

Happy Creek expands Zone 2 deposit with 105.5 metres of 0.37% copper, 0.14 g/t gold at the Rateria Property, Highland Valley, B.C.

August 29, 2017 – Vancouver, British Columbia. Happy Creek Minerals Ltd. (TSXV:HPY) (the “Company”) is pleased to announce results from drilling at its 100% owned Rateria copper property in the Highland Valley, B.C., Canada. This district has been in continuous production since 1963.

The Company is exploring approximately 200 square kilometres of mineral tenure that adjoin and surround the southern end of the Highland Valley Copper property of Teck Resources, Canada’s largest base metal mine. The Rateria property is underlain by the Guichon batholith, host to four porphyry copper deposits that have achieved commercial production.

Happy Creek has completed 1,763.97 metres in six holes. Five (-55-degree) angle holes were drilled to expand the Company’s Zone 2 deposit that is located approximately 6.5 km southeast of Teck’s currently producing Highmont open pit. One hole tested the geological potential of an area in which no previous drilling is known.

Highlights

Drill hole R17-02 returned 5.0 metres of 4.4% copper, 0.21 g/t gold, 20.0 g/t silver, 0.03% molybdenum and 6.86 g/t rhenium. This high grade mineralized zone is located approximately 200 metres east of the northern portion of Zone 2 which remains open in three dimensions in this area.

Drill hole R17-05 returned 255.5 metres averaging 0.21% copper, including 105.5 metres of 0.37% copper, 0.14 g/t gold, 1.9 g/t silver and 0.63 g/t rhenium that expanded a higher-grade area of Zone 2 by approximately 100 metres to the south. Copper minerals are predominantly bornite and chalcocite which confer excellent qualities for recovery and high-grade concentrates.

David Blann, President and C.E.O. of Happy Creek states: “The drilling has extended Zone 2 further south and it is now 1.1 kilometre in length. With drill holes ending in elevated copper values up to 500 metres away from the central part of the zone, it is apparent that this is a much larger mineral system than previously thought. Core samples contain up to 1.8 g/t gold and that, coupled with the strong rhenium enrichment in molybdenite, continues to show potential for a copper-gold system which is an unusual

and positive feature within the Guichon batholith. We look forward to evaluating the results further to determine the next step for Zone 2 and for our 200 square kilometre property.”

Drill Results

Hole	From	To	Interval	Cu	Au	Ag	Mo	Re	
	(metres)	(metres)	(metres)	%	g/t	g/t	%	g/t	
R17-02	47.0	162.0	115.0	0.05					
and	221.5	226.5	5.0	4.41	0.21	20.0	0.031	6.86	
and	226.5	325.5	99.0	0.05					EOH
R17-03	16.8	23.0	6.2	0.11	0.02	0.7			
R17-04	20.0	24.0	4.0	0.17	0.05	0.9			
R17-05	109.0	146.5	37.5	0.22	0.03	1.3	0.002	0.06	
and	209.0	314.5	105.5	0.37	0.14	1.9	0.005	0.63	
and	314.5	364.5	50.0	0.06					EOH
R17-06	250.5	255.5	5.0	0.57	0.06	2.5	0.001	0.23	
and	358.0	378.0	20.0	0.24	0.10	1.3	0.002	0.14	
and	378.0	413.61	35.61	0.04			0.006	0.31	EOH

Drill hole F17-01 tested a portion of an induced polarization geophysical anomaly located south of Zone 1. After drilling through 165 metres of glacial till, the bedrock consists of biotite quartz diorite that is moderately sheared and fractured. Fractures and wall rock contain chlorite, epidote and carbonate with sections of sericite to a depth of 311 metres. It is interpreted that the hole cut propylitic alteration commonly found in proximity to porphyry copper mineralization. This is the first hole in this predominantly geophysical target which is approximately 2 km by 500 metres in dimension and further drilling is warranted.

Drill hole F17-02 is collared approximately 150 metres east of previous drill holes at the north end of Zone 2. The hole was directed to the east and starting at 221.5 metres, returned 5.0 metres containing 4.4% copper, 0.03% molybdenum, 6.86 g/t rhenium, 0.21 g/t gold, and 20.0 g/t silver. This high-grade zone remains open in extent to surface, depth and along strike.

Drill hole R17-03 is located 100 metres northwest of previous drilling and drilled to the west. The first few samples of bedrock returned 6.2 metres of 0.11% copper, 0.02 g/t gold with decreasing values thereafter. R17-03 is interpreted to have cut the western edge of Zone 2 at the top of the drill hole.

Drill hole R17-04 is located 100 metres north of R17-03 and drilled to the east. At 20.0 metres a 4.0 metre interval returned 0.17% copper, 0.05 g/t gold. The top of this drill hole is thought to have cut the eastern edge of Zone 2, and the mineralized zone is now interpreted to be bounded by the collars of R17-03 and R17-04. Further drilling to test the area between these drill collars is warranted.

Drill hole R17-05 is located at the southern end of Zone 2 and drilled to the east-southeast. Approximately 100 metres south of R12-02 (152.5m of 0.35% copper, 0.06 g/t gold, 0.004% molybdenum, and 0.57 g/t rhenium), R17-05 intersected a 255.5 metre interval averaging 0.21% copper including 105.5 metres of 0.37% copper, 0.005% molybdenum, 0.14 g/t gold, 1.9 g/t silver and 0.63 g/t rhenium. Rhenium prices have ranged from around US\$2,000/ Kg and up to \$10,000/Kg in February, 2008.

Drill hole R17-06 is located approximately 350 metres southeast of R17-05 and was directed to the west. Starting at 250.5 metres R17-06 intersected 5.0 metres of 0.57% copper, 0.06 g/t gold, 2.51 g/t silver, and from 310.5 metres, 15.0 metres of 0.15% copper, and from 358.0 metres, 20.0 metres of 0.24% copper, 0.10 g/t gold. The hole ended at 413.61 metres with 35.6 metres of 0.04% copper, 0.006% molybdenum and 0.31 g/t rhenium.

Currently, the true widths of the Zone 2 drill hole intersections are uncertain. The principle structure in Zone 2 trends north-northwest and is sub-vertical in orientation. Drilling to date has outlined a continuous zone approximately 1.1 km by 100-250 metres wide that extends from surface to 300 metres in depth and remains open along strike and at depth. At the northern end of Zone 2, copper values in drill core are more widespread, extending 500 metres eastward.

In the central portion of the main Zone 2 structure, gold values are significantly enriched which is unusual for the Guichon batholith. For example, F17-05 contains 15.0 metres of 1.19% copper and 0.57 g/t gold.

Long, low grade copper values at depth in Zone 2 are well above normal background values in the batholith and suggest a large-scale porphyry mineral system occurs in proximity to the geological contacts between the younger and older phases of the batholith in this area. At the end of drill holes R17-02, R17-05 and R17-06, 99 metres with 0.05% copper, 50 metres with 0.06% copper and 35.6 metres with 0.04% copper, 0.006% molybdenum and 0.31 g/t rhenium occur, respectively.

The Rateria-West Valley properties contain the Zone 1 and Zone 2 deposits with drill results having copper grades consistent with other producing deposits in the district and

Zone 2 with elevated gold and rhenium values. There are also numerous exploration targets that have had limited work performed over the years. The Company will review the latest results to determine a plan for this promising project. The Company believes the property is a quality copper exploration asset in a camp where four porphyry copper deposits and one copper skarn have achieved commercial production.

On behalf of the Board of Directors,

“David E Blann”

David E Blann, P.Eng.
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Analyses are performed by SGS Laboratories in Burnaby, B.C. using a geochemical aqua regia digest of a 20 gram pulp and ICP-MS finish, and results for copper, silver, gold, molybdenum and rhenium are provided in ppm (parts per million (ppm) or grams per tonne, or parts per billion (ppb)), with ppm values converted to percent by dividing by 10,000, and ppb values converted to g/t by dividing by 1,000. Samples greater than 5,000 ppm copper are re-run utilizing ICP-AES providing values in percent (%) copper, and 30 gram Fire Assay with ICP-MS finish for gold and silver. As part of its quality control, the Company re-run 168 samples using copper assay and fire assay methods in particular for higher grade intervals in R17-02 and R17-05. A review and comparison of both methods for copper and gold-silver analyses indicate that for analyses within the laboratory's stated limits, they are reliable methods to quantify these elements. Other quality control protocols include insertion of either a blank, reference standard or core duplicate for every 10th sample submitted in addition to the laboratory pulp and reject duplicates during internal controls. SGS Minerals Services Geochemistry Vancouver conforms to the requirements of ISO/IEC17025 for specific tests as listed on their scope of accreditation which can be found at <http://www.scc.ca/search/palcan/sgs>.