

Annual General Meeting, Friday, August 14th, 2020
Letter to Shareholders

July 17, 2020,
Vancouver, British Columbia

Dear fellow shareholders of Happy Creek Minerals Ltd.,

On behalf of the Board of Directors (the “Board”) and Management of Happy Creek Minerals Ltd., I am writing to inform you that the Annual General Meeting of the Shareholders of Happy Creek Minerals Ltd. (“Happy Creek” or the “Company”) will be held in virtual format only, which will be conducted by telephone conference on Friday, August 14th, 2020 at 11:00 a.m. PDT (the “Meeting”).

“We have operated with low overhead costs and performed continuous exploration-related work that have created the properties, results, discoveries, and resources to position Happy Creek with the great opportunities the Company has today.”

The Company attaches great importance to Happy Creek’s Shareholders being able to participate in the decision making of the Company. Hence, you may easily cast your votes by following the instructions in the Management Information Circular to complete the **YELLOW Form of Proxy or Voting Instruction Form** and returning by using the envelope provided by Wednesday, August 12, 2020. This will enable you to give your instructions as to how you would like your votes to be cast with respect to each of the resolutions to be considered at the Meeting.

Your vote at this year’s Meeting will have an impact on the future direction of Happy Creek Minerals Ltd. A dissident group has stated its intention of putting forth their own slate of nominees to the Board. The dissident group’s opportunistic timing and motives are questionable and without an actual plan. The Company has produced significant discoveries and is on the right path with improving market fundamentals, and the dissidents want to take advantage of this: now is not the time for disruptive changes. The Board would like to set the record straight for the Company’s shareholders and reiterate the strengths of the Management team and the positive outlook for the Company.

I am pleased to share with you the exciting activities and progress the Company has made over the past year. Most recently, the Company has enhanced the roles of the individual board members, introduced a Corporate Secretary, completed Phase 1 field work and announced a 3,000m drill program on the Highland Valley copper property. The Company is in an excellent position with quality 100% owned projects, a strong financial position and the best Management team to enhance shareholder value. With recent changes in global and even local complexities and circumstances, this is certainly not the time to change focus or direction. Management has the depth of knowledge, experience and capacity needed to adapt and proceed without delay. With positive signs in metal prices and a renewed market interest in junior exploration companies the Company can look forward to an exciting future.

Shareholders can trust that the Company’s clearly stated plans and strategy are the most real-world, transparent, and assured steps to maximize the Company’s value for the benefit of our Shareholders.

FINANCIAL STRENGTH

On September 24th, 2019, the Company completed a private placement raising \$1,524,660 by issuing 6,793,572 flow-through shares at a price of \$0.14 per share and 4,779,664 non-flow-through shares at a price of \$0.12 per share. Having a healthy treasury is essential to conduct project exploration, maintain mineral titles in good standing and protect the Company from unforeseen global events or market downturns. All but one director participated in the last financing for a total of \$149,220 or just under 10% of the money raised. Management and the Board currently own 9,626,037 million common shares or 9.1% of the issued and outstanding shares of the Company and is clearly aligned with Shareholders’ interests. Together with our largest Shareholder, approximately 20.1% of the Company’s outstanding common shares are held by insiders.

The financial statements for the first quarter ending April 30th, 2020 show the Company has cash and cash equivalents of \$1,138,382. The Company has no debt and is sufficiently funded to undertake the 3,000 metre drill program announced on July 13, 2020.

PROJECT WORK COMPLETED

Tier- 1 Project updates

Rateria-West Valley Property- 100% owned

Over the past 15 years, management has carefully assembled the current 244 sq km of properties that border the southern side of Teck's Highland Valley Copper mine property, Canada's largest copper mine with over 50 years of continuous operation from 4 porphyry deposits. Aside from the Company's two discoveries (Zone 1 and 2) at Rateria and great potential for others, the West Valley portion of the property has been under-appreciated with only cursory, intermittent exploration in the past. This is likely because of the historically small irregular shaped claims, which have now been finally combined under one owner and seriously explored using modern technology for the first time. During 2018 and 2019, geological investigations were followed-up with geophysical surveys at the Abbott and PIM copper prospects. Re-processing of our airborne magnetic data has revealed important information about the deep sub-surface geology that helps explain what is seen at surface and suggests potential for large-scale copper deposits in several areas. Geophysical surveys have generated a very compelling new porphyry copper target at the PIM prospect that is 5.5km southwest of the Lornex copper mine. As announced on June 8, 2020, and July 13, 2020, further investigations of both the Rateria and West Valley properties utilized modern portable, hi-tech tools (Terra Spec halo mineral analyzer and X-ray fluorescence spectrometer). This new information has aligned our existing deposits and new targets with published data on the neighboring porphyry copper deposits to provide guidance towards the largest and highest-grade part of a porphyry copper system. Information provided by these modern tools and knowledge will be tested by drilling, and if successful, provides a game-changing advantage over historical explorers, and potentially create substantial value for Shareholders.

Fox Tungsten Property- 100% owned

As financing was completed too late in 2019 field season to initiate the priority drill plan at higher elevations around the Ridley Creek resource area, the Company announced on November 4, 2019 that two drill holes were completed at the road-accessible Nightcrawler zone. The two holes, 400 metres apart, were successful and along with previous holes confirmed that a lower tungsten layer is in fact continuous and extensive. This has resulted in a modelled mineralized volume with significant potential to add to current resources. The Fox currently contains a resource comprising 582,400 tonnes grading 0.826% WO₃ (Indicated) and 565,000 tonnes grading 1.231% WO₃ (Inferred). The work completed in 2019 is in-line with the Company's stated goals of expanding the project's resource base prior to conducting a Preliminary Economic Assessment (PEA). We anticipate an exciting exploration season this year as we plan to continue the work that could not be done last year, and potentially add dramatically to the project's resource base.

Gold and Base Metal Properties- 100% owned

The Company also has several gold and gold-silver base-metal properties. The Silverboss surrounds the former Boss Mountain moly mine and our work has returned surprising gold, silver and copper zones with rock samples containing up to 53 g/t gold and broad areas of gold, copper and pathfinder elements. The Company has done enough work to develop several drill-ready targets. The Hen, Art-DL properties have positive gold values in soil, rock and trenches with values of 31 g/t gold at the dike zone and 10-42 g/t gold at the DL adit. The Art-DL is in similar geology to Spanish Mountain (1.25 m oz gold) and the FG (Kore Mining) deposits further north. Several new showings were found in 2018 on the Art property with samples grading as high as 7.6 g/t gold with over 7% combined lead-zinc-

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copper. As the properties are prospected further, the opportunity improves for new discoveries. The Company has developed targets on several properties that with just a few drill holes, could result in a significant discovery.

COMMUNITY RELATIONS

In 2019, the Company engaged Mrs Sarah Weber of C-3 Alliance Corp to assist with community relations and First Nations engagement. This has helped return a 5-year exploration permit for drilling activities on our Rateria-West Valley property. While the Company currently has exploration permits in place for the Fox tungsten property, renewal of 5-year permits for the Fox, Silverboss, Hen-Art-DL and Hawk properties are in progress, as are the continuing positive relationship-building with communities and local First Nations. This work is a key component of the property's development, and the Company has an excellent team working on it under the direction of board member Michael Cathro.

CORPORATE UPDATE

The Company has over several years entered into Confidentiality Agreements in the context of potential corporate merger or property transactions with the emphasis on the Rateria-West Valley projects. Site visits with interested parties continue with another one planned in July. The projects are large with a significant volume of data and it takes time for due diligence, especially since the COVID pandemic arose.

Walter Segsworth is now Executive Chair and will take on a greater role with shareholder communications. Another board member of the Company, Rodger Gray, a seasoned senior Corporate Finance and Investment Banking professional, is increasing his time on merger/acquisitions, and has been engaged with several interested parties. Large, serious partners for projects such as Happy Creek's have been cautious with their exploration project acquisitions for the past several years but improving fundamentals particularly for copper appear to be encouraging them to be more active. The Company intends to increase its focus on this renewed interest, all the while pursuing the most cost-effective opportunities to continue adding project value and improving the caliber of what the Company has to offer.

In addition, the Company has added Kathy Love to the position of Corporate Secretary to enhance and streamline Corporate governance and administrative operations and free up Management's time to focus on exploration activities, business development and shareholder communications.

Plans

- 1) At this time, the Fox tungsten property shows important potential for what is a "top-tier" development project compared with many other western tungsten projects. For the numerous large funds, banks and institutions that Management has spoken with over the past several years, it is clear there is significant funding interest available if the Company delivers a positive Preliminary Economic Assessment (PEA). Management's goal is in line with these groups and to do that with the maximum positive effect for shareholders, the Company needs to increase the current resource base to accommodate a large-scale mine development. Rather than divesting today, this next step is intended to demonstrably increase the project's value, lower its risk and strengthen the Company's position to capture larger-funding interest on the best possible terms.
- 2) The work done on the Rateria-West Valley copper properties over the past few years has generated significant drill results at Zone 2 and other areas. New information collected in the phase 1 2020 work program suggests there is opportunity for new porphyry deposits to be discovered. On July 13, the Company announced that a 3000 m drill program has been approved for the summer field season. The selection of final drill targets and contractors is underway. Management's view is the project has potential to deliver Shareholders a most outstanding return. The Company is continuing to seek partners while at the same time, advancing the targets with geological work, field-based target definition and drilling. Site visits and project reviews are on-going.

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- 3) The Company has received interest from several parties for our non-core gold and base-metal properties. The projects have been introduced to five companies and Management is continuing to add to that list. Management sees the recent positive reception as a sign that market conditions are improving and having new 5-year permits will help their marketability. Potential partners in the gold space are well funded and we plan to aggressively market these quality projects to create value from them.
- 4) The Board and Management understand that the Company's business has become more complex in many ways as well as more competitive for market attention. The Company has long maintained among the lowest cost administration and operations for a multi-project and active Company. This has minimized share dilution and is especially important when funds are difficult to raise as has been the case for several years. That said, when market conditions are improving, the Company needs to capture this renewed attention, and Management has responded by adding to and enhancing the administrative and corporate and technical team. This will allow the Board and Management more time to focus on institutional and retail communication to elevate the Company's profile in the marketplace.

I would like to thank our Shareholders and all stakeholders for your patience and support. The Fox and Rateria-West Valley properties are both in a position of having potentially large value-add events for Shareholders. Conditions in the market have not always been optimal for corporate deals and Management has avoided those with unreasonably low, predatory valuations or those which are presented to the Company but are un-funded. With market conditions appearing to improve today, better times may be just ahead. The current Board and Management are prepared and ready to bring shareholders the best-possible rewards that the projects can deliver. Today is not the time to change focus and direction of the Company and I look forward to your support to execute the Company's clear plans to bring real value to Shareholders.

Happy Creek has a great future, a strong Board of Directors and a highly experienced Management team that is committed to creating Shareholder value. Please help Management continue with this positive momentum and vote for your current Board of Directors on the **YELLOW form today.**

Yours Truly,

"David E. Blann",

David E. Blann, President and Chief Executive Officer

This letter may contain "forward-looking information" within the meaning of applicable securities laws that are more fully described in the Company's Financial Statements available on the Company's website and on SEDAR. David Blann, P.Eng., is a Qualified Person under NI43-101 and has reviewed this Letter. The reader is cautioned that results or information from an adjacent or other property does not infer or indicate similar results or information will or does occur on the subject property. Historical information from the subject, adjacent or other 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.

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Schedule “A”

Charter of the Audit Committee of Happy Creek Minerals Ltd. (the “Company”)

Mandate

The primary function of the audit committee (“**Committee**”) is to assist the board of directors in fulfilling its financial oversight responsibilities by reviewing the following: (a) the financial reports and other financial information provided by the Company to regulatory authorities and shareholders; (b) the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting; and (c) financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to (i) serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements; (ii) review and appraise the performance of the Company’s external auditors; (iii) provide an open avenue of communication among the Company’s auditors, financial and senior management and the board of directors; and (iv) to ensure the highest standards of business conduct and ethics.

Composition

The Committee shall be comprised of three directors as determined by the board of directors, the majority of whom shall be free from any relationship that, in the opinion of the board of directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company’s Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements.

The members of the Committee shall be elected by the board of directors at its first meeting following the annual shareholders’ meeting. Unless a chair is elected by the full board of directors, the members of the Committee may designate a chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- (a) Review and update this Charter annually.
- (b) Review the Company’s financial statements, MD&A, any annual and interim earning statements and press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion or review rendered by the external auditors.

External Auditors

- (c) Review annually the performance of the external auditors who shall be ultimately accountable to the board of directors and the Committee as representatives of the shareholders of the Company.

- (d) Obtain annually a formal written statement of external auditors setting forth all relationships between the external auditors and the Company.
- (e) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (f) Take or recommend that the full board of directors take appropriate action to oversee the independence of the external auditors.
- (g) Recommend to the board of directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (h) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (i) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (j) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (k) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than 5% of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
 - ii. such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the board of directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

- (l) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (m) Consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (n) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (o) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (p) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (q) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (r) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (s) Review certification process for certificates required under Multilateral Instrument 52-109.

- (t) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

- (u) Review any related party transactions.
- (v) Review reports from persons regarding any questionable accounting, internal accounting controls or auditing matters (“**Concerns**”) relating to the Company such that:
 - i. an individual may confidentially and anonymously submit their Concerns to the Chairman of the Committee in writing, by telephone, or by e-mail;
 - ii. the Committee reviews as soon as possible all Concerns and addresses same as they deem necessary; and
 - iii. the Committee retains all records relating to any Concerns reported by an individual for a period the Committee judges to be appropriate.

All of the foregoing in a manner that the individual submitting such Concerns shall have no fear of adverse consequences.