HAPPY CREEK MINERALS LTD.

TSX-V:HPY

DIVERSIFIED METALS EXPLORATION

ANNUAL REPORT

For the Year Ended

January 31, 2021 and January 31, 2020

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 the years ended January 31, 2021 and 2020. This MD&A has been prepared by management as of May 28, 2021 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, 2021 and 2020. The following MD&A should be read in conjunction with the audited financial statements for the years January 31, 2021 and 2020. 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.

Under NI43-101 (2001), the reader is cautioned that results or information from an adjacent property does not infer or indicate similar results or information will or does occur on the subject property. Historical information from the subject or adjacent property cannot not be relied upon as the Company's Qualified Person ("QP"), a term which was created and defined under NI-43-101 has not prepared nor verified the historical information.

COVID-19

In March 2020 the world health organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the outbreak and its effect on the Company's business or results of operations at this time. During 2020, the Company was able to conduct exploration work with measures in place for compliance to strict government health policy.

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 objective is to create value for shareholders by locating and defining new mineral deposit discoveries that are in proximity to mines and infrastructure, and partner or sell such deposits to a larger mining company for development and production. Under certain conditions the Company may carry a project to production. The Company has a 100% interest in 7 mineral properties totalling approximately 640 square kilometres of mineral tenure located in British Columbia, Canada. It also holds a 1% NSR on the Silver Dollar property in the Cambourne mining district of southeast B.C. Happy Creek has exploration discoveries at the Rateria-West Valley copper and Fox tungsten properties that are the current focus of the Company.

Fox property: The Fox property is located 75 Km northeast of 100 Mile House in south-central B.C. The property contains a tungsten mineral system that is overall 12 km by 5 km in dimensions, with high grades in a near-surface setting.The Company discovered the Ridley Creek, BN and BK zones and with approximately 12,500 metres of drilling has delineated 582,400 tonnes grading 0.826% WO_3(Indicated) and 565,000 tonnes grading 1.231% WO_3(Inferred). This amounts to 4.8m Kg (Indicated) and 6.958M Kg (Inferred) of WO_3 with prices currently around US$27/Kg WO_3. These resources are open and among the highest grade in the western world. In addition, drilling at the Nightcrawler and South Grid prospects have returned intercepts that are above cut-off grade and remain open. Drilling in 2019 and 2020 at the Nightcrawler zone has identified a mineralized zone with potential to add to the current resources and remains undefined and open. The Company has continued to conduct basic prospecting work in un-explored areas of the property and additional new areas with tungsten were located in 2020. A large-scale mineral system, resource grade and proximity to infrastructure are thought to make the Fox a rare and exceptional tungsten find. Plans include increasing the resource base and performing a preliminary economic assessment.

Highland Valley (Rateria and West Valley) property: Since 2004, the Company has assembled the current 244 square kmRateria and West Valley property. The properties adjoin and surround the southern side of the Highland Valley Copper mine property, Canada's largest copper producer having over 50 years of continuous production. The property also adjoins the north side of the past producing

Craigmont copper mine property. Extensive glacial till coverage with few outcrops and historically smaller, irregular shaped and patchwork claims affected the efficiency of previous exploration. It is the first time in the long history of this productive copper district that the current land package has been acquired 100% by one owner. With more recent and improved access through the property and more modern exploration technology and academic research available, the Company has discovered and partially outlined by drilling Zone 1 and 2 on the Rateria property, located 6.5 km southeast of the Highmont open pit. These newly defined zones contain similar copper grade in drill core typical of other Highland Valley deposits. In addition to the near-term resource potential in Zone 1 and Zone 2, the Company has performed various technical surveys, studies and test drilling to generate additional targets thought to have large-scale discovery potential in this world class mining district.

Silverboss property: With approximately 91 square kilometres of mineral tenure surrounding the past-producing Boss Mountain molybdenum mine, the Company has conducted systematic surface rock and soil sampling, geology, and geophysics. This work has identified several new potential bulk-tonnage copper, molybdenum, gold and silver targets that are untested by drilling. Highlights include 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 at the Dogtooth zone and 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 at the Silverboss shaft. In the northern part of the property, the Gus prospect is underlain by positive copper values in soil approximately 2 kilometres by 1 kilometre in dimension. In addition to the potential for molybdenum deposits adjacent to the former molybdenum mine, the underlying geology and presence of copper and gold in rocks provide opportunity to discover typical Quesnel Trough style porphyry copper-gold deposits beneath glacial till covered areas.

Silver Dollar property: This property was purchased by Explorex Resources Inc. (now Origen Resources Inc.) Happy Creek holds a 1% net smelter return royalty on the property which contains several zones with high-grade gold-silver with lead, zinc and copper in outcrop, historical mining and drilling.

Hawk property: The property is underlain by geology of the Quesnel Terrane, which hosts numerous copper, copper-gold deposits and mines in B.C. The Company has conducted systematic geochemistry, geology, geophysics, trenching with limited drilling. Property results include chip sampling at the Main zone with 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.The Company's exploration work has confirmed the property holds potential for bulk tonnage alkalic porphyry copper-gold-silver deposits and is ready for drill testing.

Hen & Art-DL property: Prospecting, rock and soil sampling, trenching and reconnaissance drilling has identified several new gold skarn prospects at the Hen property. Trenching returned 2.1 meters of 3.98 g\t gold and 2.0 metres of 4.20 g/t gold and up to 35.06 g/t gold in grab samples at the Hen and Dyke zones, respectively. The DL property contains sediment-hosted gold-silver prospects sharing geological similarities with the Spanish Mountain deposit (Spanish Mountain gold Ltd. website 243mt @ 0.43 g/t Au M&I), Fraser Gold (Kore Mining) to the north. Up to 42 g/t gold over 1.0 metre in a quartz vein occur at the DL adit and to the southwest, drill hole GL10-3 returned 72.5 metres of 4.03 g/t silver including 20.0 metres of 8.5 g/t silver.

Exploration updates

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

Fox Tungsten Property

An updated resource estimate was announced on February 27, 2018. The total Indicated Resources for the Ridley Creek zone amount to 582,400 tonnes grading 0.826% $WO_3$and the total Inferred Resource is 565,000 tonnes grading 1.231% WO_3 for the Ridley Creek, BN and BK Zones combined, using a cut-off grade of 0.45% and 0.175% $W0_3$ for underground and open pit resources, respectively. These cut-off grades are today the highest in the industry, providing more confidence in the resource's reasonable prospects of extraction validity test. The open pit portion of the resources have an approximate 3:1 strip ratio.

On November 21, 2018, the Company announced that surface sampling and mapping to the south of the defined Ridley Creek deposit located numerous new outcrops with tungsten assays up to 0.35m of 7.43% $W0_3$. This work has improved the potential to expand resources between the Ridley Creek and BN deposits, a one km distance.

On March 25th, 2019, the Company announced the location of high-grade silver in quartz veins at the far south end of the property. Samples returned up to 519 g/t silver, 7.3 % lead, and 81 ppm tellurium and greater than 2,000 ppm bismuth. Calc silicate nearby suggests potential for tungsten mineralization to extend several km further south of the South Grid zone. At low elevations on the west side of Deception Mountain, numerous stream sediment samples returned 14-15 ppm and up to 42 ppm tungsten that are similar values as those occurring below the known deposits on the east side of the mountain. The results suggest potential for the favorable tungsten-bearing host rocks to occur nearby that could possibly be connected through Deception mountain to the BN- Ridley Creek deposits on the eastern side, approximately 5 km.

On September 30, 2019, the Company announced that two drill holes totaling 372.5 metres were completed at the Nightcrawler zone. On November 4, 2019, the Company announced drill hole F19-02 returned 6.3 metres of 0.43% $W0_3$ starting from 71.5 metres that combined with five other widely spaced holes in this area show potential for a new tungsten deposit. In early January, a wireframe and target volume show significant resource potential occurs and further drilling is warranted.

On July 20th and August 24th, 2020, the Company announced that due to recently constructed logging roads, access and the first detailed exploration of the western side of the Fox property is possible. Boulders and outcrop containing scheelite (tungsten mineral) were located and thought to be significant as this favourable geology may be an extension of the resource-bearing geology, 5 km up dip to the east.

On September 9, 2020 the Company announced that drilling is underway at the Nightcrawler zone. On October 15th, the Company announced completion of 1,119 metres in seven drill holes and a large step out hole to the east returned positive tungsten under UV light. On January 28, 2021, the Company announced results of drilling that includes 2.12% $W0_3$ over 1.2m at the Creek zone and the large step-out hole to the east returned 1.08% $W0_3$ over 3.4 metres. These results are above the resource cut-off grade and remain open. Rock samples collected from the western part of the property returned up to 1.36% $W0_3$ and confirms significant tungsten occurs in this (September showing) area. Together, exploration has identified potential for tungsten mineralization to occur for at least 2 km northeast of the Nightcrawler zone and in the un-explored western portion of the property.

Highland Valley Property (Rateria and West Valley claims)

The Company has discovered by drilling Zone 1and 2. Results drilling include 95.0 metres of 0.65% copper and 250.0 metres of 0.25% copper from Zone 1, and 152.5 metres of 0.35% copper, 0.06 g/t Au, and 105.5m of 0.37% copper, 0.14 g/t gold, 0.005% molybdenum and 0.63 g/t rhenium in Zone 2. In 2017 drilling expanded Zone 2 with R17-05 returning 105.5 metres of 0.37% copper, 0.14 g/t gold, 0.005% molybdenum and 0.63 g/t rhenium. A 200 metre step out hole to the east returned 5.0 metres of 4.41% copper, 0.21 g/t gold, 20.0 g/t silver, 0.031 % molybdenum and 6.86 g/t rhenium in R17-02.

During 2018 and 2019, geological mapping was performed over the property.

On October 7, 2019, the Company announced that field geology identified two priority areas of the West Valley portion of the property that show potential for porphyry style copper mineralization called the Abbott and PIM prospects. At the PIM, recent logging road construction cut two outcrops of copper mineralization and initial grab samples collected across two zones returned 5m of 0.41% copper and 10m of 0.29% copper with trace molybdenum. The Company performed induced polarization geophysical surveys on the Abbott and PIM areas and positive results were announced December 20, 2019 that indicate a one km diameter annual-shaped chargeability anomaly occurs beneath and adjacent the surface copper showings.

On May 21 and June 8th, 2020, the Company announced the start and completion of Phase 1 field work at the Rateria and West Valley property, respectively. This work in part utilized an XRF and short wave infra-red spectral tool (TerraSpec Hero) to study hydrothermal white micas within existing drill core and several surface prospects. The goal is to correlate Happy Creek's zones and prospects with those data recently published and known to occur on the adjacent copper mine property with respect to copper deposit centres.

On July 13th, 2020, the Company announced results of a hyperspectral study performed on Zone 1,2 and a few other surface copper showings on the Rateria and West Valley property. The results suggest the porphyry copper style alteration is closely comparable with that found next door at the currently producing mine, and there is opportunity to discover similar deposits in or near Zone 1,2 at Rateria and the untested PIM target on the West Valley property. The board has approved up to 3,000 metres of drilling to test several drill targets on the property. A new undocumented copper showing was located and sampled on the West Valley property. The Rick prospect contains pyrite, malachite, chalcopyrite and samples containing up to 0.64% copper occur in an area approximately 50 metres by 100 metres.

On October 15, 2020the Company announced that a drill is being mobilized to the property to test the Pim target for the first time and follow up on previous encouraging results in Zone 1 and Zone 2. On December 7, 2020, the Company announced that it has completed 1,450 metres of the planned program and that it has engaged CJ Greig and Associates to conduct detailed geological work on the property. On December 17,2020 the Company announced that it completed 2,058.5 metres of drilling in four holes on the Pim, Zone 1 and 2 targets.

After the year ending January 31, 2021, and on February 10, 2021, the Company announced that it has initiated an airborne magnetic geophysical survey covering all of the Rateria property, and on March 22, 2021, the Company announced drill results from the Pim, Zone 1 and 2 targets. Results include 8.8 metres of 0.41% copper, 0.13 g/t gold from Zone 2. The first ever drilling at Pim on West Valley has shown favorable geology exists for the presence of porphyry copper and a phase 2 drill program is currently being planned and permitted. One drill hole each in Zone 1 and 2 were designed to undercut the known mineralized zones, however did not intercept similar grade-width as in previous holes. The drill holes do not affect the near-surface resource potential for these two zones. CJ Greig and Associates have conducted detailed evaluation of the drill holes and the property, and planning of further work is in progress and anticipated to begin in early June 2021.

Hen and Art-DL property

During July until early September 2018, the Company began prospecting along newly constructed logging roads that revealed rock outcrops within areas that have never seen any form of exploration. On September 25, 2018 the Company announced that a new prospect (Crane) was located where the first angular boulder collected beside a new logging road returned 7.6 g/t gold, 2.08% lead, 4.02% zinc and 0.16% copper. Follow-up prospecting suggests this sample is not far from source as other samples nearby returned geochemically elevated values of gold, copper, lead, zinc, arsenic and antimony. An outcrop chip sample two metres west of the high-grade sample returned 2.5m of 0.88% copper, 67 ppb gold. Quartz veins up to 1.5m in thickness occur over a strike length of a km beyond the Crane prospect and returned positive gold pathfinder elements with up to 299 ppm antimony. On the Ledge prospect, rock samples returned values up to 2.13 g/t gold in an angular boulder while nearby outcrop and sub-crop contain 15-550 ppb gold along with elevated arsenic- a gold pathfinder. On the Ledge prospect, the sampling and geology work completed as well as airborne geophysical data suggest a minimum one km long by 350 m wide zone of positive gold-arsenic values warrant soil geochemical and induced polarization surveys followed by trenching and drilling. The Company has been notified that new road construction and logging activities are planned during 2020 on the Hen and Art-DL properties. Prospecting these un-explored areas is planned.

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 which depend on uncertain factors such as opportunity, cost, market conditions and financial resources available. For mineral claims that are 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.

Between 2013 and April 2016, the Company staked claims for its own account that joined the Rateria and West Valley property. On April 6, 2016, the Company acquired by staking, a 454.15 Ha claim that adjoins the south end of the Rateria (Tyner) property.

On September 8, 2017, The Company announced that is has expanded the Rateria property by 14.52 square kilometres, through purchasing from two arm's length vendors a 100% interest for a combined total of $30,000 in cash and issuing 50,000 shares of the Company, and by staking 11.95 square kilometres for the Company's account. The new mineral tenure covers a large part of an area historically known as the Chataway property which contains a number of known mineral prospects.

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.

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 one current director of the Company, a 100% interest in five mineral properties located in the South Central 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 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 December15, 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. The Golden Ledge Option was subsequently 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 hasan 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.

Silver Dollar Property Option

On May 11, 2016, the Company entered into the Silver Dollar Property Option Agreement (the "Option Agreement") with Explorex Resources Inc. ("Explorex")(now Raffles Financial Group Limited). The Option Agreement was amended on November 8, 2016 and again on April 11, 2017. Pursuant to the Option Agreement, as amended, the Company granted to Explorex the sole and exclusive right and option to acquire an undivided 100% interest in and to the Silver Dollar Property subject to a 1% NSR royalty. Explorex exercised the option by paying $20,000 in cash, issuing

1,100,000 common shares of Explorex to the Company and incurring $100,000 in exploration expenditures.

Pursuant to the Option Agreement:

- Explorex granted a right of first refusal to the Company for any future financings that Explorex carries out to finance the mining work to be carried out on the property; and
- If the Company stakes any claim that is located, in whole or in part, within two kilometers of the perimeter of the property it shall be offered to Explorex at the staking cost.

In January 2020, Explorex and Origen entered into an arrangement agreement (the "AA") and in closing of the AA entered into a transaction (the "Arrangement") whereby Explorex shareholders would be issued Origen shares in consideration for the transfer of assets to Origen and the assumption of liabilities by Origen on completion of the Arrangement. In March 2020, Explorex received shareholder approval for its Arrangement with Origen and its acquisition of all of the outstanding shares of Raffles Financial Private Ltd. ("RFP"). Following the Arrangement and the transfer of assets to Origen, Explorex completed the following transactions to facilitate the acquisition of RFP:

- All Explorex shareholders retained their Explorex shares and received one Origen share for every two Explorex shares held;
- Origen became a new reporting issuer and applied for listing of the Origen shares on the Canadian Securities Exchange (the "CSE"); and
- Explorex completed a name change to Raffles Financial Group Limited ("RFG") and a share consolidation at the ratio of approximately 25.94:1.

As a result of these transactions, the Company received 442,000 Origen shares and it held 34,069 RFG shares. At January 31, 2021, the Company owned 42,000 shares of Origen (January 31, 2020 – 840,000 shares of Explorex and 200,000 shares of Jiulian Resources Inc.), the shares of which are traded on the CSE (2020 – the TSX-V).

Other

During 2018, happy Creek acquired for its own account by staking 2,619 Ha on its Rateria-West Valley property, and 1,985 Ha around the Fox, Art-DL-Hen property.

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, 2021**	**Jan. 31, 2020**	**Jan. 31, 2019**
Interest revenue	$ 1,414	$ 8,288	$ Nil
Comprehensive loss	$ 372,059	$ 657,280	$ 410,731
Basic net loss per share	$ 0.01	$ 0.01	$ 0.00
Total assets	$ 19,283,018	$ 18,009,328	$ 17,118,918
Basic weighted average number of shares outstanding	108,377,760	97,546,743	92,272,106

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 2021 $**	**Oct 31 2020 $**	**July 31 2020 $**	**Apr 30 2020 $**	**Jan 31 2020 $**	**Oct 31 2019 $**	**July 31 2019 $**	**Apr 30 2019 $**
Interest revenue	392	259	381	382	7,345	22	-	921
Administrative expenses	(129,717)	(185,424)	(103,449)	(117,035)	(292,796)	(112,097)	(119,643)	(142,771)
Net loss	(264,303)	(66,351)	(103,068)	(116,653)	(175,799)	(112,075)	(119,643)	(141,850)
Basic net loss per share	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(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, 2021

The Company incurred a net loss of $550,375 for the year ended January 31, 2021 compared with a loss of $549,367 for the same period in 2020. General, administrative and other expenses declined with the following accounts accounting for the decline in the overall loss;

- Management fees and salaries increased by $19,638 due the addition of a corporate secretary.
- Office and administrative costs increased by $43,424 due to increased consulting and marketing costs incurred to raise funds.
- Share-based payments decreased by $200,890 due to the grant of share purchase options in 2020 and none in fiscal 2021.
- The Company recorded a flow-through recovery of $136,345 compared to $73,221 for the year ended January 31, 2020.
- A deferred income tax recovery of $36,431 was recorded for 2020. For 2021 the Company recorded a deferred tax expense of $152,509. The change in the deferred tax amounts represents the difference between the carrying amounts of assets and liabilities and their tax base.
- Professional fees increased by $16,341 due to added legal work involved in the financing that was completed during fiscal 2021 as well as dissident shareholder issues.

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, 2021, the Company had cash and cash equivalents of $1,619,953 (January 31, 2020 - $1,244,063). The Company's working capital surplus as of January 31, 2021 was $1,499,897 (January 31, 2020 – surplus of $1,349,668). During the year ended January 31, 2021 the Company completed a private placement raising $1,669,497 by issuing 14,195,000 flow-through units at a price of $0.10 per share and 2,777,743 non-flow-through units at a price of $0.09 per share. Each unit will consist of one common share and one share purchase warrant. Each warrant will entitle the holder to acquire one common share at a price of $0.12 per share up to the close of business on November 19,2023.

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**
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 and Chief Financial Officer.

	Geological exploration services	**Management services**
Services provided for the year ended		
January 31,2021:		
Chief executive officer	$ -	$ 64,106
Chief financial officer	-	36,000
Corporate Secretary	-	21,808
Directors	10,411	15,000
Standard	7,150	-
	$ 17,561	$ 136,914

	Geological exploration	**Management**

	services	services
Services provided for the year ended		
January 31, 2020:		
Chief executive officer	$ -	$ 63,960
Chief financial officer	-	37,000
Standard	8,439	-
	$ 8,439	$ 100,960

Key management compensation includes:

	Year ended January 31,	
	2021	**2020**
Management fees and salaries	$ 136,914	$ 100,960
Share-based payments	-	183,440
	$ 136,914	$ 284,400

At January 31, 2021 and 2020 there were no amounts payable to key management personnel.

These transactions were in the normal course of operations and measured at their exchange amounts, being the amounts agreed to by the parties to the transactions.

Subsequent Events

On March 23, 2021, the Company granted 3,950,000 share options to officers, directors and advisors of the Company that can be exercised at a price of $0.10 per share until March 23, 2026. These options vest immediately.

On May 3, 2021, the Company entered into a finder agreement (the "FA") with a consultant (the "Finder") whereby the Finder was engaged, on a non-exclusive basis, as a business advisor with respect to providing services to the Company in pursuing a divestiture, merger, reorganization, consolidation, joint venture, partnership, financing or other business combination (a "Transaction"). As compensation for providing these services, the Finder was paid $7,500 on signing and upon closing of any Transaction:

- the introduction to the Company and completion of which are substantially the results of the efforts of the Finder;
- which has been approved by the Company's board of directors; and
- which has received final acceptance by the TSX-V and any other applicable regulatory authorities,
-

the Company will pay the Finder a success fee (ranging from 3% to 7%) based on the specified formula of the gross amount of each Transaction. In the event the Transaction comprises a private placement, the same percentage as is payable in cash, will be issued in share purchase warrants with the same terms as the warrants issued to subscribers in the financing. The FA expires on the first to occur of the termination of the engagement by either the Company or the Finder or on September 3, 2021, unless extended by mutual written agreement. The FA can be terminated at any time by either party giving 30 days written notice to the other. If within 12 months of termination of the FA there is a closing of a Transaction with an investor introduced to the Company by the Finder, the Finder will receive the full applicable fees as described above.

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.

On March 11, 2020, the World Health Organization declared the Coronavirus ("COVID-19") outbreak a pandemic creating unprecedented global health and economic crisis. COVID-19's impact on global markets has been significant through January 2021 and subsequent to the date of the financial statements. The situation continues to rapidly evolve. The duration and magnitude of COVID-19's effects on the economy and on the Company's financial and operational performance remains uncertain at this time. As of the date of these statements, there has not been any impact on the operations as a result of COVID-19. The Company has devised and put in place, field operation protocols in response to BC regulations. The Company will continue to closely monitor the potential impact of the COVID-19 on its business.

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, 2021.

(iii) Right-of-use-asset / Lease liability

The measurement of the lease liability includes the two-year extension option (exercised on November 30, 2020) included in the original lease agreement because management was reasonably certain that the landlord would agree to another two-year extension when the existing lease extension expired on November 30, 2020. The increase in base rent included in the measurement of the lease liability is based on the increase in base rent for the second year of the existing lease extension. The incremental rate of borrowing of 12% used in the measurement of the lease liability was based on management's best estimate of the Company's cost of debt.

Share Capital

Common shares, stock options, warrants, and agent's warrants as at May 28, 2021 are as follows:

	May 28, 2021
Common shares	**122,502,455**
Stock Options	**9,150,000**
Warrants	**17,590,743**
Agents warrants	**1,384,393**

Future Outlook

Management and its consultants monitor the financial markets, governments and legislation that may pertain to commodities, resources and the Company's business on the land. It evaluates and adjusts budgets and work performed based on results, market conditions and financial resources available. Through the course of its business Happy Creek has established two projects with new discoveries thought to be important assets with intrinsic market value. Over the past year the Company has received arm's length corporate interest in these assets, however in current market conditions, monetization of these assets may be premature. The Company is seeking various ways to fund further exploration and development of its projects with the goal to increase their market value for shareholders.

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.

HAPPY CREEK MINERALS LTD.

Financial Statements

For the years ended January 31, 2021 and 2020

(Expressed in Canadian Dollars)

DeVISSERGRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Happy Creek Minerals Ltd.,

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Happy Creek Minerals Ltd. (the "Company"), which comprise the statements of financial position as at January 31, 2021 and 2020, and the statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Company as at January 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Notes 1 and 2 in the financial statements, which indicate that the Company is in the development stage with no source of operating revenue and is dependent upon equity financing to maintain its current operations. As stated in Note 2, these events or conditions, along with other matters as set forth in Notes 1 and 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis", but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is Keith Macdonald.

De Visser Gray LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC, Canada
May 28, 2021

HAPPY CREEK MINERALS LTD.
Statements of Financial Position
January 31, 2021 and 2020

	Note	January 31, 2021	January 31, 2020
ASSETS			
Current assets			
Cash and cash equivalents		$ 1,619,953	$ 1,244,063
Amounts receivable	5	73,569	30,680
Prepaid expenses		20,960	25,820
Marketable securities	8	9,660	192,640
Total current assets		1,724,142	1,493,203
Non-current assets			
Equipment	6	7,612	9,968
Right-of use-asset – office lease	16	28,293	43,726
Reclamation deposits	7	97,000	97,000
Exploration and evaluation properties	8	17,425,971	16,365,431
Total non-current assets		17,558,876	16,516,125
Total assets		$ 19,283,018	$ 18,009,328
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other accounts payable	9	$ 100,867	$ 28,809
Lease liability – current portion	16	17,304	14,258
Flow-through premium liability	10	106,074	100,469
Total current liabilities		224,245	143,536
Non-current liabilities			
Lease liability	16	15,564	32,886
Deferred tax liability	12	1,035,363	882,854
Total liabilities		1,275,172	1,059,276
Equity			
Share capital (net of subscriptions receivable)	11	23,485,951	22,128,758
Share option reserve	11	2,932,695	2,860,035
Deficit		(8,529,408)	(7,979,033)
Accumulated other comprehensive income (loss)		118,608	(59,708)
Total equity		18,007,846	16,950,052
Total equity and liabilities		$ 19,283,018	$ 18,009,328

Going concern	2
Commitments	16
Subsequent Events	17

These financial statements are authorized for issue by the Board of Directors on May 28, 2021.

Approved by the Board of Directors:

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

The accompanying notes are an integral part of these financial statements

HAPPY CREEK MINERALS LTD.
Statements of Loss and Comprehensive Loss
January 31, 2021 and 2020

	Note	Years ended January 31, 2021	2020
Revenue			
Interest income		$ 1,414	$ 8,288
Expenses			
Advertising and promotion		49,384	53,195
Conferences and travel		13,350	19,734
Management fees and salaries	13	247,747	228,109
Share-based payments	11, 13	-	200,890
Office and administration	16	167,914	124,490
Professional fees		57,230	40,889
		535,625	667,307
Loss before other items		(534,211)	(659,019)
Flow-through recovery	10	136,345	73,221
Loss before income taxes		(397,866)	(585,798)
Provision for income taxes			
Deferred income tax (expense) recovery	12	(152,509)	36,431
Net loss for the year		(550,375)	(549,367)
Realized gain on sale of marketable securities	8	93,143	12,100
Reversal of cumulative market value adjustment on marketable securities sold	8	75,513	(11,193)
Market value adjustment on marketable securities	8	9,660	(108,820)
Comprehensive loss for the year		$ (372,059)	$ (657,280)
Basic and diluted loss per share		$ (0.01)	$ (0.01)
Weighted average number of shares outstanding		108,377,760	97,546,743

The accompanying notes are an integral part of these financial statements

HAPPY CREEK MINERALS LTD.
Statements of Cash Flows
January 31, 2021 and 2020

	Years Ended January 31, 2021	2020
CASH AND CASH EQUIVALENTS USED IN OPERATING ACTIVITIES		
Net loss for the year	$ (550,375)	$ (549,367)
Items not involving cash:		
Deferred income tax (recovery)	152,509	(36,431)
Depreciation - equipment	2,356	2,356
Depreciation – right-of-use asset	15,433	15,433
Share-based payments	-	200,890
Flow-through recovery	(136,345)	(73,221)
	(516,422)	(440,340)
Changes in non-cash working capital items:		
Amounts receivable	(42,889)	(23,072)
Prepaid expenses	4,860	35,108
Trade and other accounts payable	32,480	(21,646)
	(521,971)	(449,950)
FINANCING ACTIVITIES		
Issuance of shares	1,669,497	1,529,264
Share issuance costs	(97,694)	(109,072)
Repayment of lease liability	(14,276)	(12,015)
	1,557,527	1,408,177
INVESTING ACTIVITIES		
Expenditures on exploration and evaluation properties	(1,020,962)	(388,330)
Mineral exploration tax credits (“METC”) received	-	51,922
Increase in reclamation deposits	-	(8,000)
Proceeds on disposal of marketable securities	361,296	68,947
	(659,666)	(275,461)
Increase in cash and cash equivalents	375,890	682,766
Cash and cash equivalents, beginning of year	1,244,063	561,297
Cash and cash equivalents, end of year	$ 1,619,953	$ 1,244,063
Supplemental Cash Flow Information:		
Accounts payable related to exploration and evaluation expenditures	$ 50,340	$ 10,762
Warrants issued as finder’s fee	72,660	33,990
	$ 123,000	$ 44,752
Cash and Cash Equivalents Consist of:		
Cash	$ 32,784	$ 318,190
Guaranteed investment certificates	1,155,000	855,000
Money market fund	432,169	70,873
	$ 1,619,953	$ 1,244,063

The accompanying notes are an integral part of these financial statements

HAPPY CREEK MINERALS LTD.
Statements of Changes in Equity
January 31, 2021 and 2020

	Note	Common Shares Number	Common Shares Amount	Share Option Reserve	Accumulated other comprehensive income (loss)	Deficit	Total equity
			$	$	$	$	$
February 1, 2019		93,456,476	20,878,427	2,625,155	48,205	(7,429,666)	16,122,121
Private placement – flow-through shares	11	6,793,572	951,100	-	-	-	951,100
Flow-through premium	10	-	(135,871)	-	-	-	(135,871)
Private placement – non flow-through shares	11	4,779,664	573,560	-	-	-	573,560
Subscriptions received		-	4,604	-	-	-	4,604
Share issuance costs		-	(143,062)	33,990	-	-	(109,072)
Share-based payments		-	-	200,890	-	-	200,890
Net loss for the year		-	-	-	-	(549,367)	(549,367)
Other comprehensive loss		-	-	-	(107,913)	-	(107,913)
January 31, 2020		105,029,712	22,128,758	2,860,035	(59,708)	(7,979,033)	16,950,052
February 1, 2020		105,029,712	22,128,758	2,860,035	(59,708)	(7,979,033)	16,950,052
Private placement – flow-through shares	11	14,195,000	1,419,500	-	-	-	1,419,500
Flow-through premium	10	-	(141,950)	-	-	-	(141,950)
Private placement – non flow-through shares	11	2,777,743	249,997	-	-	-	249,997
Share issuance costs		500,000	(170,354)	72,660	-	-	(97,694)
Net loss for the year		-	-	-	-	(550,375)	(550,375)
Other comprehensive income		-	-	-	178,316	-	178,316
January 31, 2021		122,502,455	23,485,951	2,932,695	118,608	(8,529,408)	18,007,846

The number of shares issued at January 31, 2021 and 2020 is comprised as follows:

	2021	2020
Shares considered previously issued (Note 11.2)	122,661,955	105,239,212
Issued and held by the Company (Note 11.5)	(159,500)	(209,500)
Issued and outstanding with other shareholders	122,502,455	105,029,712

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, 2021.

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, 2021.

(iii) Right-of-use-asset / Lease liability
The measurement of the lease liability includes the two-year extension option (exercised on November 30, 2020) included in the original lease agreement because management was reasonably certain that the landlord would agree to another two-year extension when the existing lease extension expired on November 30, 2020. The increase in base rent included in the measurement of the lease liability is based on the increase in base rent for the second year of the existing lease extension. The incremental rate of borrowing of 12% used in the measurement of the lease liability was based on management's best estimate of the Company's cost of debt.

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.

See Note 4.15

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, 2021, 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 are 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 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 can 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 is 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, 2021 and 2020, all the outstanding share options and warrants were anti-dilutive.

4.12 Share Issuance Costs

Share issuance 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.

4.13 Comprehensive Income (Loss)

Total comprehensive income comprises all components of profit or loss and other comprehensive income. Other comprehensive income includes gains and losses on re-measuring marketable securities.

4.14 Financial Instruments

The Company recognizes financial assets and liabilities on the statement of financial position when it becomes a party to the contractual provisions of the instrument.

(i) Financial assets

Cash and cash equivalents are classified as subsequently measured at amortized cost.

Amounts receivable, exclusive of GST, are non-interest bearing and are recognized at the face amount, except when fair value is materially different, and are subsequently measured at amortized cost. Amounts receivable recorded are net of lifetime expected credit losses. The Company applies the simplified approach to determining expected credit losses, which requires expected credit losses to be recognized upon initial recognition of the receivables.

Investments in marketable equity securities are classified, at the Company's election, as subsequently measured at fair value through other comprehensive income. Investment transactions are recognized on the trade date with transaction costs included in the underlying balance. Fair values are determined by reference to quoted market prices at the statement of financial position date.

Reclamation deposits are classified as subsequently measured at amortized cost.

(ii) Financial liabilities

Trade and other accounts payable are non-interest bearing if paid when due and are recognized at face amount, except when fair value is materially different. Trade payables and lease liability are subsequently measured at amortized cost.

4.15 Changes in Accounting Standards

IFRS 16 – Leases

The Company adopted the requirements of IFRS 16 Leases ("IFRS 16") as of February 1, 2019. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize right of use assets and liabilities for leases. The Company elected to apply IFRS 16 using a modified retrospective approach; therefore, the comparative information was not restated and continues to be reported under IAS 17, Leases. The details of the new accounting policy and the impact of the policy change are described below.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset over a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether it has the right to obtain substantially all of the economic benefits from the use of the asset during the term of the contract and if it has the right to direct the use of the asset.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of the lease.

Right-of-use asset

The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made and any initial direct costs incurred at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Lease liability

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method.

Lease payments included in the measurement of the lease liability comprise: fixed payments; variable lease payments that depend on an index or a rate; amounts expected to be payable under any residual value guarantee; the exercise price under any purchase option that the Company would be reasonably certain to exercise; lease payments in any optional renewal period if the Company is reasonably certain to exercise an extension option; and penalties for any early termination of a lease unless the Company is reasonably certain not to terminate early. The Company has elected to exclude non-lease components related to premises leases in the determination of the lease liability.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to income on a straight-line basis over the lease term.

On the transition date of February 1, 2019, there was no impact on the Company's financial statements. The reconciliation of the lease liability as at February 1, 2019 was as follows:

		2020
Future aggregate minimum lease payments	$	74,460
Effect of discounting at the incremental rate of borrowing		(15,301)
Lease liability as at February 1, 2019	$	59,159

See Note 16.

5. AMOUNTS RECEIVABLE

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

6. EQUIPMENT

		Computer equipment		Off-road vehicle		Mobile equipment		Total
Cost								
Balance, February 1, 2020	$	5,101	$	38,078	$	23,965	$	67,144
Balance, January 31, 2021		5,101		38,078		23,965		67,144
Accumulated depreciation								
Balance, February 1, 2020		5,101		28,110		23,965		57,176
Depreciation for the year		-		2,356		-		2,356
Balance, January 31, 2021		5,101		30,466		23,965		59,532
Net book value	$	-	$	7,612	$	-	$	7,612

		Computer equipment		Off-road vehicle		Mobile equipment		Total
Cost								
Balance, February 1, 2019	$	5,101	$	38,078	$	23,965	$	67,144
Balance, January 31, 2020		5,101		38,078		23,965		67,144
Accumulated depreciation								
Balance, February 1, 2019		5,101		25,754		23,965		54,820
Depreciation for the year		-		2,356		-		2,356
Balance, January 31, 2020		5,101		28,110		23,965		57,176
Net book value	$	-	$	9,968	$	-	$	9,968

7. RECLAMATION DEPOSITS

As at January 31, 2021, the Company had reclamation deposits held in trust by the Province of British Columbia totalling $97,000 (January 31, 2020 - $97,000) 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	Total
February 1, 2019	$ 8,474,012	$ 7,544,249	$ 16,018,261
Acquisition Costs			
Option and acquisition costs	-	-	-
Exploration Costs			
Assaying and petrographic	6,852	2,465	9,317
Geophysics	-	104,602	104,602
Communications	1,680	637	2,317
Field supplies	2,415	213	2,628
Geological and consulting	80,807	44,992	125,799
Mineral tenure costs	6,356	-	6,356
Field support and drilling	136,015	-	136,015
Food	149	357	506
Travel and accommodation	5,895	5,657	11,552
BC METC	(51,922)	-	(51,922)
January 31, 2020	8,662,259	7,703,172	16,365,431
Acquisition Costs			
Option and acquisition costs	-	-	-
Exploration Costs			
Assaying and petrographic	10,533	17,144	27,677
Geophysics	-	983	983
Communications	1,884	1,196	3,080
Field supplies	3,102	5,602	8,704
Geological and consulting	52,467	141,442	193,909
Permitting and consulting	995	30,582	31,577
Mineral tenure costs	500	-	500
Field support and drilling	61,057	160,569	221,626
Drilling	210,991	338,610	549,601
Travel and accommodation	10,472	12,411	22,883
January 31, 2021	$ 9,014,260	$ 8,411,711	$ 17,425,971

As at January 31, 2021, cumulative METC rebates offset against deferred exploration and evaluation property costs totalled $1,284,147 (January 31, 2020 - $1,284,147).

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 Mineral Property

The Highland Valley property is located northwest of Merritt and southwest of Logan Lake in south central B.C. In prior years, the Highland Valley Properties were presented as Rateria, West Valley, Abbott Lake Property and Tyner Lake Property. In 2018, Abbott Lake Property was grouped with West Valley and Tyner Lake Property was grouped with Rateria. Together Rateria and West Valley surround the south east, south and southwest sides of Teck Resources' Highland Valley copper mine property.

8.1.1 Rateria
During the year ended January 31, 2019, the Company acquired by staking for its own account, additional mineral claim tenures. The Rateria property is comprised of 31 mineral tenures totaling approximately 10,350 hectares.

Net Smelter Returns ("NSR") royalties on the Rateria property are as follows:

Rateria claims - 7 claims are subject to a 2.5% NSR royalty, payable to a maximum of $3,000,000. The Company has the exclusive right to purchase 1% of the NSR royalty for $2,000,000.

Sho claims - 1 claim is subject to a 2% NSR royalty with the Company having the exclusive right to purchase the NSR royalty at any time for $3,000,000.

Tyner claims - 18 mineral claims are subject to a 2% NSR royalty with the Company having the exclusive right to purchase the NSR royalty for $2,000,000.

8.1.2 West Valley
The West Valley property consists of 32 mineral tenures totaling approximately 14,957 hectares.

The NSR royalty on the West Valley property is as follows:

Abbott claims - 8 claims are subject to a 0.5% NSR royalty, with the Company having the exclusive right to purchase the NSR royalty for $1,000,000.

8.2 Cariboo Mineral Property

The Company has a 100% interest in a group of mineral properties located northeast of 100 Mile House, in south central B.C. The Silverboss property surrounds the former past-producing Boss Mountain molybdenum mine property.

In prior years, the Cariboo Mineral Property was presented as:

- Silver Boss, Fox, Hen, Art-DL and Hawk Property;
- Gus Property;
- Grey Property; and
- Eye Property

In 2018, Gus Property was grouped with Silver Boss and Grey Property was grouped with Hawk Property.

8.2.1 Silver Boss, Hen-Art-DL, Fox and Black Riders Property
The Silverboss property consists of 38 mineral tenures totalling approximately 10,711 hectares. The Hen-Art-DL property consists of 13 mineral tenures totalling approximately 6,047 hectares and the Fox property consists of 36 mineral tenures totalling approximately 17,245 hectares. The Black Riders property consists of 6 mineral tenures totaling approximately 2,564 hectares and adjoins to the east and is considered part of the Fox property. See 8.2.4.

The Silverboss, Hen-Art-DL, Fox and Black Riders property mineral tenures all adjoin and are contiguous and together total 36,567 hectares.

Three of these mineral claims (Gus Property) are subject to a 1.5% NSR royalty which the Company can buy back for $1,500,000.

8.2.2 Hawk Property
The Hawk property consists of 19 mineral tenures totaling approximately 1,976 hectares.

Three of these mineral claims (Grey Property) are subject to a 2% NSR royalty of which the Company can buy back 1% for $1,000,000.

8.2.3 Eye Property
The Eye property consists of 1 mineral tenure and totals approximately 119 hectares.

8.2.4 NSR Royalties
In 2005, the Company acquired a property comprised of five groups of mineral claims – Silver Boss (32 claims), Fox (38 claims), Hen and Art-DL (12 claims) and Hawk (22 claims). These mineral claims are subject to a 2.5% NSR royalty of which the Company can buy back 1% for $2,000,000. See 8.2.1.

8.3 Revelstoke District Properties

8.3.1 Silver Dollar Property
In 2013, the Company acquired a 100% interest in 17 claims known as the Silver Dollar Property, located in the Revelstoke Mining District, British Columbia.

On May 11, 2016, the Company entered into the Silver Dollar Property Option Agreement (the "Option Agreement") with Explorex Resources Inc. ("Explorex") (now Raffles Financial Group Limited). The Option Agreement was amended on November 8, 2016 and again on April 11, 2017. Pursuant to the Option Agreement, as amended, the Company granted to Explorex the sole and exclusive right and option to acquire an undivided 100% interest in and to the Silver Dollar Property subject to a 1% NSR royalty. Explorex exercised the option by paying $20,000 in cash, issuing 1,100,000 common shares of Explorex to the Company and incurring $100,000 in exploration expenditures.

Pursuant to the Option Agreement:

- Explorex granted a right of first refusal to the Company for any future financings that Explorex carries out to finance the mining work to be carried out on the property; and
- If the Company stakes any claim that is located, in whole or in part, within two kilometers of the perimeter of the property it shall be offered to Explorex at the staking cost.

See 8.4.

8.4 Marketable Securities

In January 2020, Explorex and Origen entered into an arrangement agreement (the "AA") and in closing of the AA entered into a transaction (the "Arrangement") whereby Explorex shareholders would be issued Origen shares in consideration for the transfer of assets to Origen and the assumption of liabilities by Origen on completion of the Arrangement. In March 2020, Explorex received shareholder approval for its Arrangement with Origen and its acquisition of all of the outstanding shares of Raffles Financial Private Ltd. ("RFP"). Following the Arrangement and the transfer of assets to Origen, Explorex completed the following transactions to facilitate the acquisition of RFP:

- All Explorex shareholders retained their Explorex shares and received one Origen share for every two Explorex shares held;
- Origen became a new reporting issuer and applied for listing of the Origen shares on the Canadian Securities Exchange (the "CSE"); and
- Explorex completed a name change to Raffles Financial Group Limited ("RFG") and a share consolidation at the ratio of approximately 25.94:1.

As a result of these transactions, the Company received 442,000 Origen shares and it held 34,069 RFG shares. At January 31, 2021, the Company owned 42,000 shares of Origen (January 31, 2020 – 840,000 shares of Explorex and 200,000 shares of Jiulian Resources Inc.), the shares of which are traded on the CSE (2020 – the TSX-V).

	January 31, 2021	January 31, 2020
Marketable securities – fair value	$ 9,660	$ 192,640
Marketable securities – cost	-	268,153

9. TRADE AND OTHER ACCOUNTS PAYABLE

	January 31, 2021	**January 31, 2020**
Financial Liabilities		
Trade payables	**$** 72,922	**$** 11,245
Payroll accruals	1,765	(436)
Accrued liabilities	26,180	18,000
	$ 100,867	**$** 28,809

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. FLOW THROUGH SHARE PREMIUM LIABILITY

The Company periodically issues flow through shares, to fund Canadian exploration programs, with any resulting flow through premium recorded as a flow through share premium liability. The liability is subsequently reduced when the required exploration expenditures are made, and accordingly, a recovery of flow through premium is recorded as income. Based on Canadian tax law, the Company is required to spend the amounts raised on eligible exploration expenditures by the end of the year subsequent to the date the expenditures were renounced.

The following is a continuity schedule of the liability portion of the flow-through share issuances:

	Issued on September 24, 2019	Issued on November 19, 2020	Total
Balance February 1, 2020	$ 100,469	$ -	$ 100,469
Premium liability incurred on flow-through shares issued	-	141,950	141,950
Reduction of flow-through share liability on incurring qualifying expenditures	(100,469)	(35,876)	(136,345)
Balance January 31, 2021	$ -	$ 106,074	$ 106,074

	Issued on December 28, 2018	Issued on September 24, 2019	Total
Balance February 1, 2019	$ 37,819	$ -	$ 37,819
Premium liability incurred on flow-through shares issued	-	135,871	135,871
Reduction of flow-through share liability on incurring qualifying expenditures	(37,819)	(35,402)	(73,221)
Balance January 31, 2020	$ -	$ 100,469	$ 100,469

11. EQUITY

11.1 Authorized Share Capital

Unlimited number of common shares with no par value.

11.2 Shares Issued

Shares issued and outstanding as at January 31, 2021 are 122,661,955 (January 31, 2020 – 105,239,212).

During the year ended January 31, 2021, the following share transactions occurred:

i. On November 19, 2020, the Company completed a non-brokered private placement, issuing 14,195,000 flow-through common shares (each a “FT Share”) at a price of $0.10 per FT Share for gross proceeds of $1,419,500 and 2,777,743 non-flow-through shares (each a “NFT Share”) at a price of $0.09 for gross proceeds of $249,997, for combined proceeds of $1,669,497. Cash finders’ fees of $97,694 were paid, and 500,000 common shares and 1,384,393 finders’ warrants were issued as part of the financing. Each warrant entitles the holder to purchase one additional common share for a three-year period at a price of $0.12. The finders’ warrants were ascribed a value of $72,660.

During the year ended January 31, 2020, the following share transactions occurred:

i. On September 24, 2019, the Company completed a non-brokered private placement, issuing 6,793,572 flow-through common shares (each a “FT Share”) at a price of $0.14 per FT Share for gross proceeds of $951,100 and 4,779,664 non-flow-through shares (each a “NFT Share”) at a price of $0.12 for gross proceeds of $573,560, for combined proceeds of $1,524,660. Cash finders’ fees of $109,189 were paid and 618,000 finders’ warrants were issued as part of the financing. Each warrant entitles the holder to purchase one additional common share for a two-year period at a price of $0.17. The finders’ warrants were ascribed a value of $33,990.

11.3 Warrants

The following warrants were outstanding:

	Warrants	Exercise Price
February 1, 2019	547,991	$ 0.30
Issued – finder's	618,000	0.17
Expired	(524,171)	0.30
January 31, 2020	641,820	0.17
Issued	16,972,743	0.12
Issued – finder's	1,384,393	0.12
Expired	(23,820)	0.30
January 31, 2021	18,975,136	$ 0.12

Expiry date	Warrants	Exercise Price
September 24, 2021	618,000	$ 0.17
November 19, 2023	16,972,743	0.12
November 19, 2023	1,384,393	0.12
	18,975,136	$ 0.12

At January 31, 2021, the weighted-average remaining life of the outstanding warrants was 2.73 years (2020 – 1.62 years).

The fair value of the share purchase warrants granted during the year ended January 31, 2021 and the year ended January 31, 2020 was estimated on the date of grant using the Black-Scholes Pricing Model with the following weighted average assumptions:

	Year Ended January 31, 2021	Year Ended January 31, 2020
Strike price	$0.12	$ 0.17
Risk free interest rate	0.30%	1.52%
Expected warrant life (years)	3.00 years	2.00 years
Expected stock price volatility	104.56%	101.13%
Dividend payments during life of option	Nil	Nil
Expected forfeiture rate	Nil	Nil

11.4 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, 2021 were Nil (year ended January 31, 2020 – 3,050,000). 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, 2021 was $Nil (year ended January 31, 2020 - $200,890).

The fair value of the share options granted during the year ended January 31, 2021 and the year ended January 31, 2020 was estimated on the date of grant using the Black-Scholes Pricing Model with the following weighted average assumptions:

	Year Ended January 31, 2021	Year Ended January 31, 2020
Strike price	N/A	$0.17
Risk free interest rate	N/A	1.58%
Expected option life (years)	N/A	5 years
Expected stock price volatility	N/A	104.25%
Dividend payments during life of option	N/A	Nil
Expected forfeiture rate	N/A	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	Exercise price
February 1, 2019	5,600,000	$ 0.21
Issued	3,050,000	0.17
Cancelled/expired	(3,450,000)	0.19
January 31, 2020 (Exercisable – 5,200,000)	5,200,000	0.20
Issued	-	
January 31, 2021 (Exercisable – 5,200,000)	5,200,000	$ 0.20

Expiry date	Options	Exercise Price
October 27, 2022	2,150,000	$ 0.24
October 17, 2024	2,300,000	0.17
January 16, 2025	750,000	0.17
	5,200,000	$ 0.20

At January 31, 2021, the weighted average remaining life of the outstanding options was 2.83 years (2020 – 3.83 years).

11.5 Normal Course Issuer Bid

On May 7, 2018, the Company received approval to conduct a normal course issuer bid (the "Bid") through facilities of the TSX-V to purchase up to 4,615,948 of the 92,318,976 issued and outstanding common shares of the Company, representing 5% of the Company's issued and outstanding common shares. The Company paid the market price at the time of acquisition for the common shares acquired under the Bid. The Bid took place beginning May 7, 2018 and terminated on May 7, 2019. At January 31, 2019 and May 7, 2019, the Company had repurchased 159,500 shares at a cost of $24,696. These shares have not been cancelled and returned to treasury and are being held in a brokerage account.

12. 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,	**2021**	**2020**
Expected tax recovery at a rate of 27% (2020 – 27%)	$ 107,424	$ 158,165
Increase (decrease) resulting from:		
Non-deductible expenses, net	24,133	(37,761)
Temporary differences, net	25,395	27,891
Deferred taxes applicable to flow-through expenditures	(152,509)	36,431
Valuation allowance	(156,952)	(148,295)
Income tax recovery (expense)	$ (152,509)	$ 36,431

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

As at January 31,	**2021**	**2020**
Exploration and evaluation properties	$ (3,417,102)	$ (3,130,351)
Non-capital losses carried forward	2,318,034	2,174,715
Marketable securities	(1,304)	10,219
Equipment	15,632	15,632
Share issuance costs	49,377	46,931
Net recognized deferred tax liability	$ (1,035,363)	$ (882,854)

The Company has Canadian non-capital losses of approximately $8,584,000 for income tax purposes which expire as follows:

Year of origin	**Non-capital loss**	**Year of expiry**
2006	$ 34,000	2026
2007	348,000	2027
2008	647,000	2028
2009	609,000	2029
2010	574,000	2030
2011	772,000	2031
2012	639,000	2032
2013	666,000	2033
2014	633,000	2034
2015	613,000	2035
2016	394,000	2036
2017	493,000	2037
2018	463,000	2038
2019	659,000	2039
2020	514,000	2040
2021	526,000	2041
	$ 8,584,000	

13. RELATED PARTY TRANSACTIONS AND BALANCES

Relationships	**Nature of the relationship**
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, Chief Financial Officer, Corporate Secretary and Directors.

	Geological exploration services	**Management services**
Services provided for the year ended January 31, 2021:		
Chief executive officer	$ -	$ 64,106
Chief financial officer	-	36,000
Corporate Secretary	-	21,808
Directors	10,411	15,000
Standard	7,150	-
	$ 17,561	$ 136,914

	Geological exploration services	**Management services**
Services provided for the year ended January 31, 2020:		
Chief executive officer	$ -	$ 63,960
Chief financial officer	-	37,000
Standard	8,439	-
	$ 8,439	$ 100,960

Key management compensation includes:

	Year ended January 31, 2021	**2020**
Management fees and salaries	$ 136,914	$ 100,960
Share-based payments	-	183,440
	$ 136,914	$ 284,400

At January 31, 2021 and 2020, there were no amounts payable to key management personnel.

These transactions were in the normal course of operations and measured at their exchange amounts, being the amounts agreed to by the parties to the transactions.

14. MANAGEMENT OF CAPITAL

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

15. RISK MANAGEMENT

15.1 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, 2021, the Company's working capital is $1,605,971 (excluding flow-through premium liability), and it has a long-term lease liability. 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, 2021, the Company had cash and cash equivalents of $1,619,953 to settle trade and other accounts payable of $100,867 and lease liability of $17,304.

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.

15.2 Fair Values

The carrying values of cash and cash equivalents, amounts receivable (excluding GST), reclamation deposits, 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. Marketable securities are carried at fair value.

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 (excluding lease liability) are classified as Level 1 items. Lease liability is classified as a Level 3 item.

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 not 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).

16. COMMITMENTS

16.1 Right-of-Use-Asset / Lease Liability

The Company has an operating lease for office premises expiring on November 30, 2020 and the option for a two-year extension was exercised. Monthly lease payments include base rent, operating costs and property taxes.

(a) Right-of-use asset

As at January 31, 2021 and 2020, the right-of-use asset recorded for the Company's office premises is as follows:

		2021		2020
Balance – beginning of the year	$	43,726	$	-
IFRS 16 adoption		-		59,159
Depreciation		(15,433)		(15,433)
Balance – end of year	$	28,293	$	43,726

(b) Lease liability

As at January 31, 2021 and 2020, the minimum lease payments in respect of lease liabilities and the effect of discounting are as follows:

		2021		2020
Undiscounted minimum lease payments:				
Less than one year	$	19,153	$	19,153
Two to three years		16,434		36,834
		35,587		55,987
Effect of discounting		(2,719)		(8,843)
Present value of minimum lease payments		32,868		47,144
Less current portion		(17,304)		(14,258)
Long-term portion	$	15,564	$	32,886

(c) Lease liability continuity

The net change in the lease liability is as follows:

		2021		2020
Balance – beginning of the year	$	47,144	$	-
IFRS 16 adoption		-		59,159
Cash flows:				
Principal payments		(14,276)		(12,015)
Balance – end of year	$	32,868	$	47,144

During the year ended January 31, 2021, interest of $4,758 (2020 – $6,458) is included in office and administration.

16.2 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 $60,000, based on his current salary.

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.

17. SUBSEQUENT EVENTS

On March 23, 2021, the Company granted 3,950,000 share options to officers, directors and advisors of the Company that can be exercised at a price of $0.10 per share until March 23, 2026. These options vest immediately.

On May 3, 2021, the Company entered into a finder agreement (the “FA”) with a consultant (the “Finder”) whereby the Finder was engaged, on a non-exclusive basis, as a business advisor with respect to providing services to the Company in pursuing a divestiture, merger, reorganization, consolidation, joint venture, partnership, financing or other business combination (a "Transaction"). As compensation for providing these services, the Finder was paid $7,500 on signing and upon closing of any Transaction:

- the introduction to the Company and completion of which are substantially the results of the efforts of the Finder;
- which has been approved by the Company's board of directors; and
- which has received final acceptance by the TSX-V and any other applicable regulatory authorities,

the Company will pay the Finder a success fee (ranging from 3% to 7%) based on the specified formula of the gross amount of each Transaction. In the event the Transaction comprises a private placement, the same percentage as is payable in cash, will be issued in share purchase warrants with the same terms as the warrants issued to subscribers in the financing. The FA expires on the first to occur of the termination of the engagement by either the Company or the Finder or on September 3, 2021, unless extended by mutual written agreement. The FA can be terminated at any time by either party giving 30 days written notice to the other. If within 12 months of termination of the FA there is a closing of a Transaction with an investor introduced to the Company by the Finder, the Finder will receive the full applicable fees as described above.