

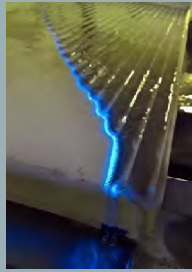
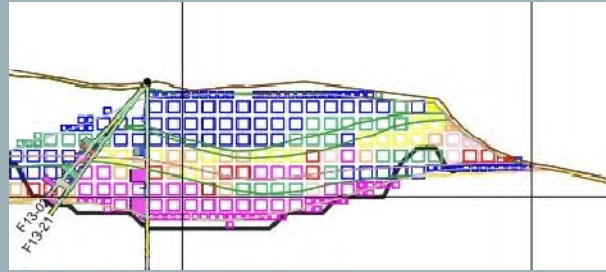
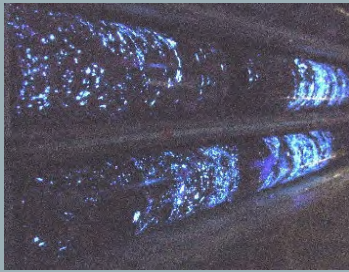
HAPPY CREEK MINERALS LTD.

TSX-V:HPY

DIVERSIFIED METALS EXPLORATION

Consolidated Financial Statements Year Ending January 31, 2024

Tungsten: Fox Project



Copper: Highland Valley Project



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MANAGEMENT'S DISCUSSION and ANALYSIS
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Overview

This Management's Discussion and Analysis ("MD&A") provides relevant information on the operations and financial condition of Happy Creek Minerals Ltd., ("Happy Creek" or the "Company") for the years ended January 31, 2024 and 2023. This MD&A has been prepared by management as of May 30, 2024 and includes information up to that date.

The MD&A supplements, but does not form part of, the audited financial statements of the Company for the years ended January 31, 2024 and 2023. The following MD&A should be read in conjunction with the audited financial statements for the years ended January 31, 2024 and 2023. The financial statements and the notes therein have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All monetary amounts in this MD&A and in the financial statements are expressed in Canadian dollars unless otherwise stated. Additional information may be found on SEDAR at www.sedar.com, and www.happycreekminerals.com.

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

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

Overall Performance

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

Fox property

The Fox property is located 75 Km northeast of 100 Mile House in south-central B.C. The property contains a tungsten mineral system that is overall 12 km by 5 km in dimensions, with high grade deposits in a near-surface setting. The Company discovered the Ridley Creek, BN and BK zones and with approximately 12,500 metres of drilling has delineated 582,400 tonnes grading 0.826% WO₃(Indicated) and 565,000 tonnes grading 1.231% WO₃(Inferred). This amounts to 4.8 million Kg (Indicated) and 6.96 million Kg (Inferred) of WO₃. These resources are among the highest grade in the western world and are open for expansion. In addition, at the Nightcrawler and South Grid targets, drilling has returned intercepts that are above cut-off grade, remain open and are thought to host additional resource potential. The Company has continued to conduct basic prospecting and geological investigations in un-explored areas of the property and in 2020 and 2021, new areas with tungsten were found that provide direction to expand current resources. A large-scale mineral system, globally significant resource grade and proximity to infrastructure are thought to make the Fox a rare and exceptional tungsten find. Plans include increasing the resource base and performing a preliminary economic assessment and bulk sampling.

Highland Valley (Rateria and West Valley) property

Since 2004, the Company assembled the current 237 square km Rateria and West Valley property. The properties adjoin and surround the southern side of the Highland Valley Copper mine property, Canada's largest copper producer having over 50 years of continuous production. The property also adjoins the north side of the past producing Craigmont copper mine property. Extensive glacial till and historically smaller, irregular shaped and patchwork claims affected the efficiency of previous exploration. It is the first time in the long history of this productive copper district that the current mineral

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tenure package has been acquired 100% by one owner. With more recent and improved access through the property and more modern exploration technology and academic research available, the Company has discovered and partially outlined by drilling Zone 1 and 2 on the Rateria property, located 6.5 km southeast of the Highmont open pit. These newly defined zones contain similar copper grade in drill core typical of other Highland Valley deposits. Drill results include 95m of 0.65% copper, 257m of 0.24% copper in Zone 1 and 152.5m of 0.35% copper, 0.06 g/t gold in Zone 2. Both Zone 1 and Zone 2 have excellent metallurgical characteristics and are thought to have near-term resource potential. The Company has performed various technical surveys, studies and test drilling to generate additional targets thought to have large-scale discovery potential in this world class mining district.

Silverboss property

The Silverboss property consists of approximately 120 square kilometres of mineral tenure surrounding the past-producing Boss Mountain molybdenum mine. The Company has conducted systematic surface rock and soil sampling, geology, and geophysics. This work has identified several new potential bulk-tonnage copper, molybdenum, gold and silver targets that are untested by drilling. Highlights include 53.01 g/t gold, 343.0 g/t silver in grab samples and 9.29 g/t gold, 27.3 g/t silver over 1.17 metres at the Dogtooth zone and 9.25 g/t gold, 514.8 g/t silver over 0.25 metres and 2.52 percent copper, 6.21 g/t gold, 295 g/t silver and 6.76 g/t indium in grab samples at the Silverboss shaft. In addition to the potential for molybdenum deposits adjacent to the former molybdenum mine, the underlying geology and presence of copper and gold in rocks provide opportunity to discover typical Quesnel Trough style porphyry copper-gold deposits beneath glacial till covered areas. In 2021, at the Gus target in the northern end of the Silverboss property, exploration has expanded a zone of anomalous copper in soil to 4.5 square kilometers with portions containing trace values of nickel and palladium that are thought to represent potential for copper-PGE (Platinum Group Elements) type deposits.

Silver Dollar property

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

Hawk property

During the year the Company decided to discontinue work on the Hawk property and wrote off all costs totaling \$430,874.

Hen & Art-DL property

Prospecting, rock and soil sampling, trenching and reconnaissance drilling has identified several new gold and copper-gold prospects at the Hen property. The Company has outlined a large scale lead-zinc copper soil geochemical anomaly at the Anomaly Creek prospect and trenching of a small portion returned 26m of 0.07% zinc, and 4m of 0.06% copper with grab samples up to 0.35% copper. Historical drilling at the Hen prospect returned anomalous values of gold including 8 m of 0.88 g/t gold and 0.86m

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of 1.98 g/t gold while at the Dyke zone, trenching and chip sampling returned 3.5 metres of 3.46 g/t gold, 2.0 metres of 4.20 g/t gold and up to 35.06 g/t gold in grab samples that remains untested by drilling. The DL property contains sediment-hosted gold-silver prospects sharing geological similarities with the Spanish Mountain deposit (Spanish Mountain Gold Ltd. website 243mt @ 0.43 g/t Au M&I) and FG Gold deposit (Karus Gold) to the north. Up to 42 g/t gold over 1.0 metre in a quartz vein occur at the DL adit and to the southwest, drill hole GL10-3 returned 72.5 metres of 4.03 g/t silver including 20.0 metres of 8.5 g/t silver.

Property updates

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

Please refer to the Company's website, news releases and filings on SEDAR for additional details, maps, photos and other information.

Since 2005 the Company has acquired in excess of 6,952 hectares in the Cariboo region. The Company has paid \$215,000 in cash and issued 5,800,000 shares to assemble this package of properties. Some claims are subject to net smelter royalties between 1.5-2.5% and have partial or full buy-back provisions.

Fox Tungsten Property

On October 15th, 2020 the Company announced completion of 1,119 metres in seven drill holes at the Nightcrawler zone. On January 28, 2021, the Company announced results of drilling that includes 2.12% WO_3 over 1.2m, and an approximate 200 m step-out hole to the east returned 1.08% WO_3 over 3.4 metres. Rock samples collected from the western part of the property returned up to 1.36% WO_3 and confirms significant tungsten occurs along the western side of the Fox property.

On September 9, 2021 the Company announced that a drill had been mobilized to the road accessible Nightcrawler-Creek Zone and on November 8, 2021, the Company announced that it had completed 12 diamond drill holes totalling 2052.7 metres. In addition, the Company reported the discovery of several new areas of high-grade tungsten mineralization through prospecting and UV lamping.

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On January 10, 2022 the Company announced results of its 2021 drill program including F21-09 that intersected 6.7m containing 0.43% WO₃, including 1.2m with 1.83% WO₃ and hole F21-11 that intersected 1.2 m containing 0.67% WO₃. Four step out holes were also drilled in the Eastern Creek zone which demonstrated that the skarn-hosted tungsten mineralization extends in the up-dip direction in hole F21-02 (1.0m containing 0.74%WO₃), in the down-dip direction in hole F21-03 (2.2 m containing 0.37% WO₃) and to the northwest in hole F21-04 (1.0 m containing 0.49% WO₃). This near-surface mineralized zone remains open in several directions, including up-dip to surface to the north. Subsequent wireframe modelling of results indicated portions of the Nightcrawler zone have grade and thickness that potentially meet project resource criteria, is open and requires further drilling.

Between January and July, 2022, the Company continued to focus on community and First Nations engagement in conjunction with developing a plan for submitting a permit application to the BC government. This permit application includes construction of an access trail to the current high grade resource deposits on Deception Mountain which will assist with advanced stage exploration and development work. The Company has completed a database of geology, silt, soil, rock, trench and drilling results.

Between June and October 2022, two days of prospecting and mapping focused on several under-explored areas of the property. Widespread and abundant quartz veins within the monzogranite intrusive rock are thought to reflect the property's molybdenum mineralization, while a younger aged or re-mobilization event occurred for the tungsten mineralization. In an unexplored area south of the BN and 708 tungsten zones a stream sediment sample returned a positive 53 ppm tungsten and large blocks of calc silicate-skarn were found nearby in contact with the intrusive.

In late August, 2023, a 3-day field program of geology, prospecting and rock sampling was performed on the North Zone of the Fox property and improved the geological understanding of this zone and located several new tungsten showings.

Highland Valley Property (Rateria and West Valley claims)

Since 2004 the Company has acquired by option or purchase from multiple vendors and staking claims in excess of 8,862 hectares for the Rateria property and 12,086 hectares for the West Valley property. The Company has paid a combined \$290,000 in cash and issued 1,900,000 shares to acquire these properties. Some claims are subject to net smelter royalties between 0.5-2.5% and have full buy-back provisions.

On May 21 and June 8th, 2020, the Company announced the start and completion of Phase 1 field work at the Rateria and West Valley property, respectively. This work in part utilized an XRF and short wave infra-red spectral tool (TerraSpec Halo) to study hydrothermal white micas within existing drill core and several surface prospects. On July 13th, 2020, the Company announced results that suggest the porphyry copper style alteration in Zone 1 and 2 as well as at several other targets are comparable with that around the past or currently producing deposits to the north in the Guichon Batholith. On the West Valley property, an area having the last documented work (soils) in the early 1970's was found

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and the Rick (or Eye) prospect contains pyrite, malachite, chalcopyrite and samples containing up to 0.64% copper occur in an area approximately 50 metres by 100 metres.

On October 15, 2020 the Company announced that a drill was mobilized to test the Pim target on the West Valley property and in Zone 1 and Zone 2 on the Rateria property. On December 7, 2020, the Company announced that it completed 1,450 metres of drilling and CJ Greig and Associates conduct detailed geological work on the property. On December 17, 2020, the Company announced that it completed 2,058.5 metres of drilling in four holes on the Pim, Zone 1 and 2 targets.

On February 10, 2021, the Company announced that it has initiated an airborne magnetic geophysical survey covering all of the Rateria property. On March 22, 2021, the Company announced drill results from 2021 that included 8.8 metres of 0.41% copper, 0.13 g/t gold from Zone 2. This and the drill hole at Zone 1 both went down a major fault on the western side of the deposits for 150-200 metres and affected the results. The results from these holes do not affect their near surface resource potential and both zones remain open. The first ever drilling at Pim on the West Valley property returned favorable geology and zones with low copper values that appear peripheral to a porphyry system. Due to delays in archaeology work of several sites at the time, several prospective targets at Pim remain untested.

On August 4, 2021, Happy Creek announced completion of soil, silt and rock samples, prospecting, and geological studies. Approximately 800 metres northeast of Zone 2 on the Rateria property, a copper-in-soil anomaly was identified in the Billy Lake South area approximately 2,000 by 400 metres in dimension and is open in all directions. Additional geochemical sampling, prospecting and geological studies were completed in the fall of 2021 and several multi-kilometre copper-molybdenum targets were identified through soil sampling and prospecting. The Billy, Corridor and Northwest areas have received minimal previous exploration or drilling. Prospecting within the new soil anomalies returned a grab sample of float containing 1.45% Cu and 0.167 g/t Au.

On February 4, 2022, the Company announced that it acquired a 100% interest in the 535 hectare Mystery property that adjoins the Rateria property to the northwest. The Company paid \$10,000 in cash and issued 300,000 shares to acquire this property. On March 3, 2022, the Company announced final results from its 2021 exploration work on the Rateria property which includes the outlining of several under-explored and large-scale copper-molybdenum exploration targets based on surface geochemical surveys, prospecting, geology and rock sampling. The Company also completed additional data entry and compilation of historical exploration data and created a formal database of current and historical geology, soil, silt, rock and drill data.

Between June and October 2022 the Company performed geological and prospecting work at the TDM and recently acquired Mystery property.

The TDM Minfile (BC Government 092ISE153) prospect is located on the eastern side of the Rateria property where in 1972 a 500m X 250m copper in soil anomaly occurs with rocks containing fine grained disseminated native copper. No subsequent work in this area is known. In 2021, happy creek's property-wide stream silt sampling returned 809 ppm Cu approximately one km north of the TDM

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prospect. In June 2022, follow-up prospecting approximately 50 metres away located talus blocks of granodiorite containing 1-2mm veinlets of chlorite, sericite, quartz and trace iron oxide, locally native copper, malachite, azurite and bornite copper minerals. A grab sample contained 1430 ppm copper (0.14% Cu). A traverse south towards the TDM prospect located additional areas where copper oxide minerals occur in the fractures. Together with the historical information, copper in bedrock can be found at surface for about 1.5km along the western edge of a 500m to 1km wide and multi-km long magnetic low structure. Additional mapping and sampling of this area is planned.

An initial reconnaissance was performed on the Mystery property to determine access routes into the area and review the geology. The property is underlain by the Bethsaida, Skeena, Bethlehem and Chataway phases of the Guichon Batholith. At the south side of Mystery Lake, the collar of historical drill hole 93CVS-11 was located and surveyed (see news release March 2, 2022). This important drill hole contains feldspar phyrlic dikes, extensive fracturing, alteration and zones of porphyry style copper-moly mineralization from surface to the end of the hole and was only partially sampled. Approximately 200 metres east of drill hole CVS-11, a recent logging road ditch has partially exposed for about 40 metres well altered rocks containing malachite copper. Approximately 1.2km west of Mystery Lake, very fine-grained chalcopyrite was observed with chlorite, sericite alteration minerals in well fractured outcrop and subcrop. A grab sample returned 700 ppm copper, 5.6 ppm molybdenum, and a boulder further west returned 1320 ppm copper, 35 ppm molybdenum. Together, the favorable geological setting for porphyry copper mineralization on the Mystery property is currently thought to be approximately 400 m by 1400 m in dimension, open, and provides an excellent porphyry copper target that warrants further exploration and drilling.

On December 18, 2023 the Company announced that it has completed rock, soil (glacial till), and stream sediment sampling at the Abbott (West Valley) and northern portion of the Rateria property. In addition, a ground-based audio magneto-telluric (MT) EM (electro-magnetics) and DC resistivity geophysical survey over the Mystery, Zone 2 and Zone 1 and portions of the Billy Lake target areas was completed late in the year. 3-D magnetic inversion processing of the 2021 airborne magnetic geophysical survey was also completed. On March 10, 2024, the Company announced results from the 2023 exploration work. The AMT geophysical survey and magnetic inversions combined with surface and drill data have provided improved geological understand to depths over 1.5 km below surface and outlined large-scale copper targets in proximity to existing mineralized zones at Zone 1, Zone 2, Mystery and Billy Lake. Rock sampling at the Abbott area of West Valley returned grab samples up to 0.32% copper in Nicola volcanics and 2.3% copper, 100 ppm molybdenum and 31.8 ppm silver at the historical TAR prospect.

Silverboss property

On August 4, 2021, the Company announced that it has completed field studies and soil sampling at the Silverboss property, which surrounds the closed Boss Mountain molybdenum mine owned by Glencore Canada. Fieldwork completed in 2021 includes rock sampling and geological evaluation of high-grade and bulk-tonnage gold-silver and copper targets. A total of 143 soil samples were collected

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and additional follow-up soil and rock sampling of the Gus copper target was completed in the Fall of 2021. Grab sample results of dump material for the Silverboss Shaft returned assays ranging from 0.216 to 9.28 g/t Au, 2.44 to 199 g/t Ag and .055 to 3.12% Cu. At the Dogtooth vein target 900 m to the south, samples returned 1.86 to 2.96 g/t Au, 3.89 to 257 g/t Ag, with anomalous arsenic, bismuth, antimony and tellurium values from quartz-sulphide veins cutting diorite. The Shaft and Dogtooth targets have never been tested and remain a priority for future drilling.

On February 15, 2022, the Company announced that it has expanded the Gus copper target to 4.5 square kilometres and identified local nickel and palladium values based on soil geochemical surveys and a review and sampling of historical drill holes. Based on these results and their correlation with a strong magnetic response in government airborne surveys, additional mineral claims were acquired by staking to cover the 18-kilometre extent of the regionally strong magnetic anomaly. The Company also completed a detailed project database for silt, soil, and rock samples and geology.

Between June and October 2022 prospecting to the east and south of the Boss Mountain moly mine was focused on regional, highly magnetic rocks that are the continuation of Happy Creek's Gus copper, nickel PGE(platinum group elements) prospect located approximately ten km to the north of the mine (see news release dated February 15, 2022). Fourteen widely spaced rock samples returned from trace to maximum values of 1035 ppm copper, 660 ppm nickel (with 1000ppm chrome), 0.031 ppm gold, 0.012 ppm platinum and 0.026 ppm palladium. The rock samples are hornblende diorite to gabbro and pyroxenite in composition, similar to the Company's Gus prospect. The geochemical values, geology and association with the regional magnetics suggest potential for a large-scale magmatic copper, nickel, PGE style mineral system.

Hen and Art-DL property

Between July and early September 2018, the Company began prospecting along newly constructed logging roads that revealed rock outcrops within areas that have never seen any form of exploration. On September 25, 2018 the Company announced that a new prospect (Crane) was located where the first angular boulder collected beside a new logging road returned 7.6 g/t gold, 2.08% lead, 4.02% zinc and 0.16% copper. Two metres west of the high-grade sample chip sampling returned 2.5m of 0.88% copper, 67 ppb gold. Quartz veins up to 1.5m in thickness occur over a strike length of a km beyond the Crane prospect which contain positive gold pathfinder elements with up to 299 ppm antimony. On the Ledge prospect, rock samples returned values up to 2.13 g/t gold in an angular boulder while nearby outcrop and sub-crop returned 15-550 ppb gold along with elevated arsenic- a gold pathfinder element.

In the summer of 2021, a limited field program was completed at Hen and Art-DL. It included prospecting of new logging roads, and soil grids to expand and refine targets for copper, gold and silver. Results continue to demonstrate elevated geochemical values of pathfinder elements antimony, arsenic and zinc occurring in several large-scale areas. The Company has completed a detailed database for silt, soil, rock and geology.

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Between June and October 2022, a limited prospecting program returned a stream sediment sample containing 0.372 ppm (parts per million or g/t) gold located approximately 500 metres north of a different creek with a previously collected stream sediment sample that contained 0.154 ppm gold. The upstream source of gold from these two creeks is unknown. The Hen northwest is thought to have excellent potential for the discovery of a new gold target in an area having no known previous work.

Between June 5 and July 15, 2023, the Company performed geology, rock and stream sediment sampling around the northwest side of Hen and north end of the DL property while on-going logging road construction in new areas of the property are planned for follow-up work in 2024. The Hen property contains several prospects of gold skarn while the DL is a sediment hosted gold prospect- both are deposit types known to occur elsewhere in B.C. and globally.

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.

As at and for the year ended	Prepared in accordance with IFRS		
	Jan. 31, 2024	Jan. 31, 2023	Jan. 31, 2022
Interest revenue	\$ 0	\$ 3,099	\$ 2,844
Comprehensive loss	\$ (637,297)	\$ 348,958	\$ 844,456
Basic net loss per share	\$ 0.00	\$ 0.00	\$ 0.01
Total assets	\$ 18,475,460	\$ 18,651,320	\$ 18,805,596
Basic weighted average number of shares outstanding	132,723,939	124,439,715	122,976,537

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

For the quarter ended	Prepared in accordance with IFRS for interim reporting							
	Jan 31 2024 \$	Oct 31 2023 \$	July 31 2023 \$	Apr 30 2023 \$	Jan 31 2023 \$	Oct 31 2022 \$	July 31 2022 \$	Apr 30 2022 \$
Interest revenue	Nil	Nil	Nil	Nil	3,099	Nil	Nil	Nil
Administrative expenses	(110,041)	(53,529)	(50,344)	(199,473)	(115,049)	(87,444)	(105,786)	(127,107)
Net loss	(341,641)	(53,529)	(42,654)	(199,473)	(115,049)	(87,444)	(105,786)	(110,854)
Basic net loss per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

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

Results of Operations

Year ended January 31, 2024

The Company is taking measures to conserve cash during this difficult time. Exploration costs have been reduced and the lease for the corporate office has not been renewed. The Company will run virtually for the foreseeable future in order to save more costs.

On May 26, 2023, the Company terminated Mr. Hughes as President and Chief Executive Officer of the Company. Mr. Michael Cathro, Director, had been appointed to serve as interim President and Chief Executive Officer. On May 1, 2024 Mr. Jason Bahnsen assumed the position of President and Chief Executive Officer. In addition, Mr. Hughes resigned as a Director of the Company effective June 3, 2023. The Company is in negotiations with Mr. Hughes to settle his severance, under the terms of his consulting agreement.

The Company incurred a net loss of \$637,297 for the year ended January 31, 2024 compared with a loss of \$348,958 for the same period in 2023. The following expenses accounted for the change in the annual loss;

- Management fees and salaries decreased by \$94,562 due the reduction of employees during the year.

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- Office and administration decreased by \$37,989 due to the Company implementing cost cutting measures.
- Share-based payments increased to \$127,050 due to share purchase options being granted during the quarter.
- The Company recorded a gain on sale of assets of \$7,689.
- The Company recorded a write off of \$430,874 for the Hawk property.
- Deferred income tax expense increased by \$126,898 during the year.

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

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For the year ended January 31, 2024

flow-through expenditures for Canadian income tax purposes, the related flow through liability recognized in previous periods in the statement of financial position will be reversed and the related deferred tax liability will be recognized. Any difference between the liability settled and the deferred tax liability recognized is accounted for as other income or expense in profit and loss.

Liquidity and Capital Resources

The ability of the Company to continue to operate as a going concern is dependent upon its ability to obtain necessary financing to meet the Company's obligations and liabilities as they become due. As of January 31, 2024, the Company had cash and cash equivalents of \$92,007 (January 31, 2023 - \$33,019). The Company's working capital deficiency as of January 31, 2024 was \$74,345 (January 31, 2023 – deficiency of \$239,849). The Company commenced on a capital raise at the end of fiscal 2023 and raised \$400,000 before commissions, by issuing 8,000,000 units during the current period. On October 16, 2023 the Company announced that it was conducting a private placement to raise \$550,000 through the placement of ten million non-flow-through shares at \$0.05 per share. The Company completed the private placement on November 30, 2023 by issuing 5,034,545 common shares at \$0.055 for gross proceeds of \$276,900. A cash finder's fee of \$5,989.50 was paid and 108,900 share purchase warrants were issued.

During the year directors of the Company advanced \$50,000 as short-term advances. These advances were repaid during the year.

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

Off-Balance Sheet Arrangements

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

RELATED PARTY TRANSACTIONS AND BALANCES

Relationships

Standard Metals Exploration
Ltd. ("Standard")

Nature of the relationship

Standard is a private company controlled by an officer and director of the Company. Standard provides geological exploration and management consulting services to the Company.

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Key management	Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and include the President and Chief Executive Officer, Chief Financial Officer, Corporate Secretary and Directors.
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	Geological, Permitting and Consulting services	Other Exploration expenditures	Management services
Services provided for the year ended January 31, 2024:			
Chief executive officer	\$ -	\$ -	\$ 20,000
Chief financial officer	-	-	36,000
Corporate Secretary	-	-	36,000
Directors	16,512	-	
Standard	86,837	-	-
	\$ 103,349	\$ -	\$ 92,000

	Geological, Permitting and Consulting services	Other Exploration expenditures	Management services
Services provided for the year ended January 31, 2023:			
Chief executive officer	\$ -	\$ -	\$ 90,000
Chief financial officer	-	-	36,000
Corporate Secretary	-	-	36,000
Directors	9,050	-	15,300
Standard	25,003	4,890	-
	\$ 34,053	\$ 4,890	\$ 177,300

Key management compensation includes:

	Year ended January 31	
	2024	2023
Management fees and salaries	\$ 92,000	\$ 177,300
Share-based payments	70,950	-
	\$ 162,950	\$ 177,300

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At January 31, 2024, there was \$10,610 (2023 - \$90,983) payable to directors and officers of the Company, \$36,103 (2023 - \$30,930) payable to Standard Metals Exploration Ltd. and \$Nil (2023-\$22,003) payable as salaries.

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

Subsequent Events

There were no subsequent events.

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

(i) Financial assets

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

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

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

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For the year ended January 31, 2024

Reclamation deposits are classified as subsequently measured at amortized cost.

(ii) Financial liabilities

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

Significant judgements, estimates and assumptions

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

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

(i) Going concern

The assessment of the Company’s ongoing viability as an operating entity and determination of the related disclosures require significant judgment.

(ii) Exploration and evaluation properties and impairment

The Company is required to make significant judgments regarding the capitalization of the costs incurred in respect to its exploration and evaluation properties. The Company is also required to make significant judgments on the ongoing feasibility of mineral exploration, and whether there are indicators that the development of a specific area is unlikely and exploration and evaluation properties should be impaired. Management has assessed impairment indicators on the Company’s exploration and evaluation properties and has concluded that no impairment indicators existed as of January 31, 2024.

Share Capital

Common shares, stock options, warrants, and agent’s warrants as at May 30, 2024 are as follows:

	May 30 , 2024
Common shares	137,517,000

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For the year ended January 31, 2024

Stock Options	12,850,000
Warrants	4,000,000
Agents warrants	360,000

Future Outlook

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

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

HAPPY CREEK MINERALS LTD.

Financial Statements

For the years ended January 31, 2024 and 2023

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR’S REPORT

To the Shareholders of Happy Creek Minerals Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Happy Creek Minerals Ltd. (the “Company”), which comprise the statements of financial position as at January 31, 2024 and 2023, and the statements of comprehensive loss, changes in shareholders’ equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2024 and 2023 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (“IFRS”).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Company’s ability to continue as a going concern is dependent upon the continued financial support of its shareholders and on securing additional financing. These matters, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are the following key audit matters to communicate in our auditor’s report.

Key audit matter:	How our audit addressed the key audit matter:
Assessment of impairment indicators of Exploration and evaluation assets.	Our approach to addressing the matter included the following procedures, among others:
<i>Refer to Note 3.2.(ii) – Significant judgments, estimates and assumptions: Exploration and evaluation properties and impairment; Note 4.3 – Accounting policy: Exploration and evaluation properties; and Note 7 – Exploration and evaluation properties.</i> Management assesses at each reporting period whether there is an indication that the carrying value of exploration and evaluation properties may not be recoverable. Management applies significant judgment in assessing	Evaluated the reasonableness of management’s assessment of impairment indicators, which included the following: <ul style="list-style-type: none"> Assessed the Company’s market capitalization in comparison to the Company’s net assets, which may be an indication of impairment. Assessed the completeness of the factors that could be considered indicators of impairment, including

whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the properties; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment.

We considered this a key audit matter due to (i) the significance of the exploration and evaluation properties balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgment.

consideration of evidence obtained in other areas of the audit.

- Confirmed that the Company's right to explore the property had not expired.
- Obtained management's written representations regarding the Company's future plans for the exploration and evaluation assets.
- Assessed the reasonability of the Company's financial statement disclosure regarding their exploration and evaluation assets.

Other Information

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for

one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

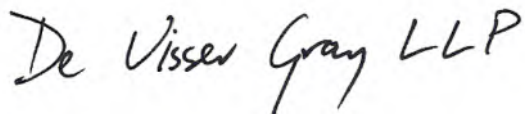
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is William Nichols.

A handwritten signature in black ink that reads "De Visser Gray LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants

Vancouver, BC, Canada
May 30, 2024

HAPPY CREEK MINERALS LTD.
Statements of Financial Position
January 31, 2024 and 2023

	Note	As at January 31,	
		2024	2023
ASSETS			
Current assets			
Cash and cash equivalents		\$ 92,007	\$ 33,019
Amounts receivable		15,948	5,691
Prepaid expenses		989	901
Marketable securities	7	554	554
Total current assets		109,498	40,165
Non-current assets			
Equipment	5	-	2,900
Reclamation deposits	6	125,000	100,000
Exploration and evaluation properties	7	18,240,962	18,508,255
Total non-current assets		18,365,962	18,611,155
Total assets		\$ 18,475,460	\$ 18,651,320
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other accounts payable	8,12	\$ 183,843	\$ 278,692
Flow-through premium liability	9	-	1,322
Total current liabilities		183,843	280,014
Non-current liabilities			
Deferred tax liability	11	911,131	1,109,084
Total liabilities		1,094,974	1,389,098
Equity			
Share capital	10	24,222,237	23,581,326
Subscriptions received in advance	10	-	25,000
Share option reserve	10	3,399,760	3,260,110
Deficit		(10,358,016)	(9,720,719)
Accumulated other comprehensive income (loss)		116,505	116,505
Total equity		17,380,486	17,262,222
Total equity and liabilities		\$ 18,475,460	\$ 18,651,320
Going concern	2		
Commitments	15		
Subsequent Events	16		

These financial statements are authorized for issue by the Board of Directors on May 30, 2024.
Approved by the Board of Directors:

“Michael Cathro” Director “Rodger Gray” Director

The accompanying notes are an integral part of these financial statements

HAPPY CREEK MINERALS LTD.
Statements of Loss and Comprehensive Loss
January 31, 2024 and 2023

	Note	Years ended January 31,	
		2024	2023
Revenue			
Interest income		\$ -	\$ 3,099
Expenses			
Advertising and promotion		16,362	7,913
Conferences and travel		5,500	14,780
Management fees and salaries	12	178,547	273,109
Share-based payments	10, 12	127,050	16,665
Office and administration	15	47,485	85,474
Professional fees		38,443	37,445
		<u>413,387</u>	<u>435,386</u>
Loss before other items		(413,387)	(432,287)
Gain on sale of assets		7,689	-
Impairment of exploration and evaluation properties		(430,874)	-
Flow-through recovery	9	1,322	14,931
Loss before income taxes		<u>(835,250)</u>	<u>(417,356)</u>
Provision for income taxes			
Deferred income tax expense	11	197,953	71,055
Net loss for the year		(637,297)	(346,301)
Market value adjustment on marketable securities	7	-	(2,657)
Comprehensive loss for the year		<u>\$ (637,297)</u>	<u>\$ (348,958)</u>
Basic and diluted loss per share		<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Weighted average number of shares outstanding		<u>132,723,939</u>	<u>124,439,715</u>

The accompanying notes are an integral part of these financial statements

HAPPY CREEK MINERALS LTD.
Statements of Cash Flows
January 31, 2024 and 2023

	Years Ended January 31,	
	2024	2023
CASH AND CASH EQUIVALENTS USED IN OPERATING ACTIVITIES		
Net loss for the year	\$ (637,297)	\$ (346,301)
Items not involving cash:		
Deferred income tax expense	(197,953)	(71,055)
Depreciation - equipment	589	2,356
Depreciation - right-of-use asset	-	12,861
Gain on sale of assets	(7,689)	-
Share-based payments	127,050	16,665
Flow-through recovery	(1,322)	(14,931)
Impairment of E&E	430,874	-
	<u>(285,748)</u>	<u>(400,405)</u>
Changes in non-cash working capital items:		
Amounts receivable	(10,257)	45,857
Prepaid expenses	(88)	15,829
Trade and other accounts payable	(45,205)	150,257
	<u>(341,298)</u>	<u>(188,462)</u>
FINANCING ACTIVITIES		
Issuance of shares, net of issuance costs	628,511	-
Repayment of lease liability	-	(16,327)
Subscription received in advance	-	25,000
	<u>628,511</u>	<u>8,673</u>
INVESTING ACTIVITIES		
Expenditures on exploration and evaluation properties	(213,225)	(76,224)
Increase in reclamation deposits	(25,000)	-
Proceeds on sale of marketable securities	10,000	7,003
	<u>(228,225)</u>	<u>(69,221)</u>
Increase in cash and cash equivalents	58,988	(249,010)
Cash and cash equivalents, beginning of year	33,019	282,029
Cash and cash equivalents, end of year	<u>\$ 92,007</u>	<u>\$ 33,019</u>
Supplemental Cash Flow Information:		
Accounts payable related to exploration and evaluation property expenditures	\$ 50,737	\$ 100,381
	<u>\$ 50,737</u>	<u>\$ 100,381</u>
Cash and Cash Equivalents Consist of:		
Cash	\$ 86,776	\$ 27,788
Money market fund	5,231	5,231
	<u>\$ 92,007</u>	<u>\$ 33,019</u>

The accompanying notes are an integral part of these financial statements

HAPPY CREEK MINERALS LTD.
Statements of Changes in Equity
January 31, 2024 and 2023

<u>Common Shares</u>								
	Note	Number	Amount	Share subscriptions	Reserve	Accumulated other comprehensive income (loss)	Deficit	Total equity
			\$		\$	\$	\$	\$
February 1, 2022		124,182,455	23,566,326	-	3,243,445	119,162	(9,374,418)	17,554,515
Claim purchase agreement- mineral property	7	300,000	15,000	-	-	-	-	15,000
Subscriptions received in advance		-	-	25,000	-	-	-	25,000
Share-based payments		-	-	-	16,665	-	-	16,665
Net loss for the year		-	-	-	-	-	(346,301)	(346,301)
Other comprehensive loss		-	-	-	-	(2,657)	-	(2,657)
January 31, 2023		<u>124,482,455</u>	<u>23,581,326</u>	<u>25,000</u>	<u>3,260,110</u>	<u>116,505</u>	<u>(9,720,719)</u>	<u>17,262,222</u>
February 1, 2023		124,482,455	23,581,326	25,000	3,260,110	116,505	(9,720,719)	17,262,222
Private placement	10	13,034,545	653,511	(25,000)	-	-	-	628,511
Share-based payments		-	-	-	127,050	-	-	127,050
Fair value of finder's warrants		-	(12,600)	-	12,600	-	-	-
Net loss for the year		-	-	-	-	-	(344,376)	(344,376)
January 31, 2024		<u>137,517,000</u>	<u>24,222,237</u>	<u>-</u>	<u>3,399,760</u>	<u>116,505</u>	<u>(10,358,016)</u>	<u>17,380,486</u>

The number of shares issued at January 31, 2024 and 2023 is comprised as follows:

	<u>2024</u>	<u>2023</u>
Shares considered previously issued (Note 10.2)	137,676,500	124,641,955
Issued and held by the Company (Note 10.5)	(159,500)	(159,500)
Issued and outstanding with other shareholders	<u>137,517,000</u>	<u>124,482,455</u>

The accompanying notes are an integral part of these financial statements

HAPPY CREEK MINERALS LTD.
Notes to the Financial Statements
For the years ended January 31, 2024 and 2023

1. NATURE OF OPERATIONS

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

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

2. GOING CONCERN

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

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

3. BASIS OF PRESENTATION

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

The policies applied in these financial statements are based on IFRS issued and outstanding as of January 31, 2024.

HAPPY CREEK MINERALS LTD.
Notes to the Financial Statements
For the years ended January 31, 2024 and 2023

3.1. Basis of measurement

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

3.2. Significant judgments, estimates and assumptions

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

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

(i) Going concern

The assessment of the Company's ongoing viability as an operating entity and determination of the related disclosures requires significant judgment.

(ii) Exploration and evaluation properties and impairment

The Company is required to make significant judgments regarding the capitalization of the costs incurred in respect to its exploration and evaluation properties. The Company is also required to make significant judgments on the ongoing feasibility of mineral exploration, and whether there are indicators that the development of a specific area is unlikely and exploration and evaluation properties should be impaired. Management has assessed impairment indicators on the Company's exploration and evaluation properties and has concluded that no impairment indicators existed as of January 31, 2023.

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 Cash and Cash Equivalents

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

4.2 Equipment

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

Depreciation Rate

Off-road vehicle	12%
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The Company provides for depreciation using the straight-line method at rates designed to depreciate the cost of individual items over their estimated useful lives. Depreciation on operating assets is included in the statements of loss and comprehensive loss as a component of office and administration expenses. Depreciation on assets utilized in mineral exploration activities is capitalized as a cost of exploration and evaluation properties.

4.3 Exploration and Evaluation Properties

(i) Pre-license costs

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

(ii) Exploration and evaluation costs

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

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

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

4.4 Decommissioning and Restoration

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

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

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

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As at January 31, 2024, the Company has determined that it does not have any decommissioning and restoration obligations related to current or former operations in excess of the reclamation bonds held by the B.C. Ministry of Energy and Mines.

4.5 Impairment of Non-Financial Assets

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

4.6 Provisions

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

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

4.7 Income Taxes

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

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

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

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

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

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

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

4.8 Flow-through Shares

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

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

4.9 Share-based Payments

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

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

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

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

4.10 Related Party Transactions

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

4.11 Earnings (Loss) per Share

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

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

During the years ended January 31, 2024 and 2023, all the outstanding share options and warrants were anti-dilutive.

4.12 Share Issuance Costs

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

4.13 Comprehensive Income (Loss)

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

4.14 Financial Instruments

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

(i) Financial assets

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

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

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

Reclamation deposits are classified as subsequently measured at amortized cost.

(ii) Financial liabilities

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

5. EQUIPMENT

	Off-road vehicle
Cost	
Balance, February 1, 2023	\$ 38,078
Balance, January 31, 2024	<u>38,078</u>
Accumulated depreciation	
Balance, February 1, 2023	35,178
Adjustment for sale of equipment	2,311
Depreciation for the year	589
Balance, January 31, 2024	<u>38,078</u>
Net book value	<u>\$ -</u>
	Off-road vehicle
Cost	
Balance, February 1, 2022	\$ 38,078
Balance, January 31, 2023	<u>38,078</u>
Accumulated depreciation	
Balance, February 1, 2022	32,822
Depreciation for the year	2,356
Balance, January 31, 2023	<u>35,178</u>
Net book value	<u>\$ 2,900</u>

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6. RECLAMATION DEPOSITS

As at January 31, 2024, the Company had reclamation deposits held in trust by the Province of British Columbia totalling \$125,000 (January 31, 2023 - \$100,000) with regards to its exploration of properties in British Columbia.

7. EXPLORATION AND EVALUATION PROPERTIES

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

	Cariboo properties British Columbia	Highland Valley properties British Columbia	Total
February 1, 2022	\$ 9,593,744	\$ 8,733,214	\$ 18,326,958
Acquisition Costs			
Option and acquisition costs	6,989	25,000	31,989
Exploration Costs			
Assaying and petrographic	3,719	9,238	12,957
Geophysics	-	-	-
Communications	23	-	23
Field supplies	130	5,590	5,720
Geological and consulting	58,743	60,233	118,976
Permitting and consulting	-	-	-
Mineral tenure costs	175	-	175
Field support and drilling	330	-	330
Drilling	-	-	-
Travel and accommodation	3,398	7,729	11,127
Other admin fees	-	-	-
January 31, 2023	9,667,251	8,841,004	18,508,255
Acquisition Costs			
Option and acquisition costs	3,112	-	3,112
Exploration Costs			
Assaying and petrographic	2,201	8,657	10,858
Communications	-	-	-
Field supplies	-	200	200
Geological and consulting	49,528	56,889	106,417
Permitting and consulting	8,161	23,553	31,714
Mineral tenure costs	1,058	-	1,058
Field support and drilling	3,408	1,718	5,126
Travel and accommodation	1,000	4,096	5,096
Impairment			
Impairment of Hawk property	(430,874)	-	(430,874)
January 31, 2024	\$ 9,304,845	\$ 8,936,117	\$ 18,240,962

As at January 31, 2024, cumulative METC rebates offset against deferred exploration and evaluation property costs totalled \$1,284,147 (January 31, 2023 - \$1,284,147).

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

7.1 Highland Valley Mineral Property

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

7.1.1 Rateria

During the year ended January 31, 2019, the Company acquired by staking for its own account, additional mineral claim tenures. The Rateria property is comprised of 34 mineral tenures totaling approximately 10,906 hectares.

During the year ended January 31, 2023, the Company entered into a claim purchase agreement with Masco Capital Inc. to acquire 535 hectare Mystery Property for \$10,000 cash (paid) and 300,000 common shares (issued).

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

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

Masco Claims – 2 claims are subject to a 2% NSR royalty, with the Company having the exclusive right to purchase 1% NSR royalty at any time for \$1,000,000.

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

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

7.1.2 West Valley

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

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

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

7.2 Cariboo Mineral Property

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

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7.2.1 Silver Boss, Hen-Art-DL, Fox and Black Riders Property

The Silver Boss property consists of 38 mineral tenures totalling approximately 12,082 hectares. The Hen-Art-DL property consists of 19 mineral tenures totalling approximately 8,274 hectares and the Fox property consists of 36 mineral tenures totalling approximately 17,245 hectares. The Black Riders property consists of 6 mineral tenures totaling approximately 2,564 hectares and adjoins to the east and is considered part of the Fox property.

The Silver Boss, Hen-Art-DL, Fox and Black Riders property mineral tenures all adjoin and are contiguous and together total 40,880 hectares.

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

7.2.2 Hawk Property

During the year ended January 31, 2024, the claims comprising the Hawk property were forfeited and all deferred costs were written-off.

7.3 Revelstoke District Properties

7.3.1 Silver Dollar Property

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

On May 11, 2016, the Company entered into the Silver Dollar Property Option Agreement (the “Option Agreement”) with Raffles Financial Group Limited (“RFG”). Pursuant to the Option Agreement the Company granted to RFG the sole and exclusive right and option to acquire an undivided 100% interest in and to the Silver Dollar Property subject to a 1% NSR royalty. RFG exercised the option by paying \$20,000 in cash, issuing 42,405 common shares of RFG to the Company and incurring \$100,000 in exploration expenditures.

Pursuant to the Option Agreement:

- RFG granted a right of first refusal to the Company for any future financings that RFG carries out to finance the mining work to be carried out on the property; and
- If the Company stakes any claim that is located, in whole or in part, within two kilometers of the perimeter of the property it shall be offered to RFG at the staking cost. See 7.4.

7.4 Marketable Securities

In January 2020, RFG (see 7.3.1) completed a transaction with an unrelated entity pursuant to which the Company received, in consideration for its shares of RFG, 442,000 common shares of Origen Resources Inc. (‘Origen’), a Canadian public company, and 34,069 newly-issued shares of RFG (sold in fiscal 2021). In May 2021, Origen completed a transaction with an unrelated entity pursuant to which the Company received, in consideration for its shares of Origen, 840 (post-consolidated) common shares of Forty Pillars Mining Corp. (‘Forty Pillars’), a Canadian public company, and 42,000 newly-issued shares of Origen (sold in fiscal 2023 for total proceeds of \$7,003).

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At January 31, 2024, the Company owned 840 shares of Forty Pillars (January 31, 2023 – 840) shares of Forty Pillars), the shares of which are traded on the CSE.

	January 31, 2024	January 31, 2023
Marketable securities – fair value	\$ 554	\$ 554
Marketable securities – cost	-	-

8. TRADE AND OTHER ACCOUNTS PAYABLE

	January 31, 2024	January 31, 2023
Financial Liabilities		
Trade payables	\$ 103,624	\$ 128,658
Payroll accruals	2,719	1,998
Accrued liabilities	77,500	148,036
	<u>\$ 183,843</u>	<u>\$ 278,692</u>

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

9. FLOW THROUGH SHARE PREMIUM LIABILITY

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

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

	Issued on November 19, 2020
Balance February 1, 2022	\$ 16,253
Premium liability incurred on flow-through shares issued	-
Reduction of flow-through share liability on incurring qualifying expenditures	(14,931)
Balance January 31, 2023	<u>\$ 1,322</u>
	Issued on November 19, 2020
Balance February 1, 2023	\$ 1,322
Premium liability incurred on flow-through shares issued	-
Reduction of flow-through share liability on incurring qualifying expenditures	(1,322)
Balance January 31, 2024	<u>\$ -</u>

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10. EQUITY

10.1 Authorized Share Capital

Unlimited number of common shares with no par value.

10.2 Shares Issued

Shares issued and outstanding as at January 31, 2024 are 137,517,000 (January 31, 2023 – 124,641,955).

During the year ended January 31, 2024, the following share transactions occurred:

- i. February 28, 2023, the Company completed a non-brokered private placement, issuing 8,000,000 units at a price of \$0.05 per share for gross proceeds of \$400,000. Each unit consists of one common share and one-half of a share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.10 per share up to the close of business on February 28, 2025. Cash finders' fees of \$17,400 were paid, and 348,000 finders' warrants were issued as part of the financing. Each warrant entitles the holder to purchase a unit of the Company comprising of one common share and one-half of a secondary warrant at an exercise price of \$0.05 per unit up to the close of business on February 28, 2025. Each whole secondary warrant is exercisable into one additional common share of the Company at an exercise of \$0.10 per share up to the close of business on February 28, 2025.
- ii. On April 25, 2023, the Company granted 3,850,000 share purchase options to certain directors, officers and employees exercisable at a price of \$0.05 per share until April 25, 2028. The options vest immediately.
- iii. On November 30, 2023, the Company completed a non-brokered private placement, issuing 5,034,545 shares at a price of \$0.055 for gross proceeds of \$276,900. Cash finders' fees of \$5,990 were paid.

During the year ended January 31, 2023, the following share transactions occurred:

- i. On March 24, 2022, the Company issued 300,000 common shares at a price of \$0.05 for gross proceeds of \$15,000 as a part of the claim purchase agreement with Masco Capital Inc. (Note 7.1.1).
- ii. On January 9, 2023, the Company granted 250,000 stock options each to Messrs. Finley Bakker and Kent Pearson, strategic advisors and consultants to the Company. The stock options are exercisable at a price of \$0.05 per share for 5 years.

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10.3 Warrants

The following warrants were outstanding:

	<u>Warrants</u>	<u>Exercise Price</u>
February 1, 2022 & January 31, 2023	18,369,136	\$ 0.12
Issued	4,000,000	0.10
Issued – finder’s	348,000	0.05
Expired	(18,357,136)	0.12
January 31, 2024	<u>4,360,000</u>	<u>\$ 0.10</u>

<u>Expiry date</u>	<u>Warrants</u>	<u>Exercise Price</u>
February 28, 2025	4,000,000	\$ 0.10
February 28, 2025	348,000	0.05
October 20, 2024	12,000	0.06
	<u>4,360,000</u>	<u>\$ 0.10</u>

At January 31, 2024, the weighted-average remaining life of the outstanding warrants was 1.32 years (2023 – 0.80 years).

10.4 Share-based Compensation

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

Total share options granted during the year ended January 31, 2024 were 3,850,000 (year ended January 31, 2023 – 500,000). Total share-based payments recognized for the fair value of share options granted, vested and approved by the shareholders during the year ended January 31, 2024 was \$127,050 (year ended January 31, 2022 - \$16,665).

The fair value of the share options granted during the year ended January 31, 2024 and the year ended January 31, 2023 was estimated on the date of grant using the Black-Scholes Pricing Model with the following weighted average assumptions:

	<u>Year Ended January 31, 2024</u>	<u>Year Ended January 31, 2023</u>
Strike price	\$0.05	\$0.04
Risk free interest rate	3.02%	3.29%
Expected option life (years)	5.00 years	5.00 years
Expected stock price volatility	128.05%	125.12%
Dividend payments during life of option	Nil	Nil
Expected forfeiture rate	Nil	Nil

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

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

	Options	Exercise price
January 31, 2022 (Exercisable – 5,200,000)	10,650,000	\$ 0.14
Issued	500,000	0.09
Cancelled/expired	(2,150,000)	0.24
January 31, 2023 (Exercisable – 9,000,000)	9,000,000	\$ 0.12
Cancelled/ expired	-	-
Issued	3,850,000	0.05
January 31, 2024 (Exercisable – 12,850,000)	<u>12,850,000</u>	<u>\$ 0.10</u>

<u>Expiry date</u>	<u>Options</u>	<u>Exercise Price</u>
October 17, 2024	2,300,000	\$ 0.17
January 16, 2025	750,000	0.17
March 23, 2026	3,950,000	0.10
October 21, 2026	1,500,000	0.07
April 25, 2028	3,850,000	0.05
January 9, 2028	500,000	0.05
	<u>12,850,000</u>	<u>\$ 0.10</u>

At January 31, 2024, the weighted average remaining life of the outstanding options was 2.58 years (2023 – 2.88 years).

10.5 Normal Course Issuer Bid

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

11. INCOME TAXES

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

For the year ended January 31,	2024	2023
Expected tax recovery at a rate of 27% (2022– 27%)	\$ 209,317	\$ 108,904
Increase (decrease) resulting from:		
Non-deductible expenses, net	(30,309)	(238)
Temporary differences, net	6,315	2,702
Deferred taxes applicable to flow-through expenditures	(3,570)	(40,313)
Deferred income tax expense	<u>\$ 181,753</u>	<u>\$ 71,055</u>

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

As at January 31,	2024	2023
Exploration and evaluation properties	\$ (3,586,762)	\$ (3,699,528)
Non-capital losses carried forward	2,633,164	2,555,950
Marketable securities	(76)	(75)
Equipment	15,624	17,541
Share issuance costs	10,719	17,028
Net recognized deferred tax liability	<u>\$ (927,332)</u>	<u>\$(1,109,084)</u>

The Company has Canadian non-capital losses of approximately \$9,465,000 for income tax purposes which expire as follows:

<u>Year of origin</u>	<u>Non-capital loss</u>	<u>Year of expiry</u>
2006	\$ 34,000	2026
2007	348,000	2027
2008	647,000	2028
2009	609,000	2029
2010	574,000	2030
2011	772,000	2031
2012	639,000	2032
2013	666,000	2033
2014	633,000	2034
2015	613,000	2035
2016	394,000	2036
2017	493,000	2037
2018	463,000	2038
2019	659,000	2039
2020	514,000	2040
2021	404,000	2041
2022	558,000	2042
2023	459,000	2043
2024	332,000	2044
	<u>\$ 9,811,000</u>	

12. RELATED PARTY TRANSACTIONS AND BALANCES

Relationships

Standard Metals Exploration Ltd.
 (“Standard”)

Nature of the relationship

Standard is a private company controlled by an officer and director of the Company. Standard provides geological exploration and management consulting services to the Company.

Key management

Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and include the President and Chief Executive Officer, Chief Financial Officer, Corporate Secretary and Directors.

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	Geological, Permitting and Consulting services	Other Exploration expenditures	Management services
Services provided for the year ended			
January 31, 2024:			
Chief executive officer	\$ -	\$ -	\$ 20,000
Chief financial officer	-	-	36,000
Corporate Secretary	-	-	36,000
Directors	16,512	-	-
Standard	86,837	-	-
	\$ 103,349	\$ -	\$ 92,000

	Geological, Permitting and Consulting services	Other Exploration expenditures	Management services
Services provided for the year ended			
January 31, 2023:			
Chief executive officer	\$ -	\$ -	\$ 90,000
Chief financial officer	-	-	36,000
Corporate Secretary	-	-	36,000
Directors	9,050	-	15,300
Standard	25,003	4,890	-
	\$ 34,053	\$ 4,890	\$ 177,300

Key management compensation includes:

	Year ended January 31,	
	2024	2023
Management fees and salaries	\$ 92,000	\$ 177,300
Share-based payments	70,950	-
	\$ 162,950	\$ 177,300

At January 31, 2024, there was \$10,610 (2023 - \$90,983) payable to directors of the Company, \$36,103 (2023 - \$30,930) payable to Standard Metals Exploration Ltd and \$Nil (2023 - \$22,003) payable as salaries.

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

13. MANAGEMENT OF CAPITAL

The Company defines capital that it manages as its cash and cash equivalents and share capital. The Company's objective when managing capital is to maintain corporate and administrative functions necessary to support the Company's operations and corporate functions; to perform mineral exploration activities on the Company's exploration projects; and to seek out and acquire new projects of merit.

The Company manages its capital structure in a manner that provides sufficient funding for operational and capital expenditure activities. Funds are secured, when necessary, through debt funding or equity

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capital raised by means of private placements. There can be no assurances that the Company will be able to obtain debt or equity capital in the case of working capital deficits.

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

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

14. RISK MANAGEMENT

14.1 Financial Risk Management

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

a. Capital Risk

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

b. Credit Risk

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

c. Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at January 31, 2024, the Company's working capital deficiency is \$74,345 (excluding flow-through premium liability). The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at January 31, 2024, the Company had cash and cash equivalents of \$92,007 to settle trade and other accounts payable of \$123,843.

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.

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14.2 Fair Values

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

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. All financial instruments (excluding lease liability) are classified as Level 1 items. Lease liability is classified as a Level 3 item.

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

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

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

15. COMMITMENTS

15.1 Termination of Service Agreements

On April 1, 2021, the Company entered into a consulting agreement with a company controlled by the former President and CEO whereby the Company will pay a gross monthly fee equal to the greater of \$5,000 and the number of days of services provided by the consultant multiplied by a per diem rate of \$1,000 for an initial term of six months and the agreement will automatically renew for an indefinite term. The Company may terminate the agreement prior to the end of the term, upon an undertaking to continue payment of the consultant's fee from the date of termination until the last day of the term. If the agreement is in the additional term phase, the Company may terminate the agreement upon 90 days written notice or a one-time payment equivalent to the consultant's fee then payable under this agreement at the time of termination for 90 days.

On October 1, 2021 the Company entered into a consulting agreement with the current President and CEO of the Company whereby the Company will pay a monthly fee of \$10,000 for an initial term of twelve months and the agreement will automatically and perpetually renew for consecutive period of twelve months. In the event that the Company terminates this agreement without cause, it must make a lump sum payment of \$60,000, based on his current salary. The consultant may terminate the agreement by providing 30 days prior written notice to the Company.

The Company has a professional services agreement with its CFO. On February 1, 2022, the Company amended the existing agreement such that the Company will now pay a base salary of \$3,000 per month for a term of three years until January 31, 2025. In the event that the Company terminates this agreement, it must make a payment equal to the six months base salary at that time.

16. SUBSEQUENT EVENTS

- i. The Company appointed Jason Bahnsen as an advisor, Michael Cathro as Corp. secretary on February 9, 2024. The Company granted aggregate of 4,500,000 incentive stock options at a price of \$0.055 per share expiring on February 9, 2029. These options vest immediately.

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- ii. On February 27, 2024, the Board cancelled 1,650,000 options and granted an aggregate of 2,850,000 options at an exercise price of \$0.055 to certain directors, officers, employees and consultants of the Company.

- iii. Jason Bahnsen was appointed as new director on April 30, 2024. The Company granted incentive stock options to Jason pursuant to incentive stock option plan entitling the receiver to purchase up to 1,000,000 Common shares in the capital stock at a price of \$0.05 per share.