HAPPY CREEK MINERALS LTD.

TSX-V:HPY

DIVERSIFIED METALS EXPLORATION

ANNUAL REPORT

For the Year Ended

January 31, 2023

HAPPY CREEK MINERALS LTD.
FORM 51-102F1
MANAGEMENT'S DISCUSSION and ANALYSIS
For the years ended January 31, 2023 and 2022

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 January 31, 2023 and 2022. This MD&A has been prepared by management as of May 30,2023 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, 2023 and 2022. The following MD&A should be read in conjunction with the audited financial statements for the years ended January 31, 2023 and 2022. 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.

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

COVID-19

In March 2020 the world health organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the outbreak and its effect on the Company's business or results of operations at this time. During 2022 and 2021, the Company was able to conduct exploration work with measures in place for compliance to strict government health policy.

Overall Performance

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

Fox property: The Fox property is located 75 Km northeast of 100 Mile House in south-central B.C. The property contains a tungsten mineral system that is overall 12 km by 5 km in dimensions, with high grades in a near-surface setting. The Company discovered the Ridley Creek, BN and BK zones and with approximately 12,500 metres of drilling has delineated 582,400 tonnes grading 0.826% WO_3(Indicated) and 565,000 tonnes grading 1.231% WO_3(Inferred). This amounts to 4.8m Kg (Indicated) and 6.958M Kg (Inferred) of WO_3 with prices currently around US$32.50/Kg WO_3. These resources are among the highest grade in the western world and open for expansion. In addition, drilling at the Nightcrawler and South Grid prospects have returned intercepts that are above cut-off grade and remain open. Drilling in 2019, 2020 and 2021 at the Nightcrawler zone has identified and partially defined three mineralized volumes with potential to add to the current resources and remain open. The Company has continued to conduct basic prospecting work in un-explored areas of the property and additional new areas with tungsten were located in 2020 and 2021. 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 has assembled the current 258 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 coverage with few outcrops and historically smaller, irregular shaped and patchwork claims affected the efficiency of previous exploration. It is the first time in the long history of this productive copper district that the current mineral 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. In addition to the near-term resource potential in Zone 1 and Zone 2 and excellent metallurgical characteristics, the Company has performed various technical surveys, studies and test drilling to generate additional targets thought to have large-scale discovery potential in this world class mining district.

Silverboss property: With approximately 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 northern end of the Silverboss property, exploration has expanded a zone of 104-407 ppm copper in soil to 4.5 square kilometers with portions containing 10-22 ppb palladium, and is thought to represent a large new target for copper-PGE 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: The property is underlain by geology of the Quesnel Terrane, which hosts numerous copper, copper-gold deposits and mines in B.C. The Company has conducted systematic geochemistry, geology, geophysics, trenching with limited drilling. Property results include chip sampling at the Main zone with 0.88% copper and 1.07 g/t gold across 5.0 metres and boulders nearby contain up to 4.5% copper and 18.0 g/t gold. Historical drilling approximately 100 metres north of the Main zone returned 3.0 metres grading 0.79% copper, 1.73 g/t gold, 9.43g/t silver and 1.83 metres containing 0.93% copper, 3.1 g/t gold and 12.34 g/t silver.The Company's exploration work has confirmed the property holds potential for bulk tonnage alkalic porphyry copper-gold-silver deposits and is ready for drill testing.

Hen & Art-DL property: Prospecting, rock and soil sampling, trenching and reconnaissance drilling has identified several new gold skarn prospects at the Hen property. Trenching returned 2.1 meters of 3.98 g\t gold and 2.0 metres of 4.20 g/t gold and up to 35.06 g/t gold in grab samples at the Hen and Dyke zones, respectively. The DL property contains sediment-hosted gold-silver prospects sharing geological similarities with the Spanish Mountain deposit (Spanish Mountain Gold Ltd. website 243mt @ 0.43 g/t Au M&I) 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.

Fox Tungsten Property

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%.

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

On September 9, 2021 the Company announced that a drill had been mobilized to test targets in the Nightcrawler-Creek Zone and on November 8, 2021, the Company announced that it had completed 12 diamond drill holes totalling 2052.7 metres. Eleven of the twelve holes successfully intersected tungsten-bearing skarn (calc-silicate rock) at this target, which is located at low elevation and accessible by logging roads and short drill trails. The holes range from 107.8m to 260.91m in depth. In addition, the Company reported the discovery of several new areas of high-grade tungsten mineralization through prospecting and UV lamping. Twenty-five rock samples including 17 chips (0.2m to 3.0m in width), one grab and seven float samples were collected from areas north and south of the RC Zone, in the eastern Creek Zone, and along new logging roads in the vicinity of the September showing.

On January 10, 2022 the Company announced the assay results of its 2021 drill program. Of the twelve holes drilled, the best was hole F21-09 which interested 6.7m grading 0.43% WO_3, including 1.2m grading 1.83% WO_3 and hole F21-11, which intersected 1.2M grading 0.67% WO_3.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 grading 0.74%WO_3), in the down-dip direction in hole F21-03 (2.2M grading 0.37% WO_3) and to the northwest in hole F21-04 (1.0M grading 0.49% WO_3). This near-surface mineralized zone remains open in several directions, including up-dip to surface to the north. Subsequent wireframe modelling of results indicate portions of the Nightcrawler zone have grade and thickness that potentially meet project resource criteria and require further drilling.

Between January and July, 2022, the Company has 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 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.

Results of work done between June and October 2022 are as follows. Two days of prospecting and mapping on the Fox tungsten property focused on the nature, distribution and geochemistry of quartz veins occurring within the Deception stock, a peralkaline monzogranite that occurs in proximity with the high-grade tungsten skarn deposits for which the property has current resources. Twenty rock grab samples of quartz collected from outcrop, subcrop and boulders contain from trace to maximum values of 5.22 ppm silver, 0.008 ppm gold, 62 ppm bismuth, 1010 ppm molybdenum and 37.5 ppm tungsten. These initial geochemical results and observations in part confirm and add to geochronology work (Chudy, T., 2017[1]) that suggestseither a prolonged magmatic event or two different mineralization events occurred. Widespread and abundant intrusive hosted quartz veins are thought to reflect the property's molybdenum mineralization, while a younger aged or re-mobilization eventoccurred 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.

Highland Valley Property (Rateria and West Valley claims)

Since 2004 the Company has acquired 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%.

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. The goal is to correlate Happy Creek's zones and prospects with those data recently published and known to occur on the adjacent copper mine property with respect to copper deposit centres.

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

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

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

On August 4, 2021, Happy Creek announced the completion of the first phase of the 2021 field program at Highland Valley, including the collection of soil, silt and rock samples, prospecting and geological studies. The highlight of the work is the partial definition of a new copper-in-soil anomaly in the Billy South area on the Rateria property, with values ranging from 100 to 1,120 parts per million copper. The anomaly has been defined by very wide-spaced sampling over an area of approximately 2,000 by 400 metres and is open in all directions. There has been no previous drilling in the Billy South area, which is located 800 metres northeast of the Company's Zone 2 copper-gold deposit and 6.5 kilometres southeast of Teck's operating Highmont copper-molybdenum pits. The area is covered by a thin veneer of glacial till with minimal outcrop, but previous bedrock sampling by Happy Creek in the area returned assays of 3.21 per cent, 2.75 per cent and 0.61 per cent Cu. The area is underlain by prospective phases of the Guichon Creek batholiths with IP chargeability, resistivity and magnetic low features suggestive of porphyry mineralization. Additional geochemical sampling, prospecting and geological studies were completed in the fall of 2021. Three new multi-kilometre copper-molybdenum targets were identified through soil sampling and prospecting. These new targets named Billy, Corridor and Northwest, and have received minimal past exploration or drilling. Prospecting within the new soil anomalies and elsewhere on the very large property has discovered several new areas of mineralization, including Billy Road where a grab sample of float returned 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. The Mystery property contains a favourable geological setting and historical drilling results of interest. On March 3, 2022, the Company announced final results from its 2021 exploration work. The Company reported that it has identified several new large-scale copper-molybdenum exploration targets based on surface geochemical surveys, prospecting, geology and rock sampling. In addition, the Company has completed a detailed compilation of it's historical exploration data and created a formal database of geology, soil, silt, rock and drill data.

Results of work done between June and October 2022 for the various Highland Valley claims are as follows.

TDM Prospect

The TDM Minfile(BC Government 092ISE153) prospect is located on the eastern side of the Rateria property at the southeast end of a prominent airborne magnetic low structure that trends northwest towards Antler, Billy Lake, Mystery property and the Highmont mine. The Minfile report for work done in 1972 indicates a 500 metre X 250m copper in soil anomaly occurs with rocks containing fine 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 prospect.In June 2022, this strongly anomalous silt sample was located and within 50 metres away, talus blocks of granodiorite contain 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). From here, a traverse south towards the TDM prospect located additional areas where copperoxide minerals occur in the fractures. Together with the historical TDM information, copper in bedrock can be found at surface for about1.5km. along the western edge of a500m-1km wide and multi-km long magnetic low structure. Additional mapping and sampling of this area is planned.

Mystery Prospect

The recently acquired Mystery Lake property adjoins the Rateria property to the northwest of the Company's Zone 2 deposit and is approximately 6 km southeast of the Highmont open pit mine. In early July, an initial reconnaissance was performed to determine access routes into the area and review the geology. The property is mostly underlain by Bethsaida, Skeena and Bethlehem phases of the Guichon Batholith. Based on airborne magnetic surveys, north-south and northwest trending, recessive -weathering fault zones occur in largely glacial till-covered areas. At the south side of Mystery Lake, the collar of drill hole 93CVS-11 was located and surveyed (see news release March 2, 2022). This drill hole contains feldspar phyric dikes, extensive fracturing, alteration and zones of porphyry style copper-moly mineralization from surface to the end of the hole at 250 metres and was only partially sampled. On the east side of Mystery Lake, 1960's era flooded trenches contain highly fractured, sericite iron-oxide altered Bethsaida/Skeena phase rocks with local malachite copper mineralization noted. Approximately 400 metres south of the old trenches, a recent logging road ditch has partially exposed for about 40 metres, similar rocks to the trenches. Approximately 1.2km southwest 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 iscurrently 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.

The Company looks forward to reviewing and compiling this new information to prepare a plan for exploration during 2023.

Silverboss property

As announced on August 4, 2021, the Company 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.

On September 9, 2021, Happy Creek announced that due to a shortage of drill contractors, particularly with experience in heli-supported drilling, a previously announced plan to drill the Silverboss gold-silver targets was postponed. The program was designed to test directly beneath previously undrilled, high-grade Au-Ag mineralization identified at the Silverboss Shaft vein, Dogtooth vein and Horse Trail vein targets. Several longer holes were also laid out to test nearby bulk-tonnage targets with coincident geophysical and geochemical anomalies and sheeted or stockwork quartz-sulphide vein zones. These high-grade veins remain available as viable targets for future drill testing.

Also at Silverboss, as announced on August 4, 2021, 143 soil samples were collected to extend the 2.5 kilometre-long Gus copper anomaly in a southeasterly direction. Additional follow-up soil and rock sampling of the Gus copper target was completed in the Fall of 2021 to extend the copper anomaly in a northwesterly direction. 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, three 2021 samples returned 1.86 to 2.96 g/t Au, 3.89 to 257 g/t Ag, and 78 ppm to 6.00% Cu, plus highly anomalous arsenic, bismuth, antimony and tellurium values from quartz-sulphide veins cutting diorite. These targets have never been tested and remain a priority for future drilling.

On February 15, 2022, the Company announced the final results from its 2021 exploration work on the Silverboss property. The Company reported that it has expanded the Gus copper target to 4.5 square kilometres and identified with local 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 visible in government airborne surveys, additional mineral claims were acquired by staking to cover the 18 kilometre extent of the magnetic anomaly. The Company has completed a detailed project database for silt, soil, and rock samples and geology.

Results of work done between June and October 2022 are as follows. 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

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

In the summer of 2021, a small 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.

Results for work done between June and October 2022 are as follows. A stream sediment sample collected from a creek on the Hen northwest claims returned 0.372 ppm (parts per million or g/t) gold. This sample is located approximately 500 metres north of a different creek with a previously collected stream sediment sample that contained 0.154 ppm gold. For reference, the Company's 372 stream sediment sample database has a statistical mean of 0.003 ppm gold, and both creeks are considered highly anomalous. Currently, the upstream source of gold from these two creeks is unknown. However, based on BC government maps, the source area is underlain by Nicola Group volcaniclastic rocks with positive potassium, potassium/thorium and magnetic signatures identified by regional airborne geophysical surveys that are approximately 5 km by 3 km in dimension. These geophysical signatures are commonly associated with numerous copper and gold-bearing deposits in British Columbia. 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.

Financial Results of Operations

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

	Prepared in accordance with IFRS		
As at and for the year ended	**Jan. 31, 2023**	**Jan. 31, 2022**	**Jan. 31, 2021**
Interest revenue	$ 3,099	$ 2,844	$ 1,414
Comprehensive loss	$ 348,958	$ 844,456	$ 372,059
Basic net loss per share	$ 0.00	$ 0.01	$ 0.01
Total assets	$ 18,651,320	$ 18,805,596	$ 19,283,018
Basic weighted average number of shares outstanding	124,439,715	122,976,537	108,377,760

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

	Prepared in accordance with IFRS for interim reporting							
For the quarter ended	**Jan 31 2023 $**	**Oct 31 2022 $**	**July 31 2022 $**	**Apr 30 2022 $**	**Jan 31 2022 $**	**Oct 31 2021 $**	**July 31 2021 $**	**Apr 30 2021 $**
Interest revenue	3,099	Nil	Nil	Nil	1,866	155	388	435
Administrative expenses	(115,049)	(87,444)	(105,786)	(127,107)	(111,422)	(211,383)	(101,525)	(368,569)
Net loss	(42,217)	(87,444)	(105,786)	(110,854)	(164,451)	(211,228)	(101,197)	(368,134)
Basic net loss per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)

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

Results of Operations

Year ended January 31, 2023

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.

The Company incurred a net loss of $346,301 for the year ended January 31, 2023 compared with a loss of $845,010 for the same period in 2022. The following general and administrative expenses accounted for the change in the annual loss;

- Management fees and salaries decreased by $48,699 due the reduction of fees during the year.
- Office and administration decreased by $30,463 due to the Company implementing cost cutting measures.
- Share-based payments decreased by $294,085 due to fewer share purchase options granted in the current 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 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, 2023, the Company had cash and cash equivalents of $33,019 (January 31, 2022 -

$282,029). The Company's working capital deficiency as of January 31, 2023 was $239,849 (January 31, 2022 – surplus of $289,579). The Company commenced on a capital raise at the end of fiscal 2023 and completed it shortly thereafter. The Company raised $400,000 before commissions(See subsequent events).

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

Off-Balance Sheet Arrangements

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

RELATED PARTY TRANSACTIONS AND BALANCES

Relationships	**Nature of the relationship**
Standard Metals Exploration Ltd. ("Standard")	Standard is a private company controlled by an officer and director of the Company. Standard provides geological exploration and management consulting services to the Company.
Key management	Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and include the President and Chief Executive Officer, Chief Financial Officer, Corporate Secretary and Directors.

	Geological, Permitting and	**Other Exploration**	

	Consulting services	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

	Geological, Permitting and Consulting services	Other Exploration expenditures	Management services
Services provided for the year ended			
January 31, 2022:			
Chief executive officer	$ -	$ -	$ 40,000
Chief financial officer	-	-	36,000
Corporate Secretary	-	-	36,000
Directors	52,629	6,181	182,851
Standard	80,547	15,651	-
	$ 133,176	$ 21,832	$ 294,851

Key management compensation includes:

	Years ended January 31	
	2023	**2022**
Management fees and salaries	$ 177,300	$ 294,851
Share-based payments	-	278.250
	$ 177,300	$ 573,101

At January 31, 2023, there was $90,983 (2022 - $8,015) payable to directors and officers of the Company and $30,930 (2022 - $7,525) payable to Standard Metals Exploration.

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

Subsequent to the year end the Company;

1) Completed a private placement issuing 8,000,000 units at a price of $0.05 per unit. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant entitles the holder to purchase one common share at an exercise price of $0.10 up to the close of business on February 28, 2025.

2) Granted 3,850,000 share purchase options to certain Directors and Officers exercisable at a price of $0.05 until April 25, 2028. These options vest immediately.

3) Effective May 26, 2023, the Company terminated the consulting agreement with Peter Hughes, President and Chief Executive Officer. The terms of the termination are currently being negotiated. Michael Cathro will act as interim President and Chief Executive Officer until a suitable replacement is found.

Risk Factors

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

Company's future operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

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

Financial Instruments

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

(i) Financial assets

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

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

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

Reclamation deposits are classified as subsequently measured at amortized cost.

(ii) Financial liabilities

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

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, 2023.

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

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

Share Capital

Common shares, stock options, warrants, and agent's warrants as at May 30, 2023 are as follows:

	May 30, 2023
Common shares	

	132,482,455
Stock Options	**12,850,000**
Warrants	**20,972,743**
Agents warrants	**1,744,393**

Future Outlook

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

David Blann, P.Geo. 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, 2023 and 2022

(Expressed in Canadian Dollars)

DeVISSER GRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Happy Creek Minerals Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Happy Creek Minerals Ltd. (the "Company"), which comprise the statements of financial position as at January 31, 2023 and 2022, 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 significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2023 and 2022 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:
Refer to Note 3.2.(i) – 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. 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: • 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.

De Visser Gray LLP

Chartered Professional Accountants

Vancouver, BC, Canada
May 29, 2023

HAPPY CREEK MINERALS LTD.
Statements of Financial Position
January 31, 2023 and 2022

	Note	As at January 31, 2023	2022
ASSETS			
Current assets			
Cash and cash equivalents		$ 33,019	$ 282,029
Amounts receivable		5,691	51,548
Prepaid expenses		901	16,730
Marketable securities	7	554	10,214
Total current assets		40,165	360,521
Non-current assets			
Equipment	5	2,900	5,256
Right-of-use asset – office lease	15	-	12,861
Reclamation deposits	6	100,000	100,000
Exploration and evaluation properties	7	18,508,255	18,326,958
Total non-current assets		18,611,155	18,445,075
Total assets		$ 18,651,320	$ 18,805,596
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other accounts payable	8	$ 278,692	$ 38,362
Lease liability	15	-	16,327
Flow-through premium liability	9	1,322	16,253
Total current liabilities		280,014	70,942
Non-current liabilities			
Deferred tax liability	11	1,109,084	1,180,139
Total liabilities		1,389,098	1,251,081
Equity			
Share capital	10	23,581,326	23,566,326
Subscriptions received in advance	10	25,000	-
Share option reserve	10	3,260,110	3,243,445
Deficit		(9,720,719)	(9,374,418)
Accumulated other comprehensive income (loss)		116,505	119,162
Total equity		17,262,222	17,554,515
Total equity and liabilities		$ 18,651,320	$ 18,805,596

Going concern	2
Commitments	15
Subsequent Events	16

These financial statements are authorized for issue by the Board of Directors on May 29, 2023.
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, 2023 and 2022

	Note	Years ended January 31, 2023	2022
Revenue			
Interest income		$ 3,099	$ 2,844
Expenses			
Advertising and promotion		7,913	8,607
Conferences and travel		14,780	2,782
Management fees and salaries	12	273,109	321,808
Share-based payments	10, 12	16,665	310,750
Office and administration	15	85,474	115,937
Professional fees		37,445	33,015
		435,386	792,899
Loss before other items		(432,287)	(790,055)
Flow-through recovery	9	14,931	89,821
Loss before income taxes		(417,356)	(700,234)
Provision for income taxes			
Deferred income tax expense	11	71,055	(144,776)
Net loss for the year		(346,301)	(845,010)
Market value adjustment on marketable securities	7	(2,657)	554
Comprehensive loss for the year		$ (348,958)	$ (844,456)
Basic and diluted loss per share		$ (0.00)	$ (0.01)
Weighted average number of shares outstanding		124,439,715	122,976,537

The accompanying notes are an integral part of these financial statements

HAPPY CREEK MINERALS LTD.
Statements of Cash Flows
January 31, 2023 and 2022

	Years Ended January 31, 2023	2022
CASH AND CASH EQUIVALENTS USED IN OPERATING ACTIVITIES		
Net loss for the year	$ (346,301)	$ (845,010)
Items not involving cash:		
Deferred income tax expense	(71,055)	144,776
Depreciation - equipment	2,356	2,356
Depreciation – right-of-use asset	12,861	15,432
Share-based payments	16,665	310,750
Flow-through recovery	(14,931)	(89,821)
	(400,405)	(461,517)
Changes in non-cash working capital items:		
Amounts receivable	45,857	22,021
Prepaid expenses	15,829	4,230
Trade and other accounts payable	150,257	(22,473)
	(188,462)	(457,739)
FINANCING ACTIVITIES		
Issuance of shares	-	84,000
Share issuance costs	-	(3,625)
Repayment of lease liability	(16,327)	(16,541)
Subscription received in advance	25,000	-
	8,673	63,834
INVESTING ACTIVITIES		
Expenditures on exploration and evaluation properties	(76,224)	(941,019)
Increase in reclamation deposits	-	(3,000)
Proceeds on sale of marketable securities	7,003	-
	(69,221)	(944,019)
Increase in cash and cash equivalents	(249,010)	(1,337,924)
Cash and cash equivalents, beginning of year	282,029	1,619,953
Cash and cash equivalents, end of year	$ 33,019	$ 282,029
Supplemental Cash Flow Information:		
Accounts payable related to exploration and evaluation property expenditures	$ 100,381	$ 10,308
	$ -	$ 10,308
Cash and Cash Equivalents Consist of:		
Cash	$ 27,788	$ 42,019
Guaranteed investment certificates	-	55,000
Money market fund	5,231	185,010
	$ 33,019	$ 282,029

The accompanying notes are an integral part of these financial statements

HAPPY CREEK MINERALS LTD.
Statements of Changes in Equity
January 31, 2023 and 2022

		Common Shares						
	Note	**Number**	**Amount**	**Share subscriptions**	**Share Option Reserve**	**Accumulated other comprehensive income (loss)**	**Deficit**	**Total equity**
			$		$	$	$	$
February 1, 2021		122,502,455	23,485,951	-	2,932,695	118,608	(8,529,408)	18,007,846
Private placement – flow-through shares	10	1,680,000	84,000	-	-	-	-	84,000
Share issuance costs		-	(3,625)	-	-	-	-	(3,625)
Share-based payments		-	-	-	310,750	-	-	310,750
Net loss for the year		-	-	-	-	-	(845,010)	(845,010)
Other comprehensive loss		-	-	-	-	554	-	554
January 31, 2022		124,182,455	23,566,326	-	3,243,445	119,162	(9,374,418)	17,554,515
February 1, 2021		124,182,455	23,566,326	-	3,243,445	119,162	(9,374,418)	17,554,515
Claim purchase agreement – mineral property	10	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 income		-	-	-	-	(2,657)	-	(2,657)
January 31, 2022		124,482,455	23,581,326	25,000	3,260,110	116,505	(9,720,719)	17,262,222

The number of shares issued at January 31, 2023 and 2022 is comprised as follows:

	2023	**2022**
Shares considered previously issued (Note 10.2)	124,641,955	124,341,955
Issued and held by the Company (Note 10.5)	(159,500)	(159,500)
Issued and outstanding with other shareholders	124,482,455	124,182,455

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS

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

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

2. GOING CONCERN

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

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

3. BASIS OF PRESENTATION

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Cash and Cash Equivalents

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

4.2 Equipment

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

	Depreciation Rate
Off-road vehicle	12%

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

See Note 4.15

4.3 Exploration and Evaluation Properties

(i) Pre-license costs
Costs incurred before the Company has obtained the legal right to explore are expensed as incurred.

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

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

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

4.4 Decommissioning and Restoration

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

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

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

As at January 31, 2023, the Company has determined that it does not have any decommissioning and restoration obligations related to current or former operations in excess of the reclamation bonds held by the B.C. Ministry of Energy and Mines.

4.5 Impairment of Non-Financial Assets

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

4.6 Provisions

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

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

4.7 Income Taxes

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

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

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

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

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

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

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

4.8 Flow-through Shares

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

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

4.9 Share-based Payments

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

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

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

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

4.10 Related Party Transactions

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

4.11 Earnings (Loss) per Share

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

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

During the years ended January 31, 2023 and 2022, all the outstanding share options and warrants were anti-dilutive.

4.12 Share Issuance Costs

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

4.13 Comprehensive Income (Loss)

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

4.14 Financial Instruments

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

(i) Financial assets

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

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

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

Reclamation deposits are classified as subsequently measured at amortized cost.

(ii) Financial liabilities

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

4.15 Leases

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

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

Right-of-use asset

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

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

Lease liability

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

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

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

See Note 15.

5. EQUIPMENT

	Off-road vehicle
Cost	
Balance, February 1, 2022	$ 38,078
Balance, January 31, 2023	38,078
Accumulated depreciation	
Balance, February 1, 2022	32,822
Depreciation for the year	2,356
Balance, January 31, 2023	35,178
Net book value	$ 2,900

	Off-road vehicle
Cost	
Balance, February 1, 2021	$ 38,078
Balance, January 31, 2022	38,078
Accumulated depreciation	
Balance, February 1, 2021	30,466
Depreciation for the year	2,356
Balance, January 31, 2022	32,822
Net book value	$ 5,256

6. RECLAMATION DEPOSITS

As at January 31, 2023, the Company had reclamation deposits held in trust by the Province of British Columbia totalling $100,000 (January 31, 2022 - $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, 2021	$ 9,014,260	$ 8,411,711	$ 17,425,971
Acquisition Costs			
Option and acquisition costs	1,775	1,000	2,775
Exploration Costs			
Assaying and petrographic	76,860	44,333	121,193
Geophysics	-	74,700	74,700
Communications	1,188	118	1,306
Field supplies	7,988	-	7,988
Geological and consulting	148,928	167,510	316,438
Permitting and consulting	3,050	4,832	7,882
Mineral tenure costs	1,394	-	1,394
Field support and drilling	30,771	17,482	48,253
Drilling	291,970	-	291,970
Travel and accommodation	12,300	11,528	23,828
Other admin fees	3,260	-	3,260
January 31, 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
Communications	23	-	23
Field supplies	130	5,590	5,720
Geological and consulting	58,743	60,233	118,976
Mineral tenure costs	175	-	175
Field support and drilling	330	-	330
Travel and accommodation	3,398	7,729	11,127
January 31, 2023	$ 9,667,251	$ 8,841,004	$ 18,508,255

As at January 31, 2023, cumulative METC rebates offset against deferred exploration and evaluation property costs totalled $1,284,147 (January 31, 2022 - $1,284,147).

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

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.

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 8,989 hectares and the Fox property consists of 36 mineral tenures totalling approximately 17,245 hectares. The Black Riders property consists of 6 mineral tenures totaling approximately 2,564 hectares and adjoins to the east and is considered part of the Fox property. See 7.2.4.

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
The Hawk property consists of 23 mineral tenures totaling approximately 1,337 hectares. See 7.2.4.

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

7.2.3 NSR Royalties
In 2005, the Company acquired a property comprised of five groups of mineral claims – Silver Boss (38 claims), Fox (36 claims), Hen and Art-DL (19 claims) and Hawk (23 claims). These mineral claims are subject to a 2.5% NSR royalty of which the Company can buy back 1% for $2,000,000. See 7.2.1 and 7.2.2.

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, 2,520 (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).

At January 31, 2023, the Company owned nil shares of Origen (January 31, 2022 – 42,000 shares of Origen), and 2,520 shares of Forty Pillars (January 31, 2022 – 2,520 shares of Forty Pillars), the shares of which are traded on the CSE.

	January 31, 2023	January 31, 2022
Marketable securities – fair value	$ 554	$ 10,214
Marketable securities – cost	-	-

8. TRADE AND OTHER ACCOUNTS PAYABLE

	January 31, 2023	**January 31, 2022**
Financial Liabilities		
Trade payables	$ 128,658	$ 4,737
Payroll accruals	1,998	2,254
Accrued liabilities	148,036	31,371
	$ 278,692	$ 38,362

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, 2021	$ 106,074
Premium liability incurred on flow-through shares issued	-
Reduction of flow-through share liability on incurring qualifying expenditures	(89,821)
Balance January 31, 2022	$ 16,253

	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	$ 1,322

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, 2023 are 124,641,955 (January 31, 2022 – 124,341,955).

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.

During the year ended January 31, 2022, the following share transactions occurred:

i. On October 20, 2021, the Company completed a non-brokered private placement, issuing 1,680,000 common shares at a price of $0.05 per share for gross proceeds of $84,000. Cash finders' fees of $3,625 were paid, and 12,000 finders' warrants were issued as part of the financing. Each warrant entitles the holder to purchase one additional common share for a three-year period at a price of $0.06.

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

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

10.3 Warrants

The following warrants were outstanding:

	Warrants		Exercise Price
February 1, 2021	18,975,136	$	0.12
Issued	-		-
Issued-finder's	12,000		0.06
Expired	(618,000)		0.17
January 31, 2022	18,369,136		0.12
Issued	-		-
Issued – finder's	-		-
Expired	-		-
January 31, 2023	18,369,136	$	0.12

Expiry date	Warrants		Exercise Price
November 19, 2023	16,972,743	$	0.12
November 19, 2023	1,384,393		0.12
October 20, 2024	12,000		0.06
	18,369,136	$	0.12

At January 31, 2023, the weighted-average remaining life of the outstanding warrants was 0.80 years (2022–1.80 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, 2023 were 500,000 (year ended January 31, 2022 – 5,450,000). 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, 2023 was $16,665 (year ended January 31, 2022 - $310,750).

The fair value of the share options granted during the year ended January 31, 2023 and the year ended January 31, 2022 was estimated on the date of grant using the Black-Scholes Pricing Model with the following weighted average assumptions:

	Year Ended January 31, 2023	**Year Ended January 31, 2022**
Strike price	$0.04	$0.10 – $0.07
Risk free interest rate	3.29%	0.95% - 1.35%
Expected option life (years)	5.00 years	5.00 years
Expected stock price volatility	125.12%	102.64% - 105.70%
Dividend payments during life of option	Nil	Nil
Expected forfeiture rate	Nil	Nil

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

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

	Options	**Exercise price**
January 31, 2021 (Exercisable – 5,200,000)	5,200,000	$ 0.20
Issued	5,450,000	0.09
January 31, 2022 (Exercisable – 10,650,000)	10,650,000	$ 0.14
Cancelled/ expired	(2,150,000)	0.24
Issued	500,000	0.05
January 31, 2023 (Exercisable – 9,000,000)	9,000,000	$ 0.12

Expiry date	**Options**	**Exercise Price**
October 17,2024	2,300,000	**$** 0.17
January 16, 2025	750,000	0.17
March 23, 2026	3,950,000	0.10
October 21, 2026	1,500,000	0.07
January 9. 2023	500,000	0.05
	9,000,000	**$** 0.12

At January 31, 2023, the weighted average remaining life of the outstanding options was 2.88 years (2022 – 3.14 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. At January 31, 2019 and May 7, 2019, the Company had repurchased 159,500 shares at a cost of $24,696. These shares have not been cancelled and returned to treasury and are being held in a brokerage account.

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,	**2023**	**2022**
Expected tax recovery at a rate of 27% (2022– 27%)	$ 108,904	$ 188,839
Increase (decrease) resulting from:		
Non-deductible expenses, net	(238)	(59,576)
Temporary differences, net	2,702	551
Deferred taxes applicable to flow-through expenditures	(40,313)	(274,590)
Deferred income tax expense	$ 71,055	$ (144,776)

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

As at January 31,	**2023**	**2022**
Exploration and evaluation properties	$ (3,699,528)	$ (3,659,964)
Non-capital losses carried forward	2,555,950	2,435,617
Marketable securities	(75)	(1,379)
Equipment	17,541	16,905
Share issuance costs	17,028	28,682
Net recognized deferred tax liability	$ (1,109,084)	$ (1,180,139)

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

Year of origin	**Non-capital loss**	**Year of expiry**
2006	$ 34,000	2026
2007	348,000	2027
2008	647,000	2028
2009	609,000	2029
2010	574,000	2030
2011	772,000	2031
2012	639,000	2032
2013	666,000	2033
2014	633,000	2034
2015	613,000	2035
2016	394,000	2036
2017	493,000	2037
2018	463,000	2038
2019	659,000	2039
2020	514,000	2040
2021	404,000	2041
2022	558,000	2042
2023	445,000	2043
	$ 9,465,000	

12. RELATED PARTY TRANSACTIONS AND BALANCES

Relationships	**Nature of the relationship**
Standard Metals Exploration Ltd. ("Standard")	Standard is a private company controlled by an officer and director of the Company. Standard provides geological exploration and management consulting services to the Company.
Key management	Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and include the President and Chief Executive Officer, Chief Financial Officer, Corporate Secretary and Directors.

	Geological, Permitting and Consulting services	**Other Exploration expenditures**	**Management services**
Services provided for the year ended January 31, 2022:			
Chief executive officer	$ -	$ -	$ 40,000
Chief financial officer	-	-	36,000
Corporate Secretary	-	-	36,000
Directors	52,629	6,181	182,851
Standard	80,547	15,651	-
	$ 133,176	$ 21,832	$ 294,851

	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, 2023		2022
Management fees and salaries	$	177,300	$	294,851
Share-based payments		-		278,250
	$	177,300	$	573,101

At January 31, 2023, there was $90,983 (2022 - $8,015) payable to directors of the Company, $30,930 (2022 - $7,525) payable to Standard Metals Exploration Ltd and $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 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, 2023, the Company's working capital deficiency is $238,527 (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, 2023, the Company had cash and cash equivalents of $33,019 to settle trade and other accounts payable of $278,692 and current lease liability of $nil.

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 futureprofitability of the Company is related to the market price of certain minerals such as copper, molybdenum, tungsten, gold and silver.

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 Right-of-Use Asset / Lease Liability

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

(a) Right-of-use asset

As at January 31, 2023 and 2022, the right-of-use asset recorded for the Company's office premises is as follows:

		2023		2022
Balance – beginning of the year	$	12,861	$	28,293
Depreciation		(12,861)		(15,432)
Balance – end of year	$	-	$	12,861

(b) Lease liability

As at January 31, 2023 and 2022, the minimum lease payments in respect of lease liabilities and the effect of discounting are as follows:

		2023		2022
Undiscounted minimum lease payments:				
Less than one year	$	-	$	16,434
Two to three years		-		-
		-		16,434
Effect of discounting		-		(107)
Present value of minimum lease payments		-		16,327
Less current portion		-		(16,327)
Long-term portion	$	-	$	-

(c) Lease liability continuity

The net change in the lease liability is as follows:

		2023		2022
Balance – beginning of the year	$	16,327	$	32,868
Cash flows:				
Principal payments		(16,327)		(16,541)
Balance – end of year	$	-	$	16,327

During the year ended January 31, 2023, interest of $869 (2022 – $2,946) is included in office and administration.

15.2 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. In the event that the Company terminates this agreement, it must make a final payment of $5,000 to the 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

- On January 18, 2023, the Company completed a non-brokered private placement of 8,000,000 units at a price of $0.05 per unit for gross proceeds of $400,000. Each unit is comprised of one common share and one-half of a share purchase warrant. Each whole warrant is exercisable into one common share of the Company at an exercise price of $0.10 per share for a period of two years.

- On April 25, 2023, the Company granted 3,850,000 stock options to certain directors, officers and employees exercisable at a price of $0.05 per share until April 25, 2028. The options vest immediately.