company announced the completion of the Tyner Lake option under an amendment. Under the amended agreement, the company paid a total of $25,000 cash and issued 250,000 shares, and the vendor retains the NSRR as above, while all other terms and conditions remain the same.

West Valley

In October 2008 the Company purchased a 100% interest for $25,000 in 49 mineral claims totaling approximately 9,175 hectares (91.75 square kilometres) that are located approximately four kilometres west of the Rateria property. Several additional claims were also acquired for less than $5,000 in cash.

On June 5th 2012, the Company announced it has acquired the Abbot property, consisting of 2,911 hectares (29.1 square kilometres) adjoining the south side of the company's West Valley property. To earn a 100-per-cent interest in the Abbot property, the company must pay to an arm's-length vendor a total of $15,000 in cash and issue 350,000 shares by May 30, 2013. The vendor retains a 0.5-per-cent net smelter return (NSR), with the company having the right to purchase the NSR for $1-million.

On May 27th 2013, the Company announced it has completed the payments and obtained title for a 100% interest into the Abbot property which will be a part of the West Valley property going forward.

BX

On June 6th, 2011, the Company announced it has negotiated an Option agreement with an arm's length party to earn a 100% interest in the BX property located in Highland Valley, BC. The BX property is approximately 11.5 square kilometres in area and adjoins Teck's Highland Valley Copper mine property, approximately six kilometres from the former Bethlehem deposits, the first copper mine in the camp. The Company has been granted the exclusive right to acquire an undivided 100% interest in the BX property over a three year period, by paying a total of $130,000 in cash, issuing a total of 500,000 in shares and incurring a total of $400,000 in exploration expenditures on the BX property. Upon vesting of the Company's interest, the Optionor will hold a 2% NSR (Net Smelter Royalty), and the Company has the right to purchase 1% of the NSR by paying $1,000,000 in cash to the Optionor.

On February 9, 2012 the Company was notified that the vendor of the BX property had lost title to the property. On April 2, 2012, the Company announced a settlement whereby the Company received from the BX property vendor, $35,000 in cash, return of 50,000 shares of the company, and a 100% interest in the Silver Dollar and Windflower properties located approximately 45 kilometres southeast of Revelstoke, B.C. These properties are described hereafter as the "Revelstoke Property".

Cariboo Property

In 2005 the Company acquired from three individuals, including two current directors of the Company, a 100% interest in five mineral properties located in the South Central Cariboo Region, approximately 80 kilometers northeast of 100 Mile House, British Columbia. To acquire its interest the Company issued 5,000,000 common shares and paid $25,000 to the Optionors and spent $160,000 on exploration. The Company's interest in the Property is subject to a 2.5% NSR, of which 1% can be purchased by the Company for $2,000,000. The Property is comprised of 5 groups of claims known as the Silverboss, Fox, Hen, Art-DL and Hawk claim groups.

Grey

During the year ended January 31, 2008 the Company entered into an option agreement to earn a 100% interest in the Grey property ("Grey Option"), approximately 6.0 square kilometres in area that adjoin to the south of the Company's Hawk property. Under the terms of the Grey Option, the Company has the right to earn a 100% interest in the Grey property by making staged cash and share payments over 5 years that total $100,000 cash and 300,000 common shares of the Company. During the period ended July 31 2010, the Company completed its final payment of $60,000 and issued 150,000 shares and now owns a 100% interest in the Grey property, subject to a 2.0% NSR. Under the terms of the Grey Option with the Vendor, the Company may purchase half of the NSR from the vendor for $1,000,000. The Grey property is combined with the Hawk property and together is now referred to as the Hawk property.

Gus

During the year ended January 31, 2008 the company entered into an option agreement to earn a 100% interest in the Gus Property that is approximately 25 square kilometres in area and adjoins the Company's Silverboss property. The property also includes the single Eye claim, located by itself and 4 kilometres to the northwest of the Gus property. To acquire its interest the Company must issue to the vendor 300,000 common shares and pay $50,000 over a three year period. The Property is subject to a 1.5% NSR, which the Company can buy back at any time for $1,500,000.

As of April 30, 2010, the Company had completed its earn-in and now owns a 100% interest in the Gus and Eye Property, subject only to the NSR disclosed above. In the future, results from the property will be included as part of the Silverboss property.

On December 15, 2008 the Company purchased from an arm's length party a 100% interest in five mineral claims totaling approximately 1,867 hectares (18.67 square kilometres) that adjoin the Company's Silverboss property and in part the former Boss mountain molybdenum mine. These mineral claims were purchased for a total of $15,000 cash and the issuance of 50,000 shares from treasury. The Company also acquired from arm's length individuals a 100% interest in several mineral claims adjoining the Silverboss, Hen and Fox properties for less than a total of $5,000.

Golden Ledge

During the year ended January 31, 2010, the Company entered into an option agreement with an unrelated third party to acquire one additional mineral claim (Golden Ledge) adjacent to the south side of the Art-DL property, and adjoins to the north, Spanish Mountain Gold's Thunder Ridge property. Under the terms of this new option agreement, the Company must make aggregate cash payments of $150,000 ($25,000 paid) issue an aggregate 850,000 common shares (150,000 issued) of the Company to the vendor, and incur $700,000 in exploration expenditures over four years in order to earn a 100% interest in this additional claim, subject to a 2% NSR. The NSR may be purchased by the Company for $1,000,000 for the first 1% NSR and $1,500,000 for the second 1% NSR. During the period ending October 31, 2010, the company completed detailed soil sampling, prospecting, rock sampling and six drill holes on the property. As the drill results from the Golden Ledge property were not satisfactory, the Option has been dropped and the property returned to the vendor.

Hawk and Grey property Joint Venture

During the year ended January 31, 2010, the Company signed an Option Agreement with Jiulian Resources Inc. (TSX-V:JLR) whereby Jiulian can earn up to a 65% interest into the Hawk and Grey property by paying the Company $150,000 in cash, issuing 700,000 shares and conducting $1.2 million in exploration expenditures on the property over four years. Jiulian relinquished its option and returned the property to the Company in March, 2011. The Company has received data collected by Jiulian for work conducted during 2009 and 2010.

Eye Property Option

On July 20th 2011, the Company announced it has an Option agreement with Newmont Mining Corporation (Newmont) for the Company's Eye mineral claim (1.2 square kilometres) in south central British Columbia (B.C.) Canada. To earn a 100% interest in the Eye property, Newmont must pay the Company a total of $368,000 in cash and perform $280,000 in exploration, in annual stages over a five year period. If Newmont elects to purchase the property it will grant to the Company an NSR (Net Smelter Royalty) of 0.5%, with payments up to a collective maximum of $1.5 million. In addition, Newmont will cover the underlying Royalty obligations to the previous owner. On June 18th 2012, the Company announced that Newmont has made its first anniversary (second) payment to continue its Option on the Eye property. On June 17th, 2013, the Company announced that Newmont has dropped the Eye property Option, and returned the property in good standing until August 22, 2022.

Financial Results of Operations

The following is a summary of selected financial data for the Company for the three most recently completed years, accompanied by a discussion of those factors affecting the comparability of the data, including, where applicable, discontinued operations, changes in accounting policies, significant acquisitions or disposals and major changes in the direction of the Company's business.

	Prepared in accordance with IFRS		
As at and for the year ended	**Jan. 31, 2015**	**Jan. 31, 2014**	**Jan. 31, 2013**
Interest revenue	$ 1,052	$ 6,998	$ 19,000
Net loss	$ 418,310	$ 918,198	$ 158,236
Basic net loss per share	$ 0.01	$ 0.02	$ 0.01
Total assets	$ 13,300,126	$ 13,355,644	$ 13,734,337
Basic weighted average number of shares outstanding	60,042,261	57,486,493	55,618,507

The following is a summary of selected financial data for the Company for the eight most recently completed quarters.

	Prepared in accordance with IFRS for interim reporting							
For the quarter ended	**Jan 31 2015 $**	**Oct 31 2014 $**	**Jul 31 2014 $**	**Apr 30 2014 $**	**Jan 31 2014 $**	**Oct 31 2013 $**	**Jul 31 2013 $**	**Apr 30 2013 $**
Interest revenue	0	151	660	241	876	1,181	2,187	2,754
Loss before income taxes	(66,659)	(219,651)	(113,541)	(140,140)	(152,555)	(80,605)	(163,406)	(136,441)
Net income (loss)	53,970	(219,500)	(112,881)	(139,899)	(576,727)	(73,606)	(137,831)	(130,034)
Basic net income (loss) per share	(0.01)	(0.00)	(0.00)	(0.00)	(0.02)	(0.00)	(0.00)	(0.00)

The Company has no dividend policy and has no intention of developing a dividend policy in the foreseeable future. The Company has paid no dividends and has no retained earnings from which it might pay dividends.

Results of Operations

Year ended January 31,2015

The Company incurred a net loss before income taxes of $539,991 for the year ended January 31, 2015 compared with a loss of $533,007 for the same period in 2014. General and administrative expenses with the following accounts accounted for the slight decrease in the overall loss. ;

- Decrease in advertising and promotion of $38,369 as a result of limited funding in fiscal 2015.
- Conferences and travel costs decreased by $16,153 due to limited funding in fiscal 2015. .
- Management fees and salaries rose by $39,060 due to salaries not being deferred to property accounts.
- Share-based payments rose by $27,688 due to the granting of a large block of options during the year.
- Office and administrative costs decreased $13,933 due to cost cutting measures made necessary by the lack of funding during the year.

In addition the Company wrote off a deposit of $10,000 that had been carried on the books for several years but was not collectible.

Deferred Income Taxes

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are likely to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that includes the substantive enactment date.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same entity or different entities which intend to settle current tax assets and liabilities on a net basis or simultaneously in each future period in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

The Company has financed a portion of its exploration activities through the issue of flow-through shares. Canadian tax legislation permits a company to issue flow-through instruments whereby the deduction for tax purposes relating to qualified resource expenditures could be claimed by the investors rather than the company.

A flow-through instrument comprises transfer of income tax deductions and common shares. Proceeds from an issuance of a flow-through instrument are allocated to liability and equity components in proportion, according to their respective fair values at the date of issuance. Upon renunciation of the flow-through expenditures for Canadian income tax purposes, the related flow through liability recognized in previous periods in the statement of financial position will be reversed and the related deferred tax liability will be recognized. Any difference between the liability settled and the deferred tax liability recognized is accounted for as other income or expense in profit and loss.

Liquidity and Capital Resources

The ability of the Company to continue to operate as a going concern is dependent upon its ability to obtain necessary financing to meet the Company's obligations and liabilities as they become due. As of January 31, 2015 the Company had cash and cash equivalents of $134,136 (January 31, 2014 - $207,689). The Company's working capital surplus as of January 31, 2015 was $104,796 (January 31, 2014 – surplus of $115,356). During the year ended January 31, 2015 the Company completed a private placement raising $500,400 by issuing 3,336,001 units. Each unit consists of a common share as well as one-half of a share purchase warrant. Each whole warrant is exercisable for a one year period at $0.20 per warrant to acquire one common share. The period for which these warrants are exercisable has since been extended by another year, and the warrants now expire on May 21,2016.

The Company is a mining exploration and development company with no producing resource properties, and consequently, does not generate operating income or cash flow of a significant nature at this time. To date the Company has relied primarily upon the sale of Common Shares to provide working capital for exploration activities and to fund the administration of the Company. Since the Company does not expect to generate any revenues in the near future, it will continue to rely primarily upon the sale of Common Shares to raise capital. There can be no assurance that financing will be available to the Company when required. The Company has no debt instruments. The Company has no externally imposed capital requirements.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS AND BALANCES

Relationships	Nature of the relationship
1820546 Ontario	1820546 Ontario is a private company controlled by a former director of the Company. 1820546 Ontario provided

	consulting services to the Company.
Standard Metals Exploration Ltd. ("Standard")	Standard Metals Exploration Ltd. is a private company controlled by an officer and director of the Company. Standard Metal provides geological exploration services for the Company.
Key management	Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and include the President and Chief Executive Officer, Directors, Chief Financial Officer, and Senior Geologist.

Services provided for the period ended January 31,2014	Geological exploration services	Management services	Consulting services
1820546 Ontario	$ -	$ -	$ 24,000
Standard Metals Exploration Ltd.	61,480	57,725	-

Services provided for the period ended January 31,2015	Geological exploration services	Management services	Consulting services
Standard Metals Exploration Ltd.	22,194	70,000	-

Additional key management compensation includes:

	Year ended January 31, 2015	2014
Management fees	$ 48,000	$ 60,000
Share-based payments	37,225	15,292
	$ 85,225	$ 75,292

Amounts owing to or from related parties are non-interest bearing, unsecured and due on demand. The transactions were in the normal course of operations.

Management Contracts

Effective February 1, 2011, the President was compensated entirely through his private company at a rate of $10,000 per month. Effective July 1, 2013 $5,000 of the monthly fee was being deferred until such time as the Company receives funding. Effective April 1, 2014, the President of the Company will be paid $5,000 as an employee. Any work done in his capacity as a professional geologist will be invoiced through a corporation controlled by the President.

Effective July 15, 2012 the Chief Financial Officer is compensated at a rate of $5,000 per month. Effective June 1, 2014 the Chief Financial Officer is compensated at a rate of $3,500 per month as part of managements cost cutting program.

Subsequent Events

The following events occurred subsequent to January 31, 2015:

- The expiry date of 1,668,000 share purchase warrants issued pursuant to the May 21, 2014 private placement was extended by one year from May 21, 2015 to May 21, 2016.
- On April 2, 2015, Paul Reynolds resigned as a director of the Company and Paul Berndt was appointed as a director of the Company.
- On May 22, 2015, the Company completed a private placement of 1,090,000 non-flow-through units at a price of $0.15 per unit, receiving $163,500 in gross proceeds. Each unit consists of one common share and one-half of one share purchase warrant exercisable into a common share of the Company at a price of $0.20 for three years after closing of the private placement.

Risk Factors

Happy Creek's success depends upon a number of factors, many of which are beyond the Company's control. Typical risk factors and uncertainties include the ability to raise financing, mineral title matters, exploration permitting or weather delays, skilled labour shortage, operating cost inflation, metal price and currency rate fluctuations, and changing legislation, regulations or the administration thereof. There is uncertainty in judging future potential value of a mineral property or claims that are deemed unnecessary and allowed to lapse or returned to a vendor. Risk factors could materially affect the Company's future operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Financial Instruments

Non-derivative financial assets and financial liabilities

The Company classifies financial assets as financial assets at fair value through profit or loss, held-to-maturity investments or loans and receivables. Available-for-sale financial assets are those financial assets that are not classified as any of the above. Financial liabilities are either classified as financial liabilities at fair value through profit or loss or as other financial liabilities.

Financial assets and financial liabilities are recognized initially at fair value.

Financial assets and financial liabilities at fair value through profit or loss are subsequently measured at fair value with changes in fair values recognized in profit or loss.

Financial assets classified as available for sale are subsequently measured at fair value with changes in fair value recognized in other comprehensive income.

Loans and receivables, held-to-maturity investments and other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Company's financial instruments consist of cash and cash equivalents, receivables,reclamation bonds, marketable securities, trade and other accounts payable.

Cash and cash equivalents and reclamation deposits are classified as fair value through profit or loss and amounts receivable are classified as loans and receivables. Marketable securities are classified as available for sale. Trade and other accounts payable are classified as other financial liabilities.

Transaction costs, other than those related to financial instruments classified as financial assets and financial liabilities at fair value through profit or loss, are added to the fair value of the financial asset and financial liability on initial recognition.

Significant judgements, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

(i) Going concern
The assessment of the Company's ongoing viability as an operating entity and determination of the related disclosures require significant judgment.

(ii) Exploration and evaluation properties and impairment
The Company is required to make significant judgments regarding the capitalization of the costs incurred in respect to its exploration and evaluation properties. The Company is also required to make significant judgments on the ongoing feasibility of mineral exploration, and

whether there are indicators that the development of a specific area is unlikely and exploration and evaluation properties should be impaired. Management has assessed impairment indicators on the Company's exploration and evaluation properties and has concluded that no impairment indicators existed as of January 31, 2015.

(iii) Deferred taxes

The Company recognizes the deferred tax benefit related to deferred losses and resource tax assets to the extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions from deferred income and resource tax assets.

The Company recognizes deferred tax liabilities when there are taxable temporary differences that will reverse and result in a future outflow of funds to a taxation authority. The Company records a provision for the amount that is expected to be settled, which requires the application of judgement as to the ultimate outcome. Deferred tax liabilities could be impacted by changes in the Company's estimate of the likelihood of a future outflow, the expected settlement amount, and future changes in tax laws.

(iv) Share-based payments

Share-based payments are determined using the Black-Scholes option pricing model based on estimated fair values of all share-based awards at the date of grant and is expensed to the statement of loss and comprehensive income (loss) over each award's vesting period. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

Share Capital

Common shares, stock options, warrants, and agent's warrants as at May 28,2015 are as follows:

	May 28, 2015
Common shares	**62,137,630**
Stock Options	**4,825,000**
Warrants	**2,213,000**
Agents options	**Nil**

Future Outlook

Management monitors the currently uncertain global financial market conditions, especially pertaining to commodities and resources. It evaluates and adjusts budgets and work performed as results are received, market conditions, financial resources, or government exploration permit requirements change. It may adjust property expenditure allocation, acquire, hold or dispose of mineral tenure on an on-going basis.

David Blann, P.Eng. is a Qualified Person as defined by National Instrument 43-101 and is responsible for the preparation and approval of the geological and technical information disclosed above. All monetary amounts are in Canadian currency unless otherwise indicated.