HAPPY CREEK MINERALS LTD.

Condensed interim financial statements

For the three and six months ended July 31, 2013 and 2012

(Unaudited)
(Expressed in Canadian Dollars)

HAPPY CREEK MINERALS LTD.
Statements of Financial Position
July 31, 2013 and January 31, 2013
(unaudited)

	Note		July 31, 2013		January 31, 2013
ASSETS					
Current assets					
Cash and cash equivalents		$	663,498	$	1,152,514
Accounts receivable	8		-		-
Goods and services tax receivable	5		48,067		38,058
Mineral exploration tax credits receivable	5		3,365		3,365
Prepaid expenses			22,616		22,653
Total current assets			737,546		1,216,590
Non-current assets					
Equipment	6		16,662		18,481
Reclamation deposit	7		59,500		59,500
Deferred expenses			11,625		-
Marketable securities			20,000		20,000
Exploration and evaluation properties	8		12,861,182		12,419,766
Total non-current assets			12,968,969		12,517,747
Total assets		$	13,706,515	$	13,734,337
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other accounts payable	9,11	$	275,094	$	68,392
Non-current liabilities					
Deferred tax liability			541,251		541,251
Flow through shares liability			9,513		39,308
Total liabilities			825,858		648,951
Equity					
Share capital	10		15,469,983		15,442,857
Share option reserve	10		1,654,020		1,620,675
Deficit			(4,228,784)		(3,963,584)
Accumulated other comprehensive loss			(14,562)		(14,562)
Total equity			12,880,657		13,085,386
Total equity and liabilities		$	13,706,515	$	13,734,337

These financial statements are authorized for issue by the Board of Directors on September 26,2013.

Approved by the Board of Directors:

"David Blann" Director *"Paul Reynolds"* Director

The accompanying notes are an integral part of these financial statements

HAPPY CREEK MINERALS LTD.
Statements of Loss and Comprehensive Income (Loss)
July 31, 2013 and 2012

	Note	Three months ended July 31, 2013	Three months ended July 31, 2012	Six months ended July 31, 2013	Six months ended July 31, 2012
Revenue					
Interest income		$ 2,187	$ 5,239	$ 4,941	$ 12,233
Other expenses					
Advertising and promotion		24,208	53,019	69,033	86,076
Conferences and travel		5,391	1,723	25,271	9,287
Management fees and salaries		47,097	57,198	77,097	89,215
Share-based payments		33,345	21,211	33,345	24,044
Office and administration		26,225	19,583	57,878	42,422
Part XII.6 tax		-	-	8,621	-
Professional fees		27,140	25,649	28,690	41,344
Adjustment to property costs written off		-	-	-	(35,000)
		163,406	178,383	299,935	257,388
Loss before income taxes		(161,219)	(173,144)	(294,994)	(245,155)
Provision for income taxes:					
Deferred income tax recovery (expense)		23,388	0	29,795	38,605
Net income (loss) for the period		(137,831)	(221,567)	(265,199)	(206,550)
Unrealized gain on available for sale financial assets		-	-	-	-
Deferred income tax on available for sale financial assets		-	-	-	-
Comprehensive income (loss) for the period		$ (137,831)	$ (221,567)	$ (265,199)	$ (206,550)
Basic and diluted earnings (loss) per share		$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average number of shares oustanding		57,325,945	55,371,630	57,325,945	55,371,630

The accompanying notes are an integral part of these financial statements

HAPPY CREEK MINERALS
Statements of Cash Flows
July 31, 2013 and 2012

	Six months ended July 31, 2013	2012
CASH AND CASH EQUIVALENTS FROM (USED IN) OPERATING ACTIVITIES		
Income (loss) for the period	$ (265,199)	$ (221,567)
Items not involving cash:		
Deferred income tax (recovery) expense	(29,795)	48,423
Amortization	216	-
Share based payments	33,346	21,211
	(261,432)	(151,933)
Changes in non-cash working capital items:		
Receivables	-	(84,686)
Goods and services tax receivable	(10,009)	-
Prepaid expenses	37	71,165
Trade and other accounts payable	206,702	304,254
	(64,702)	138,800
INVESTING ACTIVITIES		
Purchase of equipment	(1,921)	-
Deferred expenses	(11,625)	-
Expenditures on mineral properties	(410,768)	(636,145)
Reclamation deposit	-	5,000
	(424,314)	(631,145)
Decrease increase in cash and cash equivalents	(489,016)	(492,345)
Cash and cash equivalents, beginning of year	1,152,514	2,417,550
Cash and cash equivalents, end of year	$ 663,498	$ 1,925,205
Supplemental Cash Flow Information:		
Amortization capitalized to exploration and evaluation properties	$ 3,524	$ 2,202
Accounts payable related to exploration and evaluation costs	$ 225,638	$ 279,524
Cash and cash equivalents consist of:		
Cash	$ (7,783)	$ 208,550
Short-term deposits	671,281	1,716,655
	$ 663,498	$ 1,925,205

The accompanying notes are an integral part of these financial statements

HAPPY CREEK MINERALS
Statements of Changes in Equity
July 31, 2013 and 2012

	Common Shares		Share	Accumulated Other		
	Number	Amount	Option Reserve	Comprehensive Loss	Deficit	Total Equity
February 1, 2012	55,371,630	$ 15,079,192	$ 1,507,976	$ (6,562)	$ (3,805,348)	$ 12,775,258
Share based payments	-	-	24,044	-	-	24,044
Loss for the period	-	-	-	(5,999)	(206,550)	(212,549)
July 31, 2012	55,371,630	$ 15,079,192	$ 1,532,020	$ (12,561)	$ (3,743,294)	$ 10,486,680
February 1, 2013	57,286,630	$ 15,442,857	$ 1,620,675	$ (14,562)	$ (3,963,584)	$ 13,085,386
Shares issued for property	175,000	27,125	-	-	-	27,125
Share-based payments	-	-	33,345	-	-	33,345
Earnings (loss) for the period	-	-	-	-	(265,199)	(265,199)
July 31,2013	57,461,630	$ 15,469,982	$ 1,654,020	$ (14,562)	$ (4,228,783)	$ 12,880,657

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 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 related to events or conditions that cast significant doubt upon the entity'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 balance sheet 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 comparative figures presented in theses financial statements are in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The accounting policies below have been applied to all periods presented in these financial statements; and are based on IFRS as issued by the 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 July 31, 2013.

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) Amortization

Off-road equipment and computer equipment are depreciated using the straight line method based on rates which approximate the estimated useful life of the equipment. Automobiles are depreciated, net of residual value, on a straight-line basis, over the useful life of the equipment.

Significant judgment is involved in the determination of useful life and residual values for the computation of depreciation, depletion and amortization and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

(ii) Impairment of equipment

The carrying value of equipment is reviewed each reporting period to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in profit or loss. The assessment of fair values require the use of estimates and assumptions for recoverable production, long-term commodity prices, discount rates, foreign exchange rates, future capital requirements and operating performance. Changes in any of the assumptions or estimates used in determining the fair value of equipment or other assets could impact the impairment analysis.

(iii) Exploration and evaluation properties

The Company is required to make significant judgements regarding the capitalization of exploration and evaluation properties. The Company is also required to make significant judgements 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.

(iv) Deferred taxes

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

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

(v) Share-based payments

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

4. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared at its historical cost convention except for certain financial instruments which are measured at fair value.

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 amortization and 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.

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

The Company provides for amortization using the straight line method at rates designed to amortize the cost of individual items over their estimated useful lives. Amortization on operating assets is included in the statements of net loss as a component of office and administrative expenses. Amortization of assets utilized in mineral exploration activities is capitalized as a cost of mineral properties.

4.3 Exploration and Evaluation Properties

(i) Pre-license costs:

Costs incurred before the Company has obtained the legal right to explore are expensed as incurred.

(ii) Exploration and evaluation costs:
Once the legal right to explore has been acquired, exploration and evaluation expenditures are capitalized as incurred, unless future economic benefit is not expected to be realized. The Company capitalizes on a property by property basis, the costs of acquiring, maintaining its interest in, 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 amortized 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 amortized 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 July 31, 2013, the Company has determined that it does not have any decommissioning and restoration obligations related to current or former operations.

4.5 Impairment of Non-Financial Assets

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

4.6 Provisions

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

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

4.7 Income Taxes

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

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

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

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

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

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

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

4.8 Flow-through shares

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

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

4.9 Share-based Payments

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

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

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

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

4.10 Related party transactions

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

4.11 Earnings (Loss) per Share

Basic earnings (loss) per share are computed by dividing net earnings (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 six month period ended July 31, 2013 and the year ended January 31, 2013, all the outstanding share options and warrants were anti-dilutive.

4.12 Financial Instruments - Recognition and Measurements

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, marketable securities, trade and other accounts payable.

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

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

4.13 Share Issuance Costs

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

4.14 Comprehensive Income (loss)

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

4.15 Changes in Accounting Standards

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

Accounting Standards Issued and Effective January 1, 2013 or Later

IFRS 9 Financial Instruments replaces the current standard *IAS 39 Financial Instruments: Recognition and Measurement,* replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value.

IFRS 13 *Fair Value Measurement* defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except for the following:

i. Share-based payment transactions within the scope of IFRS 2 *Share-based Payment*;

ii. Leasing transactions within the scope of IAS 17 *Leases*; and

iii. Measurements that have some similarities to fair value but that are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets.*

IAS 32 *Financial Instruments: Presentation*, establishes principles for presenting financial instruments as liabilities or equity for offsetting financial assets and financial liabilities, and enhances financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance, and cash flows.

5. RECEIVABLES

The Company has amounts receivable from the Province of British Columbia and the Government of Canada due to statutory credits and refunds and has classified these receivables as non-financial assets.

6. EQUIPMENT

	Computer equipment	Off-road vehicle	Mobile equipment	Total
Cost				
Balance , February 1, 2013	$ 3,180	$ 18,818	$ 23,965	$ 45,963
Additions	1,921	-	-	1,921
Balance, July 31, 2013	5,101	18,818	23,965	47,884
Accumulated depreciation and amortization				
Balance , February 1, 2013	3,180	15,509	8,793	27,482
Depreciation for the period	216	1,128	2,396	3,740
Balance,July 31, 2013	3,396	16,637	11,189	31,222
Net book value	$ 1,705	$ 2,181	$ 12,776	$ 16,662

	Computer equipment	Off-road vehicle	Mobile equipment	Total
Cost				
Balance , February 1, 2012	$ 3,180	$ 15,818	$ 23,965	$ 42,963
Additions	-	3,000	-	3,000
Balance, January 31, 2013	3,180	18,818	23,965	45,963
Accumulated depreciation and amortization				
Balance, February 1, 2012	3,180	13,141	4,000	20,321
Depreciation for the period	-	2,368	4,793	7,161
Balance, January 31, 2013	3,180	15,509	8,793	27,482
Net book value	$ -	$ 3,309	$ 15,172	$ 18,481

7. RECLAMATION DEPOSITS

As at July 31, 2013, the Company had reclamation deposits held in trust by the Province of British Columbia totalling $59,500 (January 31, 2013 - $59,500) with regards to its exploration of properties in British Columbia.

8. EXPLORATION AND EVALUATION PROPERTIES

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

	Cariboo properties British Columbia	Highland Valley properties British Columbia	Revelstoke properties British Columbia	Total
February 1, 2012	$ 3,544,570	$ 6,967,768	$ -	$ 10,512,338
Acquisition Costs				
Option and acquisition costs	639	29,000	10,150	39,789
Option proceeds	(8,000)	(21,000)	-	(29,000)
Exploration Costs				
Assaying and petrographic	48,316	36,682	3,095	88,093
Geophysics	114,628	205,708	57,460	377,796
Communications	4,814	1,738	-	6,552
Field supplies	36,427	13,032	-	49,459
Geological and consulting	249,988	94,809	60,862	405,659
Amortization of field equipment	7,161	-	-	7,161
Mineral tenure costs	7,081	2,563	-	9,644
Field support and drilling	776,207	88,645	-	864,852
Travel and accommodation	81,504	1,406	-	82,910
Insurance - mobile equipment	-	4,513	-	4,513
January 31, 2013	4,863,335	7,424,864	131,567	12,419,766
Acquisition Costs				
Option and acquisition costs	-	27,125	-	27,125
Exploration Costs				
Assaying and petrographic	38,635	11,158	-	49,793
Communications	1,890	693	-	2,583
Government fees	500	722		1,222
Geological and consulting	50,547	39,022	800	90,369
Amortization of field equipment	3,524	-	-	3,524
Field support and drilling	261,231	1,415	-	262,646
Travel	61	1,924		1,985
Insurance - mobile equipment	2,169	-	-	2,169
July 31, 2013	$ 5,221,892	$ 7,506,923	$ 132,367	$ 12,861,182

As at July 31, 2013, cumulative METC rebates offset against deferred exploration and evaluation property costs are $824,183 (January 31, 2013 - $824,183).

The Company is required by the Government of British Columbia to incur a minimum amount of expenditures to maintain concessions. The minimum expenditure amount is based on land area and the age of concession. Expenditures in excess of the required annual minimum may be carried over to future years.

8.1 Highland Valley Properties

8.1.1 Rateria

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

8.1.2 West Valley

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

8.1.3 BX Property

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

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

8.1.4 Abbott Lake Property

On May 30, 2012, the Company acquired an option to earn a 100% interest in the Abbott Lake Property, comprised of 8 mineral claims that adjoin the south side of the Company’s West Valley property. To earn its interest the Company must pay $15,000 cash and issue, in aggregate, 350,000 shares (issued). These claims are also subject to a 0.5% NSR royalty. Subsequent to the period end all conditions of the option agreement have been met and the Company has a 100% interest in the property.

8.2 Cariboo District

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

The Property is comprised of 5 groups of claims known as the Silverboss, Fox, Hen, Art-DL and Hawk claim groups.

During the year ended January 31, 2009 the Company acquired from unrelated parties a 100% interest in 13 additional mineral claims in consideration for $20,500 cash and the issuance of 50,000 common shares.

8.2.1 Gus Property

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

8.2.2 Grey Property

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

8.2.3 Eye claim option

On July 20th 2011, the Company announced it had granted an Option to Newmont Mining Corporation (Newmont) to acquire the Company’s Eye mineral claim in south central British Columbia (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 stages over a five year period. If Newmont elects to purchase the property it will grant to the Company an NSR of 0.5%, with payments up to an aggregate of $1.5 million. In addition, Newmont will cover the underlying royalty obligations to the previous owner. On June 17th, 2013 the Company announced that Newmont has dropped the Eye property Option, and returned the property in good standing until the year 2022.

8.3 Revelstoke District Properties

As part of the settlement with the vendor of the BX property (refer to Note 8.1.3), the Company received 100% interest in a mineral property, comprised of 17 claims known as the Silver Dollar Property, located in the Revelstoke Mining District, British Columbia.

During the year ended January 31, 2013 the Company acquired from unrelated parties a 100% interest in 18 additional contiguous mineral claims in consideration for $10,150 cash.

9. TRADE AND OTHER ACCOUNTS PAYABLE

		July 31, 2013		January 31, 2013
Financial liabilities				
Trade payables	$	229,372	$	29,869
Related parties		6,500		
Payroll accruals		9,222		8,523
Accrued liabilities		30,000		30,000
	$	275,094	$	68,392

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

10. EQUITY

10.1 Authorized

Unlimited number of common shares with no par value

10.2 Shares Issued

Shares issued and outstanding as at July 31, 2013 are 57,461,630 (January 31, 2013 – 57,286,630).

During the six months ended July 31, 2013 the Company issued 175,000 shares with a deemed value of $27,125 to fulfill its obligations to earn a 100% interest in the Abbott Lake property.

During the year ended January 31, 2013, the following share transactions occurred:

i. In April 2012, the Company reached a settlement agreement whereby the vendor of the BX property returned 50,000 common shares to the Company, in addition to other consideration, because the vendor allowed the related claims of the property to lapse resulting in the loss of the BX property as described in Note 8.1.3.

ii. In May 2012, 175,000 shares were issued as partial payment on the Abbott Lake property transaction described in note 8.1.4. A value of $0.12 per share was attributed to this transaction.

iii. On December 28, 2012, the Company completed a non-brokered private placement issuing a total of 1,790,000 flow-through units (“FT Units”) of the Company at a subscription price of $0.25 per unit for total gross proceeds of $447,500. Each FT Unit consists of one flow-through common share of the Company and one-half of one share purchase warrant ("FT Warrant"). Each flow-through common share qualifies as a "flow-through share" for the purposes of the *Income Tax Act* (Canada). Each whole FT Warrant is exercisable into a common share of the Issuer at a price of $0.35 per common share for a period of 18 months from the closing date of the offering. The

Company paid a finder's fee in connection with the offering in accordance with TSX Venture Exchange policies. The finder's fee was comprised of 7.4% of the gross proceeds raised from the sale of FT Units.

10.3 Warrants

The following warrants were outstanding:

	Warrants	Weighted Average Exercise Price
Balance, February 1, 2012	16,685,137	$ 0.45
Granted	895,000	0.35
Expired/cancelled	(8,449,970)	0.49
Balance, January 31, 2013	9,130,167	0.43
Expired/cancelled	(3,730,167)	0.40
Balance, July 31, 2013	5,400,000	$ 0.35

Expiry Date	Number of Warrants	Weighted average exercise
May 14, 2014	1,330,000	0.35
December 31, 2013	3,175,000	0.35
June 30, 2014	895,000	0.35
	5,400,000	$ 0.37

10.4 Share-based compensation

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

Total share options granted during the period ended July 31, 2013 were 750,000 (year ended January 31, 2013 – 1,800,000). Total share-based payments recognized for the fair value of share options granted, vested and approved by the shareholders during the period ended July 31, 2013 was $33,345(January 31, 2013-$112,699).

The fair value of the share options granted/vested in the six months ended July 31, 2013 and the year ended January 31, 2013 was estimated on the date of grant using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

	Six Months Ended July 31, 2013	**Year Ended January 31, 2013**
Strike Price	$0.20	$0.22
Risk free interest rate	1.10%	1.10%
Expected option life	2	1.24 years
Expected stock price volatility	80%	80%
Dividend payments during life of option	Nil	Nil
Expected forfeiture rate	Nil	Nil

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

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

	Options	**Weighted average exercise price**
January 31,2012	3,525,000	$ 0.22
Issued	1,800,000	0.21
Expired/cancelled	(825,000)	0.32
January 31, 2013	4,500,000	0.22
Issued	750,000	0.20
July 31,2013	**5,250,000**	**$ 0.20**

At July 31, 2013, the weighted average remaining life of the outstanding options was 0.6 years (January 31,2013 – 1.25 years).

Outstanding			Vested		
Number of options	**Weighted average exercise price**	**Weighted average remaining contractual life (years)**	**Number of options**	**Weighted average exercise price**	**Weighted average remaining contractual life (years)**
1,650,000	0.23	0.2	1,650,000	0.23	0.2
500,000	0.12	0.8	500,000	0.12	0.8
425,000	0.12	1.2	425,000	0.12	1.2
125,000	0.17	1.2	125,000	0.17	1.2
950,000	0.23	0.8	475,000	0.23	0.8
400,000	0.18	1.5	400,000	0.18	1.5
200,000	0.18	1.7	200,000	0.18	1.7
750,000	0.20	2.0	525,000	0.20	2.0
250,000	0.23	1.2	250,000	0.23	1.2
5,250,000	0.17	0.6	4,550,000	0.17	0.6

Subsequent to the period end 2,175,000 share purchase options were cancelled or expired.

11. RELATED PARTY TRANSACTIONS AND BALANCES

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

Services provided for the period ended July 31, 2013	Geological exploration services	Management services	Consulting services
1820546 Ontario	$ -	$ -	$ 24,000
Standard Metals Exploration Ltd.	27,500	27,500	-

Services provided for the period ended July 31, 2012	Geological exploration services	Management services	Consulting services
Novus Leadership Services Inc.	$ -	45,000	-
Standard Metals Exploration Ltd.	30,000	30,000	-

Additional key management compensation includes:

	Six months ended July 31, 2013	**2012**
Management fees	$ 28,500	$ 2,500
	$ 28,500	$ 2,500

Amounts owing to or from related parties are non-interest bearing, unsecured and due on demand. Included in accounts payable at July 31, 2013 is $6,500 (July 31, 2012-Nil) owed to a Director and an Officer of the Company. The transactions were in the normal course of operations.

12. MANAGEMENT OF CAPITAL

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

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

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

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

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

13. RISK MANAGEMENT

13.1 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 share capital.

b. Credit Risk

Credit risk is the risk that a client or vendor will be unable to pay or receive any amounts owed to or owing by the Company. Management's assessment of the Company's exposure to credit risk is low despite the fact that substantially all of the Company's accounts receivable are concentrated with the Government of Canada for the reimbursement of goods and services tax input tax credits and with the Government of British Columbia for British Columbia Mineral Exploration Tax Credits receivable.

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 July 31, 2013, the Company's working capital is $462,452 and it does not have any long term monetary liabilities. The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at July 31, 2013, the Company had a cash and cash equivalents of $663,498 to settle current liabilities of $275,094. The Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

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.

13.2 Fair Values

The carrying values of cash and cash equivalents, goods and service taxes receivable, mineral exploration tax credits receivable, marketable securities and trade and other accounts payable approximate fair values due to their short-term to maturity nature or the ability to readily convert to cash.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. As at July 31, 2013, the fair value of the Company's financial instruments approximate their carrying value due to their short term nature. All financial instruments are all classified as Level 1 items.

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

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

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

14. COMMITMENTS

14.1 Flow-through Commitment

At July 31, 2013, the Company has met it's flow-through commitments pursuant to its renunciation to investors in the December 2012 flow-through financing.

14.2 Lease Commitment

On November 23, 2009, the Company entered into an operating lease for office premises to be effective from December 1, 2009, to November 30, 2012. During the year the Company extended the lease terms for an additional period of two years to be effective until November 30, 2014. The monthly lease payments include rent, operating costs and property taxes. The minimum payments for the duration of the extension are as follows:

Calendar Year	Amount $
2013	12,360
2014	22,655
	35,015

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 periods ended July 31, 2013 and 2012. This MD&A has been prepared as of September 24, 2013 and includes information up to that date.

The MD&A supplements, but does not form part of, the unaudited interim financial statements of the Company for the period ended July 31, 2013 and 2012. The following MD&A should be read in conjunction with the Company's unaudited interim financial statements for the three months ended July 31, 2013 and 2012. 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
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The MD&A may contain statements that are forward-looking in nature, involving known and unknown risks and uncertainties such as general economic and business conditions, operating costs, changes in foreign currency, exchange rates and other factors. Since forward-looking statements address future events and conditions, by their nature, they involve inherent risks and uncertainties. Actual results may be materially different from those expressed or implied in such statements. The Company assumes no obligation to update or revise any forward-looking statement whether as a result of new information, future events, or any other reason except as required by law.

Overall Performance

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

The Company owns a 100% interest in 9 mineral properties that total approximately 600 square kilometres. The Company recognized potential in these early stage properties and performed systematic, surface exploration to identify quality targets. Targets were prioritized and drill tested to outline the mineralized zones. Exploration success by the Company includes:

1. Rateria property: discovered by drilling, two new copper zones thought to have resource potential that adjoin Teck's Highland Valley Copper mine, Canada's largest copper producer. Drilling has returned geology and grades similar to what is currently being mined 6.5 km away. Zone 1 is approximately 1.2 km in length, 50 to 200 metres in width, and at least 450 metres in depth that is open in extent. In Zone 2, the Company is the first in the area to announce rhenium

(Re) in drill results, with concentrations that are significant. The Company has also identified several other prospective copper targets on the Rateria and West Valley properties;

2. Fox property: discovered by drilling, a new large scale tungsten and molybdenum system with tungsten grades at surface and in drill core that are comparable to some of the best mines and advanced stage projects on a worldwide basis. The near-surface setting, high grades and proximity to infrastructure are positive qualities of this project;

3. Silverboss property: outlined at surface and with geophysics several copper, molybdenum and gold targets that extend outward from the adjoining former Boss Mountain molybdenum mine (Xstrata);

4. Silver Dollar property: recently acquired, this property has a number of historical past producing mines and developed prospects containing positive grades of gold, silver, lead and zinc.

5. Hawk property: outlined a copper-gold (alkalic porphyry) system with positive copper-gold grades and similarities to the Mount Polley and Afton mines to the north and south, respectively.

6. Hen-Art-DL property: outlined by sampling, trenching and drilling several new gold-silver prospects.

Exploration updates

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

Highland Valley District

Between 2006 and 2011 on the Rateria property, the Company completed property-wide 3 dimensional induced polarization and magnetic geophysical surveys, geology, geochemical surveys and diamond drilling. Zone 1 was first identified in 2006 with drill holes intersecting the edge of the main mineralized zone. Follow up drilling in 2007-2010 began to outline the zone with increasingly positive results.

In 2008, drilling discovered a second zone (Zone 2) containing positive copper, molybdenum, gold and silver values. On February 2, 2010, the Company was the first in Highland Valley to announce significant rhenium (Re) values in drill core and values up to 19.0g/t Re occur. Rhenium is typically recovered within a molybdenum concentrate and prices range from around $4,500 to $9,000 per kilogram of rhenium. Rhenium is used in alloys for example, in the new fuel efficient jet engines.

During 2011, the Company completed 40 holes totalling approximately 12,800 metres of core drilling, with about half directed in or adjacent Zone 1 and half to test new areas. On June 1, 2011, the Company announced results of R11-01 containing 95.0 metres grading 0.67 per cent copper and 3.62 g/t (grams per tonne) silver. On July 13th, the Company announced drilling intersected 100 metres of 0.35 % copper, 2.2 g/t silver that includes a higher-grade section of 10 metres grading 1.1 % copper and 8.1 g /t silver. On September 6th the Company announced results of 250.0 metres grading 0.25%

copper including 162.5 metres of 0.32% copper, 2.1 g/t silver. On September 19th the Company announced 50.0 metres of 0.39% copper that extends Zone 1 further south. On October 17th, the Company announced 102.5 metres of 0.43 % copper, 2.9 g/t silver, 0.005 % molybdenum and 0.11 g/t rhenium, within an overall mineralized interval of 242.5 metres containing 0.25 % copper. On November 28th, the Company announced 47.5 metres of 0.42% copper, 2.3 g/t silver within an overall interval of 82.5 metres containing 0.26% copper and 1.0 g/t silver that extended Zone 1 to a kilometre in length. On January 31, 2012 the Company announced 12.5 metres of 0.59 % copper, 3.9 g/t silver and 0.11 g/t rhenium near the end of the hole and is believed to have only partially cut the main mineralized zone.

In Zone 1, positive and potentially economic copper grades occur in an area approximately 1.2 kilometres in length, 50 to 200 metres in width to over 450 metres in depth and remains open in extent.

To the west of Zone 1 drilling returned 7.5 metres of 1.35% copper, 12.4 g/t silver, and 7.5 metres of 1.7% copper, 30.7 g/t silver and 7.5 metres of 0.60% copper, 3.5 g/t silver. These holes partially outline a new copper zone over a distance of 600 metres that remains undefined and open in extent. It is likely the southern extension to Teck's Yubet prospect and maybe part of Zone 1.

The 2011 drilling also intersected positive results from Zone 2. On May 4, 2012, the Company announced 5.0 metres containing 1.09% copper, 0.19 g/t gold, 4.5 g/t silver and 0.06 g/t rhenium, located approximately 200 metres away from any previous drilling. On June 11, 2012 the Company announced R11-36 contained 152.5 metres grading 0.26 per cent copper, 0.008 per cent molybdenum, 0.07 g/t gold and 0.67 g/t rhenium. This includes 42.5 metres of 0.37 per cent copper, 0.17 g/t gold, 0.025 per cent molybdenum, 1.82 g/t rhenium and 1.87 g/t silver. Important rhenium enrichment is shown in a section of 7.5 metres with 0.11 per cent copper, 0.119 per cent molybdenum and 9.5 g/t rhenium. Approximately 150 metres northeast of R11-36, R11-38 intersected 42.5 metres grading 0.2 per cent copper, 0.07 g/t gold and 0.06 g/t rhenium starting at 17.5 metres. Further down the hole, a 2.5-metre interval returned 0.01 per cent molybdenum and 2.53 g/t rhenium, and from 262.5 metres, the final 20.1 metres averages 0.06 per cent copper. The mineralization remains open in extent. R11-39 is approximately 65 metres to the south of R11-36. Starting at 45 metres, R11-39 returned 277.5 metres of 0.1 per cent copper and 0.15 g/t rhenium, including 32.5 metres of 0.21 per cent copper, 0.004 per cent molybdenum and 0.46 g/t rhenium, and 55 metres of 0.19 per cent copper and 0.17 g/t rhenium.

On January 15, 2013, the Company announced results from two drill holes completed in Zone 2 in late 2012. R12-01 is a 60 metre step-out north of R11-36 and returned 92.8 metres of 0.30 per cent copper, 0.15 g/t gold starting from bedrock surface and the zone remains open in extent. To the south, R12-02 scissored R08-05 and returned 152.5 metres of 0.35 per cent copper and 0.57 g/t rhenium, including 32.5 metres of 0.91 per cent copper, 0.010 per cent molybdenum, four g/t silver, 0.11 g/t gold and 1.83 g/t rhenium. Results are consistent with R-08-05 and importantly confirms a sub-vertical dipping, northerly trending mineralized zone and an estimated true width on this section of 75 metres containing highly encouraging grades.

Drilling is planned to expand Zone 2, test Zone 1 at depth and test the numerous other quality targets the Company has identified from its intensive, systematic geological and geophysical work. The Rateria property continues to produce results similar to other Highland Valley deposits and is thought to be an important new area within the district having potential to generate quality copper deposits.

West Valley

From its acquisition in 2008 to 2011, the Company completed property-wide reconnaissance stream sediment sampling and prospecting, geological mapping and a limited induced polarization and diamond drilling of three holes at the NTP prospect. On May 4th 2012 the Company announced that twelve stream sediment samples returned strongly positive values of copper, underlain by north to northwest trending fault structures that are sub-parallel to, or splay off the Lornex fault; the Lornex fault extends southward from the giant Valley and Lornex deposits and is an important structure in the Highland Valley copper district. On May 27th 2013, the Company announced results from geology, prospecting and a property-wide airborne magnetic and radiometric geophysical survey conducted in 2012. These results are thought to confirm potential for large scale porphyry copper systems to occur in the southern portion of the property, and several priority targets are evident. The West Valley property is at an earlier stage than the Rateria, however it is underlain by favorable geology and thought to hold potential for bulk tonnage copper deposits.

BX

On June 6 2011, the Company acquired an option to earn a 100% interest in the BX property that adjoins Teck's Highland Valley copper property and is approximately 6 kilometres northeast of the past producing Bethlehem mine. On August 31, 2011, the Company announced it has initiated a three dimensional induced polarization and magnetic geophysical survey and geological mapping. 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 $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 "Silver Dollar Property".

Cariboo Property

Fox

The Fox tungsten-moly property was explored by the Company between 2005 and 2012. Within an area approximately 10 by 3 kilometres in dimension, the Nightcrawler and Deception Mountain areas contain positive tungsten and locally molybdenum values in surface samples. Tungsten prices are based on contained W03 (tungsten trioxide). Market prices for W03 have increased and are around U.S. $35.0 to $45.0/kg. One percent (1%) $W0_3$ contains 10 kg W03 per tonne. Globally, tungsten mine grades generally average 0.24 to 1.0% W03 and very few mines average over 1.0% W03 or are open pit; most tungsten mines are underground operations. On the Fox property, positive to potentially economic values of tungsten occur in two main areas located on the south and north sides of a granite that is similar in age to the Boss Mountain molybdenum mine located approximately 25 km to the west.

In the northern area, on the east side of Deception Mountain, four outcropping mineralized zones occur over a three kilometre distance: from south to north, the 708, BN, RC (Ridley Creek), and BK prospects. During 2010 hand trenching at three zones returned 7.0 metres of 0.80% W03, 4.9 metres of 1.07% W03, 2.0 metres of 5.0% W03, 7.3 metres of 1.25% W03, and 0.4 metres of 11.10% W03. The tungsten bearing skarn zones also contain variable concentrations of other metals including zinc (Zn), cadmium (Cd), indium (In), bismuth (Bi), silver (Ag), and gold (Au).

On October 3, 2011, the Company announced that the first ever drilling at the RC (Ridley Creek) prospect returned 1.8 metres of 1.29% W03, and 2.2 metres of 2.2% W03, and includes higher grade samples such as 0.50 metres of 8.45% W03, 1.41% zinc, 5.8 g/t indium, 0.22 g/t gold and 2.2 g/t silver.

Approximately two kilometres south of the drilling, a new mineralized zone was located in outcrop. Two grab samples of a mineralized skarn that is over 1.0 metre wide returned 3.0 % WO3, 0.70 per cent zinc, 6.81 g/t indium, 0.05 g/t gold and 1.41 g/t silver.

On October 20th, 2011, the Company announced additional drill results from the RC prospect. Hole F11-07 returned 4.7 metres of 1.02% W03, 0.42% zinc, 2.3 g/t indium, and F11-08 returned 12.4 metres of 0.74% W03, 0.15% zinc and 0.9 g/t indium. On January 1, 2012, the Company announced drill results including 7.3 metres grading 0.33% W03 and 2.5 metres grading 0.89% W03. During 2012, diamond drilling continued to expand and outline the RC zone and positive results were also obtained from testing the BK and BN zones located one kilometre to the north and south, respectively.

On September 9th, 2013, the Company announced results from further drilling in the RC zone. Due to drilling problems, drill holes F13-01 andF13-02 did not cut the full thickness of the expected mineralized zone, returning 2.7 metres of 2.0% W03 and 1.4 metres of 2.21% W03, respectively. F13-03 cut the full thickness of the mineralized zone returning 22.0 metres grading 0.76% W03. Additional results are pending.

Highlights of Recent Fox Tungsten Drill Results

Hole	From	Interval	W03
	(m)	(m)	%
F11-02	5.7	5.2	0.91
F11-07	14.30	4.70	1.02
F11-08	8.25	12.40	0.74
F11-09	22.05	7.30	0.33
F12-01	14.00	19.40	0.82
F12-09	15.00	11.00	0.80
F12-11	27.00	14.00	0.66
F12-13	19.00	3.40	0.64
F12-17	20.00	20.00	0.63

F12-18	18.00	24.70	0.68
F12-19	35.00	5.00	0.32
F12-20	24.00	9.00	0.42
F12-26	3.05	2.95	1.93
F12-27	1.90	4.10	1.78
F12-27	83.20	14.80	4.04
F12-27	136.00	24.00	0.79
F12-28	82.00	4.00	0.87
F13-01	26.8	2.72	2.01
F13-02	40.4	1.4	2.21
F13-03	20.0	22.0	0.76

The Nightcrawler– Discovery Zone is located approximately 4 kilometres south of the BN-RC prospects. Drilling results from 2007 and 2010 include 5.0 metres of 0.33% W03 in 07F-03, 2.0 metres of 0.74% W03, 3.0 metres of 0.34% W03, and 2.0 metres of 0.48% W03 in 07F-05, 0.90 metres of 1.37% W03, 2.5 metres of 0.33% W03, and 9.2 metres of 0.16% W03, including 2.2 metres of 0.39% W03 in F10-1.

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

On Deception Mountain, all drill holes have intersected the favorable geological horizon, or skarn unit at or near surface that is approximately 20-40 metres in thickness and contains tungsten values from trace to over 9.67% W03. Locally positive values of zinc, indium, gold and silver also occur. Hole F12-27 at the BN prospect intersected three separate high grade tungsten intervals that suggest potential for multiple mineralized layers to occur, similar to the Nightcrawler Zone.

On the Fox tungsten property, the large area containing positive tungsten in stream sediment, surface rock and drill core samples are thought to be indicative of a strong mineral system, and recent drill results are comparable to the top-tier tungsten projects on a global scale.

Silverboss

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

On April 13, 2012, the Company announced that soil geochemical surveys conducted in 2011 were successful in extending the Horse Trail zone to 1.5 kilometres.

On April 3, 2013, the Company announced results of its 2012 exploration. A three dimensional induced polarization (3D IP) and magnetic geophysical survey covered the Silverboss Shaft and Horse Trail prospects. At the Silverboss Shaft prospect, the 3DIP survey has produced a clear and positive response of 9 to over 13 milliseconds chargeability that extends to over 250 metres below surface. This positive response extends north and eastward, forming another zone approximately 350 metres by 400 metres in dimension that remains open in extent. These encouraging geophysical targets are overlain at surface with soil and rock samples containing positive values of copper and gold and thought to be ready for drill testing.

At the Horse Trail zone, the 3D IP survey has returned a moderate to very strong response that extends westward from the open pits of the past-producing Boss Mountain mine. Importantly, chargeability values of greater than 40 milliseconds occur near the edge of the property and decrease gradually westward for up to one kilometre distance. At surface, this positive geophysical expression is overlain by positive values of copper, molybdenum, gold and silver in quartz veins and soil samples. The geophysical results combined with the positive surface samples and geology are thought to represent a bulk tonnage exploration target that is adjacent a significant past-producer and is ready for drill testing.

Hawk

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

In 2007, and several hundred metres east and southeast of these samples, reconnaissance drilling returned 9.1 metres of 0.093% copper and 0.134 g/t gold at the top of 07H-02. As the mineralization occurs right at the top of the hole, the zone remains open in extent behind the hole.

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

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

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

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

Hen

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

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

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

Art-DL

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

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

Revelstoke Property

Silver Dollar

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

During 2012, the Company completed an airborne geophysical survey and geological mapping and sampling. On May 16, 2013, the Company announced that locally, very strong precious metals occur including samples containing 50.30 g/t gold, 216 g/t silver and 4.49 g/t gold, 4496 g/t silver. Important base metal results include 1.8 metres of 16.8% zinc, 3.9% lead, 1.67 g/t gold and 241.0 g/t silver in a chip sample. The geophysical surveys indicate the surface prospects occur in proximity to a prominent through-going structure that is part of the 40 km long Camborne fault. The large scale of the fault system and numerous prospects containing positive base and precious metal values suggest potential for quality mineral deposits to occur.

Mineral property Transactions

The Company is active in its exploration and prospecting business, which requires from time to time, the acquisition or disposition of mineral claims. 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 other 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 arms length vendors for a 100% interest in 309 hectares of mineral claims on the south side of the Rateria property.

West Valley

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

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

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

BX

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

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

Cariboo Property

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

Grey

During the year ended January 31, 2008 the Company entered into an option agreement to earn a 100% interest in the Grey property ("Grey Option"), approximately 6.0 square kilometres in area that adjoin to the south of the Company's Hawk property. Under the terms of the Grey Option, the Company has the right to earn a 100% interest in the Grey property by making staged cash and share payments over 5 years that total $100,000 cash and 300,000 common shares of the Company. During the period ended July 31, 2010, the Company made the final payments under the Grey Option, and the Company now has 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.

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 an NSR. The combined property is now referred to as the Hawk property.

Gus

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

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

On December 15, 2008 the Company purchased from an arm's length party a 100% interest in five mineral claims totaling approximately 1,867 hectares (18.67 square kilometres) that adjoin the

Company's Silverboss property and in part the former Boss mountain molybdenum mine. These mineral claims were purchased for a total of $15,000 cash and the issuance of 50,000 shares from treasury. The Company also acquired from arms length individuals a 100% interest in several mineral claims adjoining the Silverboss, Hen and Fox properties for less than a total of $5,000.

Golden Ledge

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

Hawk and Grey property Joint Venture

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

Eye Property Option

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

Financial Results of Operations

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

	Prepared in accordance with IFRS		
As at and for the year ended	**Jan. 31, 2013**	**Jan. 31, 2012**	**Jan. 31, 2011**
Interest revenue	$ 19,000	$ 14,513	$ 3,251
Net loss	$ 519,536	$ 717,010	$ 686,032
Basic net loss per share	$ 0.01	$ 0.02	$ 0.02
Total assets	$ 13,734,337	$ 13,769,716	$ 11,673,388
Basic weighted average number of shares outstanding	55,618,507	47,250,882	31,322,447

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	**Jul 31 2013 $**	**Apr 30 2013 $**	**Jan 31 2013 $**	**Oct 31 2012 $**	**Jul 31 2012 $**	**Apr 30 2012 $**	**Jan 31 2012 $**	**Oct 31 2011 $**
Interest revenue	2,187	2,754	2,883	3,884	5,239	6,994	5,670	5,047
Loss before income taxes	(163,406)	(136,441)	(165,403)	(181,273)	(173,144)	(72,011)	(337,430)	(246,167)
Net income (loss)	(137,831)	(130,034)	(58,965)	(254,021)	(221,567)	15,017	(62,052)	(289,576)
Basic net income (loss) per share	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)

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

Three months ended July 31, 2013

The Company incurred a net loss before income taxes of $161,219 for the three months ended July 31, 2013 compared with a loss of $173,144 for the same period in 2012. The reduction in loss for the period as compared to the prior period totalled $11,925. General and administrative expenses with the following accounts accounted for the majority of the difference:

- Decrease in advertising and promotion of $28,811 as a result of managements attempts to conserve cash in a depressed market.
- Decrease in management fees by $10,101 due to a more frugal fiscal policy.
- Increase in stock-based payments of $12,134 due to new share purchase option grants.

A deferred income tax recovery of $23,388 (2012 – recovery of $Nil) was recorded in the period.

The net loss after tax for the period was $265,199 compared with a loss of $206,550 for the period ended July 31, 2012. The six month loss would have been comparable with the exception of a $35,000 property cost recovery being recorded for the six months ended July 31, 2012.

Comprehensive loss

The Company had received 200,000 common shares of Jiulian Resources Inc. (JLR:TSXV) ("Jiulian") as partial consideration for an option for Jiulian to acquire up to a 65% interest in the Company's Hawk and Grey property in the Cariboo Region of British Columbia. This option agreement has since been terminated. These shares have been classified as available for sale financial assets and are presented on the balance sheet at their fair value on the balance sheet date, labeled marketable securities. Unrealized gains and losses on the fair value of the shares of Jiulian are recorded as a component of other comprehensive income and carried on the balance sheet as a component of equity prior to realizing such gains and losses.

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 July 31, 2013 the Company had cash and cash equivalents of $663,498 (January 31, 2013 - $1,152,514). The Company's working capital as of July 31, 2013 was $462,452 (January 31, 2013 - $1,148,198) and is approximately $350,000 at September 26, 2013.

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.

RELATED PARTY TRANSACTIONS AND BALANCES

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

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

Services provided for the period ended July 31, 2013	Geological exploration services	Management services	Consulting services
1820546 Ontario	$ -	$ -	$ 24,000
Standard Metals Exploration Ltd.	27,500	27,500	-

Services provided for the period ended July 31, 2012	Geological exploration services	Management services	Consulting services
Novus Leadership Services Inc.	$ -	$ 45,000	$ -
Standard Metals Exploration Ltd.	30,000	30,000	-

Key Management compensation includes:

	Six months ended July 31, 2013	Six months ended July 31, 2012
Management fees	$ 28,500	$ 2,500
	$ 28,500	$ 2,500

Amounts owing to or from related parties are non-interest bearing, unsecured and due on demand. Included in accounts payable at July 31, 2013 is $6,500(July 31, 2012-Nil) owed to a Director and an Officer of the Company. The transactions were in the normal course of operations.

Management Contracts

The Company, under agreement effective May 2007, pays the President $5,000 per month and a corporation controlled by the President $5,000 per month for management and professional geological services, respectively. Effective February 1, 2011, the President is compensated entirely through his private company at a rate of $10,000 per month. Effective July 1, 2013 $5,000 of the monthly fee is being deferred until such time as the Company receives funding.

Effective November, 2010, the former Chief Financial Officer was compensated at a rate of $2,000 per month plus $3,000 per month through his private corporation. Effective February 2011, the CFO's compensation was paid fully through his private corporation at a rate of $5,000 per month.

Effective July 15, 2012 the current Chief Financial Officer is compensated at a rate of $5,000 per month. Effective July 31, 2013 $1,500 of the monthly fee is being deferred until such time as the Company receives funding.

Subsequent Events

Subsequent to the period ended July 31, 2013, 2,175,000 share purchase options were cancelled or expired.

Risk Factors

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

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, goods and services tax receivable, mineral exploration tax receivable, marketable securities, reclamation deposits, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these instruments approximates their carrying values, unless otherwise noted.

i) Determinable:

For cash and cash equivalents, goods and services tax receivable, mineral exploration tax credits receivable, and accounts payable and accrued liabilities, the carrying value of these financial instruments approximate their fair value due to their short-term maturity or capacity for prompt liquidation.

Marketable securities are presented on the balance sheet at their fair value with reference to the last closing quoted market price on or prior to the balance sheet date.

ii) Indeterminable:

The fair value of reclamation bonds has not been determined as there is no ready market for these financial instruments. Reclamation bonds are returned to the Company upon completion of site restoration that is satisfactory to provincial government authorities.

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) Amortization

Off-road equipment and computer equipment are depreciated using the straight line method based on rates which approximate the estimated useful life of the equipment. Automobiles are depreciated, net of residual value, on a straight-line basis, over the useful life of the equipment. Significant judgment is involved in the determination of useful life and residual values for the computation of depreciation, depletion and amortization and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

(ii) Impairment of equipment

The carrying value of equipment is reviewed each reporting period to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in profit or loss. The assessment of fair values require the use of estimates and assumptions for recoverable production, long-term commodity prices, discount rates, foreign exchange rates, future capital requirements and operating performance. Changes in any of the assumptions or estimates used in determining the fair value of equipment or other assets could impact the impairment analysis.

(iii) Exploration and evaluation properties

The Company is required to make significant judgements regarding the capitalization of exploration and evaluation properties. The Company is also required to make significant judgements 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.

(iv) Deferred taxes

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

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

(v) Share-based payments

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

Share Capital

Common shares, stock options, warrants, and agent's warrants as at September 26, 2013 are as follows:

	September 26, 2013
Common shares	**57,461,630**
Stock Options	**3,275,000**
Warrants	**5,400,000**
Agents options	**Nil**

Future Outlook

Management monitors the currently uncertain global financial market conditions, and evaluates and adjusts budgets and work performed as results are received, market conditions or government exploration permit requirements change. It may adjust property expenditure allocation on an on-going basis. To minimize asset risk, the Company has performed sufficient exploration work to advance the expiry date for most of its key mineral claims three to ten years forward. Some peripheral claims thought to be of lessor importance may expire in 2013. The Company has completed and disclosed all its 2012 field exploration work and filed reports with the Provincial Government for mineral tenure assessment work credits.

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.