



## HAPPY CREEK MINERALS LTD.

### MANAGEMENT INFORMATION CIRCULAR

as at June 14, 2023

This Management Information Circular (the “Information Circular”) accompanies the Notice of Annual General Meeting given to the holders (the “Shareholders”) of common shares (the “Common Shares”) of Happy Creek Minerals Ltd. (“Happy Creek” or the “Corporation”) in respect of the annual general meeting (the “Meeting”) of Shareholders to be held on Tuesday, July 18, 2023 at #300 – 1090 Homer Street, Vancouver, British Columbia, Canada V6B 2W9, at the hour of 11:00 a.m. (Pacific Time).

The contents and the sending of this Information Circular have been approved by the Directors of the Corporation.

Unless otherwise stated herein, all currency amounts indicated as “\$” in this Information Circular are expressed in Canadian Dollars, the Corporation’s reporting currency.

### PROXIES AND VOTING RIGHTS

#### Solicitation of Proxies

The solicitation of proxies is being made on behalf of Management. Costs of the solicitation of proxies for the Meeting will be borne by the Corporation. It is expected that solicitations of proxies will be made primarily by mail but proxies may also be solicited by telephone or other personal contact by directors, officers and employees of the Corporation without special compensation. In addition to the use of mail, proxies may be solicited by personal interviews, personal delivery, telephone or any form of electronic communication or by directors, officers and employees of the Corporation who will not be directly compensated therefore. The Corporation has arranged for Intermediaries (as defined below) to forward Meeting Materials (as defined below) to Non-Registered Shareholders (as defined below) by those Intermediaries as the Registered Shareholders (as defined below) and the Corporation may reimburse the Intermediaries for their reasonable fees and disbursements in that regard.

**Only a Shareholder whose name appears on the certificate(s) representing its Common Shares (a “Registered Shareholder”) or its duly appointed proxy nominee is permitted to vote at the Meeting. A Shareholder is a non-registered Shareholder (a “Non-Registered Shareholder”) if its Common Shares are registered in the name of an intermediary, such as an investment dealer, brokerage firm, bank, trust company, trustee, custodian, administrator or other nominee, or a clearing agency in which the intermediary participates (each, an “Intermediary”). Accordingly, most Shareholders of the Corporation are Non-Registered Shareholders because the Common Shares they own are not registered in their names but are instead registered in the name of the Intermediary through which they own the Common Shares.**

More particularly, a person is a Non-Registered Shareholder in respect of Common Shares which are held on behalf of that person, but which are registered either: (a) in the name of an Intermediary that the Non-Registered Shareholder deals with in respect of the Common Shares; or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“CDS”)) of which the Intermediary is a participant. In Canada, the vast majority of securities are registered under the name of CDS, which acts as nominee for many Canadian brokerage firms. Common Shares so held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Non-Registered Shareholder. Without specific instructions, Intermediaries are prohibited from voting Common Shares held for Non-Registered Shareholders.

These proxy solicitation materials are being sent to both Registered Shareholders and Non-Registered Shareholders. If the Corporation or its agent has sent these materials directly to a Non-Registered Shareholder, such Non-Registered Shareholder’s name and address and information about its holdings of Common Shares have been obtained in accordance with the requirements under applicable securities laws from the Intermediary holding the Common Shares on such Non-Registered Shareholder’s behalf.

Non-Registered Shareholders who have not objected to their Intermediary disclosing certain information about them to the Corporation are referred to as non-objecting beneficial owners (“**NOBOs**”), whereas Non-Registered Shareholders who have objected to their Intermediary disclosing ownership information about them to the Corporation are referred to as objecting beneficial owners (“**OBOs**”). In accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), the Corporation has elected to send the Notice of Meeting, this Information Circular and the related form of proxy or voting instruction form (collectively, the “**Meeting Materials**”) indirectly to the NOBOs and to the OBOs through their Intermediaries.

## **How to Vote**

Registered Shareholders can vote their common shares by proxy, by mail, by telephone or on the Internet. If you vote your common shares by proxy by mail, completed forms of proxies must be received by the Corporation’s transfer agent, Computershare Trust Company of Canada Inc., Proxy Department, at 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1. Telephone and Internet voting can also be completed 24 hours a day, 7 days a week which is noted on your proxy form. If you vote by telephone, you cannot appoint anyone other than the appointees named on the proxy form as your proxyholder. For internet voting, go to [www.investorvote.com](http://www.investorvote.com) and follow the instructions on the screen. For either telephone or internet voting, you will need your 15-digit control number which is noted on your proxy form. Duly completed forms of proxy or a vote using the telephone or over the Internet must be completed no later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof.

Non-Registered Shareholders will receive voting instructions from the Intermediary through which they hold their common shares. Please follow the instructions provided on your voting instruction form to vote your common shares.

## **Appointment of Proxies**

### *Registered Shareholders*

The persons named in the accompanying form of proxy are nominees of the Corporation’s Management. **A Shareholder has the right to appoint a person or company (who need not be a Shareholder) to attend and act for and on the Shareholder’s behalf at the Meeting other than the persons designated as proxyholders in the accompanying form of proxy. To exercise this right, the Shareholder must either:**

- (a) on the accompanying form of proxy, strike out the printed names of the individuals specified as proxyholders and insert the name of the Shareholder’s nominee in the blank space provided; or**
- (b) complete another proper form of proxy.**

In either case, to be valid, a proxy must be dated and signed by the Shareholder or by the Shareholder’s attorney authorized in writing. In the case of a company, the proxy must be signed by a duly authorized officer of, or attorney for, the company.

The completed proxy, together with the power of attorney or other authority, if any, under which the proxy was signed, or a notarially certified copy of the power of attorney or other authority, must be delivered to Computershare Trust Company of Canada Inc., Proxy Department, at 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1, or by telephone, internet or facsimile (in accordance with the instructions provided in the form of proxy delivered herewith), by 11:00 a.m. (Pacific Time) on Friday, July 14, 2023 or at least 48 hours (excluding Saturdays, Sundays and holidays) before the time that the Meeting is to be reconvened after any adjournment of the Meeting. The deadline for the deposit of proxies may be waived or extended by the Chair of the Meeting at the Chair’s discretion without notice.

### *Non-Registered Shareholders*

**Only Registered Shareholders or duly appointed proxyholders for Registered Shareholders are permitted to vote at the Meeting. Non-Registered Shareholders (whether NOBOs or OBOs) are advised that only proxies from Shareholders of record can be recognized and voted at the Meeting.**

The Intermediary holding Common Shares on behalf of a Non-Registered Shareholder is required to forward the Meeting Materials to such Non-Registered Shareholder (unless such Non-Registered Shareholder has waived its right to receive the Meeting Materials) and to seek such Non-Registered Shareholder’s instructions as how to vote its Common Shares in respect of each of the matters described in this Information Circular to be voted on at the Meeting. Each Intermediary has its own procedures which should be carefully followed by Non-Registered Shareholders to ensure that their Common Shares are voted

by the Intermediary on their behalf at the Meeting. The instructions for voting will be set out in the form of proxy or voting instruction form provided by the Intermediary. Non-Registered Shareholders should contact their Intermediary and carefully follow the voting instructions provided by such Intermediary. Alternatively, Non-Registered Shareholders who wish to vote their Common Shares in person at the Meeting may do so by appointing themselves as the proxy nominee by writing their own name in the space provided on the form of proxy or voting instruction form provided to them by the Intermediary and following the Intermediary's instructions for return of the executed form of proxy or voting instruction form.

All references to Shareholders in this Information Circular and the accompanying Notice of Meeting and form of proxy are to Shareholders of record at the close of business on the Record Date (as defined below) unless specifically stated otherwise.

### **Revocation of Proxies**

A Shareholder who has given a proxy may revoke it at any time before the proxy is exercised:

- (a) by an instrument in writing that is:
  - (i) signed by the Shareholder, the Shareholder's legal personal representative or trustee in bankruptcy or, where the Shareholder is a company, a duly authorized officer of, or attorney for, the company; and
  - (ii) delivered to Computershare Trust Company of Canada Inc., Proxy Department, at 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1 or to the registered office of the Corporation located at Suite 2600 – 595 Burrard Street, Vancouver, British Columbia, Canada V7X 1L3 at any time up to and including the last business day preceding the day of the Meeting or any adjournment of the Meeting;
- (b) by sending another proxy form with a later date to Computershare Trust Company of Canada Inc. before 11:00 a.m. (Pacific Time) Friday, July 14, 2023, or at least 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned or postponed Meeting;
- (c) by attending the Meeting and notifying the Chair of the Meeting in writing prior to the commencement of the Meeting that the Shareholder has revoked its proxy; or
- (d) in any other manner provided by law.

A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

### **Voting and Exercise of Discretion by Proxyholders**

A Shareholder may indicate the manner in which the persons named in the accompanying form of proxy are to vote with respect to a matter to be acted upon at the Meeting by marking the appropriate space. **The Common Shares represented by the proxy will be voted for, against, or withheld from voting in accordance with the instructions given by the Shareholder in the proxy on any ballot that may be called for.**

**If the Shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the Common Shares represented thereby will be voted for, against, or withheld from the vote on that matter accordingly. If no choice is specified in the proxy with respect to a matter to be acted upon, it is intended that the proxyholder named by Management in the accompanying form of proxy will vote the Common Shares represented by the proxy in favour of each matter identified in the proxy and for the nominees for election to the Corporation's Board of Directors and auditor.**

The accompanying form of proxy also confers discretionary authority upon the named proxyholder with respect to amendments or variations to the matters identified in the accompanying Notice of Meeting and with respect to any other matters which may properly come before the Meeting. **As of the date of this Information Circular, Management of the Corporation is not aware of any such amendments or variations, or any other matters that will be presented for action at the Meeting other than those referred to in the accompanying Notice of Meeting. If, however, other matters that are not now known to Management properly come before the Meeting, then the persons named in the accompanying form of proxy intend to vote on them in accordance with their best judgment.**

The Corporation is not relying on the notice-and-access delivery procedures outlined in NI 54-101 to distribute copies of Meeting Materials.

## RECORD DATE, VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares of which 132,641,955 are issued and outstanding as of the date hereof. Each Common Share is entitled to one vote. The Common Shares have been listed posted for trading on the TSX Venture Exchange (“TSXV”) under the stock symbol “HPY” since August 9, 2006.

In accordance with applicable laws, the board of directors of the Corporation (the “Board”) has fixed a record date as at June 12, 2023 (the “Record Date”) for the purposes of determining Shareholders entitled to receive notice of, and to vote at, the Meeting, and has obtained a list of all persons who are Registered Shareholders at the close of business on the Record Date and the number of Common Shares registered in the name of each Registered Shareholder on that date. Each Registered Shareholder as at the close of business on the Record Date will be entitled to receive notice of the Meeting and will be entitled to one vote at the Meeting for each Common Share registered in his or her name as it appears on the list.

To the knowledge of the directors and senior officers of the Corporation, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Shares carrying more than 10% of the voting rights attached to the outstanding Shares of the Corporation.

## BUSINESS OF THE MEETING

The matters to be brought before the Shareholders at the Corporation’s Meeting are:

1. to receive the audited annual financial statements of the Corporation for the fiscal year ended January 31, 2023, together with the auditors’ report thereon;
2. to fix the number of directors at six;
3. to elect the directors of the Corporation for the ensuing year;
4. to appoint DeVisser Gray LLP, as auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration to be paid to the auditor;
5. to consider and, if thought fit, to pass an ordinary resolution confirming and approving the Corporation’s 2022 Stock Option Plan, and that in connection therewith a maximum of 10% of the Company’s issued and outstanding Common Shares at the time of each grant be approved for granting as Options, as more particularly described in this Information Circular;
6. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving an amendment to the Articles of the Corporation to change the name of the Corporation from “Happy Creek Minerals Ltd.” to “South Valley Copper Inc.”; and
7. to transact such further or other business as may properly come before the Meeting and any adjournment or postponement thereof.

### Receipt of Financial Statements

The audited consolidated annual financial statements of the Corporation for the year ended January 31, 2023 and accompanying auditor’s report, and the management’s discussion and analysis of the Corporation for the year ended January 31, 2023, which have been previously filed under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) and are available on the Corporation’s website at [www.happycreekminerals.com](http://www.happycreekminerals.com), will be presented at the Meeting. No vote by the Shareholders is required to be taken with respect to the Financial Statements for the year ended January 31, 2023.

### Appointment and Remuneration of Auditors

Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the appointment of DeVisser Gray LLP, Chartered Accountants, of #401 – 905 West Pender Street, Vancouver, British Columbia Canada V6C 1L6 (“DeVisser”) as auditors of the Corporation to hold office until the close of the next annual meeting of the Corporation, at a remuneration to be fixed by the directors of the Corporation. **The Board recommends a vote “FOR” the appointment of DeVisser as the auditor of the Corporation to hold office until the close of the next annual meeting of Shareholders and to authorize the directors to fix the auditor’s remuneration.**

### Election of Directors

The term of office of each of the present directors expires at the Meeting. The Board proposes to nominate the persons named in the table below for election as directors of the Corporation. Five of the six (6) nominees are all existing directors of the Corporation.

Each director elected will hold office until the next annual general meeting of the Corporation or until his or her successor is duly elected or appointed, unless the office is earlier vacated in accordance with the Articles of the Corporation or the *Business Corporations Act* (BC) (“BCABC”) or he or she becomes disqualified to act as a director.

### ***Advance Notice Policy***

The Corporation’s Articles include an advance notice policy (the “ANP”), which includes, among other things, a provision that requires advance notice be given to the Corporation in circumstances where nominations of persons for election to the Board are made by Shareholders of the Corporation. In the case of an annual meeting of Shareholders, notice to the Corporation must be made not later than 5:00 p.m. (Pacific Time), not less than 30 nor more than 65 days prior to the date of the annual meeting of Shareholders, provided, however, that if the annual meeting of Shareholders is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the 10th day following the notice. In the case of a special meeting of Shareholders which is not also an annual meeting and is called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the first public announcement of the date of the meeting was made.

Additionally, the ANP sets forth the information that a Shareholder must include in the notice to the Corporation and establishes the form in which the Shareholder must submit the notice for that notice to be in proper written form. The Corporation’s Articles also prescribe the proper written form for a Nominating Shareholder’s notice. The Corporation’s Articles, which contain the full text of the Advance Notice Policy, are available on the Corporation’s website.

The chair of the Meeting shall have the power and duty to determine whether a nomination was made in accordance with the notice procedures set forth in the Articles and, if any proposed nomination is not in compliance with such provisions, the discretion to declare that such defective nomination will be disregarded.

The Corporation filed the Notice of Meeting and Record Date on SEDAR on May 18, 2023. As at the date hereof, no nominations for directors were received in accordance with the provisions of the ANP.

### **Director Nominees**

The following table provides the name, residence, participation on the Corporation’s Board and Board committees, number of Common Shares beneficially owned or controlled or directed as of the date of this Information Circular and principal occupation during the preceding five years of each of the nominated directors of the Corporation. The Corporation has been advised that each of the nominated directors is willing to serve on the Board for the ensuing year. Each director will hold office until the next annual meeting of Shareholders or until his or her successor is duly elected or appointed, unless the office is earlier vacated in accordance with the Articles of the Corporation or the BCABC or he or she becomes disqualified to act as a director. Each director has provided the information about the securities that he or she owns or over which he or she exercises control or direction.

**The Board recommends a vote “FOR” the appointment of each of the following nominees as directors. In the absence of a contrary instruction, the person(s) designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the election as directors of the proposed nominees whose names are set forth below, each of whom has been a director since the date indicated below opposite the proposed nominee’s name.**

Name and Jurisdiction of Residence	Current Occupation/Biography	Served as a Director Since	Number of Voting Securities of the Corporation Beneficially Owned or Controlled or Directed, Directly or Indirectly <sup>(1)(7)</sup>
Michael Cathro British Columbia, Canada	<p><b>Occupation:</b> Retired Geoscientist.</p> <p><b>Biography:</b> Principal of Cathro Resource Corp., a private company which provides management services. Mr. Cathro previously served as VP Operations for Skeena Resources Ltd., and as the chair and director of Geoscience BC. Mr. Cathro holds a B.Sc. (Honor's) from Queen's University and a M.Sc. from the Colorado School of Mines. Interim President and CEO of the Corporation from March 23, 2021 to September 30, 2021 and May 23, 2023 to present interim President and CEO of the Corporation.</p>	November 9, 2012	2,587,166 <sup>(2)</sup>
David Blann British Columbia, Canada	<p><b>Occupation:</b> Professional Geological Engineer</p> <p><b>Biography:</b> President of Standard Metals Exploration Ltd., a private company which provides geological and consulting services; from November 17, 2004 to March 23, 2021, President and from April 18, 2006 to March 23, 2021 Chief Executive Officer of the Corporation.</p>	November 17, 2004	5,701,801 <sup>(3)</sup>
Rodger Gray Ontario, Canada	<p><b>Occupation:</b> Vice President of Pollitt &amp; Co. Inc.</p> <p><b>Biography:</b> Previously Mr. Gray was Vice President Wellington-Altus and prior thereto, Founder, President and Chief Executive Officer of Toll Cross Securities Inc.</p>	October 6, 2014	2,122,702 <sup>(4)</sup>
Walter Segsworth British Columbia, Canada	<p><b>Occupation:</b> Retired Mining Professional.</p> <p><b>Biography:</b> Mr. Segsworth currently serves on the Board of Directors of Pan American Silver Corp.; Chairman of the Corporation from March 24, 2017 to July 7, 2020; Executive Chairman of the Corporation from July 7, 2020 to March 23, 2021; Non-Executive Chairman of the Corporation since March 23, 2021.</p>	January 9, 2017	1,992,222 <sup>(5)</sup>
Sarah Weber British Columbia, Canada	<p><b>Occupation:</b> President and Chief Executive Officer of C3 Alliance Corp., a private consulting company</p> <p><b>Biography:</b> Ms. Weber is a Professional Geoscientist with over 20 years of diversified experience in the natural resource sector including extensive experience working with Indigenous Communities and government within BC. Ms. Weber holds a B.Sc. in Geology from the University of British Columbia and an Executive MBA from the Beedie School of Business, Simon Fraser University.</p>	March 23, 2021	65,000 <sup>(6)</sup>

Name and Jurisdiction of Residence	Current Occupation/Biography	Served as a Director Since	Number of Voting Securities of the Corporation Beneficially Owned or Controlled or Directed, Directly or Indirectly <sup>(1)(7)</sup>
Kent Pearson Toronto, Canada	<p><b>Occupation:</b> Professional Geoscientist</p> <p><b>Biography:</b> Mr. Pearson is a Professional Geoscientist and senior executive with more than 30 years' experience in the mining and capital markets sector, with global experience throughout the Americas, Australia and Africa. Mr. Pearson's mining experience spans from grassroots exploration through to mine production (open pit and underground) with Noranda Exploration Ltd., Bethlehem Resources Corp., Hemlo Gold Mines Inc. and Murchison Minerals Ltd. Mr. Pearson has held executive roles in mining and energy investment banking and as President and CEO in the junior mining sector. Mr. Pearson has been involved in over \$2.0 billion in transactions during this time. Mr. Pearson holds a bachelor's degree in Geology from the University of Alberta and an MBA from Queen's University.</p>	Nominee	Nil

(1) Securities beneficially owned, directly or indirectly, or over which control or direction is exercised, as at June 14, 2023, based upon information furnished to the Corporation by the individual nominees.

(2) Mr. Cathro also holds 311,000 common shares of the Corporation in his RRSP, incentive stock options entitling him to purchase up to 1,550,000 common shares of the Corporation and 316,666 non-transferable share purchase warrants. In addition, Cathro Resource Corp., a private company owned by Mr. Cathro, holds 1,040,000 common shares of the Corporation and 100,000 non-transferable share purchase warrants. Mr. Cathro's partner, Susan Tevendale, holds a total of 85,000 common shares and a further 173,500 common shares in her RRSP.

(3) Mr. Blann holds incentive stock options entitling him to purchase up to 1,400,000 common shares of the Corporation and 222,300 non-transferable share purchase warrants. In addition, Standard Metals Exploration Ltd., a private company owned by Mr. Blann, holds 400,000 common shares and 200,000 non-transferable share purchase warrants.

(4) Mr. Gray holds incentive stock options entitling him to purchase up to 1,350,000 common shares of the Corporation and 200,000 non-transferable share purchase warrants.

(5) Mr. Segsworth also holds incentive stock options to purchase up to 1,350,000 common shares of the Corporation and 222,222 non-transferable share purchase warrants. In addition, the Walter Segsworth Family Trust holds 1,151,867 common shares of the Corporation and 150,000 non-transferable share purchase warrants.

(6) Ms. Weber holds incentive stock options entitling her to purchase up to 1,250,000 common shares of the Corporation and 50,000 non-transferable share purchase warrants.

(7) The non-transferable share purchase warrants held by members of the Board as described in footnotes (3), (4), (5), (6) and (7) above entitle the holders to purchase one common share of the Corporation at an exercise price of \$0.10 per share up to close of business on February 28, 2025.

There are presently two standing committees of the Board: the Audit Committee and the Compensation Committee. The following table sets out the members of such committees:

Audit Committee	Compensation Committee
Rodger Gray (Chair)	Walter Segsworth (Chair)
Sarah Weber	Rodger Gray
Michael Cathro	Sarah Weber

No proposed Director is to be elected under any arrangement or understanding between the proposed Director and any other person or company, except the Directors and executive officers of the Corporation acting solely in such capacity.

To the knowledge of the Corporation, no proposed director of the Corporation is, or within the 10 years prior to the date of this Information Circular, has been, a director or executive officer of any company that:

- (i) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued while that person was acting in that capacity;

- (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after the proposed director ceased to act in that capacity, and which resulted from an event that occurred while that person was acting in that capacity; or
- (iii) while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director of the Corporation has, within the 10 years prior to the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No proposed director of the Corporation has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### **Annual Approval of Stock Option Plan**

The Corporation's current incentive stock option plan (the "**2022 Stock Option Plan**") which governs the issuance of stock options to eligible persons (as defined therein) was approved by the Shareholders at the Corporation's annual general and special meeting held on September 8, 2022.

The 2022 Stock Option Plan provides, among other things, that the number of Common Shares issuable under the 2022 Stock Option Plan, together with all of the Corporation's other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of the Corporation's issued and outstanding Common Shares. Additional information regarding the terms and conditions of the 2022 Stock Option Plan are set forth under the heading "**Stock Option Plans and Other Incentive Plans**" below.

The 2022 Stock Option Plan is a rolling stock option plan and is required to be approved by shareholders on an annual basis in accordance with TSXV policies.

At the Meeting, the Shareholders of the Corporation will therefore be asked to consider and, if thought fit, to pass an ordinary resolution confirming and approving the 2022 Stock Option Plan and all unallocated options, rights or other entitlements issuable thereunder. See "**Particulars of Other Matters to be Acted Upon at the Meeting, Annual Approval of 2022 Stock Option Plan**" herein for details.

### **Name Change**

The Board of Directors have recommended and authorized a change of the Corporation's name from "Happy Creek Minerals Ltd." to "South Valley Copper Inc.". Management and the Board believe that the name change will better reflect the Corporation's focus on its current project portfolio in Southern British Columbia, and that the new name will be better aligned with the Corporation's strategic direction. See "**Particulars of Other Matters to be Acted Upon at the Meeting, Name Change**" herein for details.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Director and NEO compensation, excluding compensation securities**

For the purposes hereof, "**Named Executive Officer**" or "**NEO**" means: (a) each Chief Executive Officer ("**CEO**"), (b) each Chief Financial Officer ("**CFO**"), (c) each of the three most highly compensated executive officers of the Corporation, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, during any part of the most recently completed financial year whose total compensation was, individually, more than CDN\$150,000 for that financial year; and (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation or its subsidiaries, nor acting in a similar capacity, at the end of that financial year. Unless otherwise noted, all dollar amounts are expressed in Canadian dollars and references to "\$" or "Cdn\$" are to Canadian dollars.

During the year ended January 31, 2023, the Corporation had two (2) NEOs; namely, Messrs. Peter Hughes, who was President and CEO of the Corporation and Richard Lee, the Corporation's CFO. Mr. Hughes position as President and CEO was terminated effective May 26, 2023 at which time Mr. Michel Cathro was appointed as interim President and CEO. Mr.



Hughes resigned from the Board effective June 3, 2023. The following table sets forth all direct and indirect compensation for, or in connection with, services provided to the Corporation and its subsidiaries for the last two financial years.

The following table also sets forth, for the years ended January 31, 2022, and 2023, all compensation (other than stock options and other compensation securities) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Corporation, or a subsidiary of the Corporation, to each NEO and director, in any capacity.

Table of compensation excluding compensation securities							
Name and position	Year Ended	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$) <sup>(1)(2)</sup>	Value of all other compensation (\$)	Total compensation (\$)
<b>Peter Hughes</b> <sup>(3)</sup> Former President and CEO and Director	2023	90,000	Nil	Nil	Nil	Nil	90,000
	2022	40,000	Nil	Nil	Nil	Nil	40,000
<b>Michael Cathro</b> Interim President and CEO and Director	2023	12,100	Nil	Nil	Nil	Nil	12,100
	2022	108,131	Nil	Nil	Nil	Nil	108,131
<b>Richard Lee</b> <sup>(4)</sup> CFO	2023	36,000	Nil	Nil	Nil	Nil	36,000
	2022	36,000	Nil	Nil	Nil	Nil	36,000
<b>David E. Blann</b> <sup>(5)</sup> Director	2023	29,893	Nil	Nil	Nil	Nil	29,893
	2022	106,930	Nil	Nil	Nil	Nil	106,930
<b>Rodger Gray</b> Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
<b>Walter Segsworth</b> Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sarah Weber</b> Director	2023	7,950	Nil	Nil	Nil	Nil	7,950
	2022	30,129	Nil	Nil	Nil	Nil	30,129

**Notes:**

- (1) Includes perquisites provided to an NEO or director that are not generally available to all employees. An item is generally a perquisite if it is not integrally and directly related to the performance of the director's or NEO's duties. If something is necessary for a person to do his or her job, it is integrally and directly related to the job and is not a perquisite, even if it also provides some amount of personal benefit. For the purposes of the table, perquisites are valued based on the aggregate incremental cost to the Corporation and its subsidiaries.
- (2) NEOs and directors whose total salary for the applicable financial year was \$150,000 or less did not receive perquisites that, in aggregate, were greater than \$15,000. NEOs and directors whose total salary for the applicable financial year was greater than \$150,000 but less than \$500,000 did not receive perquisites that, in aggregate, were greater than 10% of the NEO's or director's salary for the applicable financial year.
- (3) Mr. Hughes position as President and CEO terminated on May 26, 2023 and he resigned from the Board on June 3, 2023. Mr. Hughes was paid a consulting fee of \$10,000/month pursuant to the terms of an Independent Consulting Agreement between the Corporation and Mr. Hughes made effective October 1, 2021 (the "Hughes Agreement"). The Hughes Agreement was terminated effective May 26, 2023. See, "Employment, consulting and management agreements" below for further information.
- (4) For the period January 1- 31, 2022, Mr. Lee was paid pursuant to the terms a Professional Services Agreement dated July 12, 2012, as amended on June 1, 2014 and September 1, 2016 (the "Lee Agreement") pursuant to which the Corporation agreed to pay Mr. Lee a monthly fee to provide accounting and administrative services to the Corporation and to act as the Corporation's CFO. On January 31, 2022, the Lee Agreement was terminated, and the Corporation entered into a Professional Services Agreement with Kitchener Holdings Corp. ("Kitchener"), a private company controlled by Mr. Lee made effective February 1, 2022 pursuant to which the Corporation agreed to pay Kitchener a monthly fee to provide accounting and administrative services to the Corporation and to engage Mr. Lee as the Corporation's CFO. See, "Employment, consulting and management agreements" below for further information.
- (5) Paid pursuant to an agreement between the Corporation and Standard Metals Exploration Ltd. ("Standard"), a private company controlled by Mr. Blann, Standard provides professional geological exploration and management services to the Corporation. See, "Employment, consulting and management agreements" below for further information.

**External management companies**

None of the NEOs or directors of the Corporation have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Corporation to provide executive management services to the Corporation, director or indirectly, other than as set out below under the heading *Employment/Consulting and Management Agreements*.

**Stock options and other compensation securities**

For the purposes of this section, "Compensation Securities" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or

issued by the Corporation or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries.

There were no Compensation Securities granted or issued to any director or NEO by the Corporation or one of its subsidiaries in the year ended January 31, 2023, for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries nor were any Compensation Securities re-priced, cancelled and replaced or were otherwise materially modified.

No Compensation Securities were exercised by the directors or NEOs of the Corporation during the most recently completed financial year.

The following table discloses all Compensation Securities granted or issued to each director and NEO by the Corporation or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries, and outstanding as at January 31, 2023:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
<b>Peter Hughes</b> Former President, CEO and Director <sup>(1)</sup>	Stock Option	1,500,000	Oct 21, 2021	0.07	0.05	0.04	Oct. 21, 2026
<b>Michael Cathro</b> Director	Stock Option	600,000	Oct 17, 2019	0.17	0.10	0.11	April 25, 2028
	Stock Option	700,000	March 23, 2021	0.10	0.09	0.04	Oct 17, 2024
	Stock Option	250,000	April 25, 2023	0.05	0.04	N/A	Mar 23, 2026
<b>David E. Blann</b> Director	Stock Option	550,000	Oct 17, 2019	0.17	0.10	0.11	Oct 17, 2024
	Stock Option	350,000	March 23, 2021	0.10	0.09	0.04	Mar 23, 2026
	Stock Option	500,000	April 25, 2023	0.05	0.04	N/A	April 25, 2028
<b>Richard Lee</b> CFO	Stock Option	400,000	Oct 17, 2019	0.17	0.10	0.11	Oct 17, 2024
	Stock Option	350,000	March 23, 2021	0.10	0.09	0.04	Mar 23, 2026
	Stock Option	250,000	April 25, 2023	0.05	0.04	N/A	April 25, 2028
<b>Sarah Weber</b> Director	Stock Option	1,000,000	March 23, 2021	0.05	0.09	0.04	Mar 23, 2026
	Stock Option	250,000	April 25, 2023	0.05	0.04	N/A	April 25, 2028
<b>Rodger Gray</b> Director	Stock Option	500,000	Oct 17, 2019	0.17	0.10	0.11	Oct 17, 2024
	Stock Option	350,000	Mar 23, 2021	0.10	0.09	0.04	Mar 23, 2026
	Stock Option	500,000	April 25, 2023	0.05	0.04	N/A	April 25, 2028
<b>Walter Segsworth</b> Director	Stock Option	750,000	Jan 16, 2020	0.17	0.08	0.11	Jan 16, 2025
	Stock Option	350,000	March 23, 2021	0.10	0.09	0.04	Mar 23, 2026
	Stock Option	250,000	April 25, 2023	0.05	0.04	N/A	April 25, 2028

<sup>(1)</sup> Mr. Hughes' position as President and CEO was terminated effective May 26, 2023. Mr. Hughes resigned from the Board effective June 3, 2023. In accordance with the terms of the 2022 Stock Option Plan, Mr. Hughes has until September 3, 2023 to exercise all or a portion of his outstanding options.

### Stock option plans and other incentive plans

Other than the Corporation's 2022 Stock Option Plan (the "Plan"), the Corporation does not have any stock option plan, or stock option agreement made outside of a stock option plan, providing for the grant of stock appreciation rights, deferred share units or restricted stock units or any other incentive plan or portion of a plan under which awards are granted.

The purpose of the 2022 Stock Option Plan is to allow directors, officers and other Eligible Persons, as additional compensation, the opportunity to participate in the profitability of the Corporation by granting to such persons Options to buy shares of the Corporation at market price prevailing on the date the Option is granted. The Corporation does not provide any financial assistance to participants to facilitate the purchase of shares under the Plan.

The 2022 Stock Option Plan provides that the Board may, from time to time, in its discretion, grant Options to directors, officers, employees, consultants and other personnel of the Corporation and its subsidiaries or affiliates. The 2022 Stock Option Plan is a "rolling" stock option plan, whereby the aggregate number of Shares reserved for issuance, together with all

of the Corporation's other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of the Corporation's issued and outstanding Common Shares at the time an Option is granted.

The following information is intended as a brief description of the 2022 Stock Option Plan and is qualified in its entirety by the full text of the 2022 Stock Option Plan:

- a) Persons who are eligible persons a director, senior officer, employee, management company employee, consultant or company consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more eligible persons (the "Service Providers"), including Investor Relations Service Providers as defined by the TSXV Corporate Finance Manual in effect from time to time, of the Corporation, or its affiliates, or who are providing services to the Corporation or its affiliates, are eligible to receive grants of Options under the 2022 Stock Option Plan;
- b) Options granted pursuant to the 2022 Stock Option Plan are non-assignable, and non-transferable for a period of up to 10 years;
- c) for Options granted to Service Providers, the Corporation must ensure that the proposed optionee is a bona fide director, officer, employee, management company employee, or consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;
- d) An Option granted to any Service Provider will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the optionee at any time prior to expiry of the Option), after the date the optionee ceases to be employed by or provide services to the Corporation, but only to the extent that such Option was vested at the date the optionee ceased to be so employed by, or to provide services to, the Corporation;
- e) If an optionee dies, any vested Option held by him or her at the date of death will become exercisable by the optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such optionee and the date of expiration of the term otherwise applicable to such Option;
- f) In the case of an optionee being dismissed from employment or service for cause, such optionee's Options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- g) The exercise price of each Option will be set by the Board on the effective date of grant of the Option and will not be less than the Discounted Market Price, as defined below;
- h) Vesting of Options shall be at the discretion of the Board, excluding Investor Relations Service Providers, and, with respect to any particular Options granted under the 2022 Option, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Corporation or any of its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Corporation or any of its affiliates during the vesting period; or (ii) the Service Provider remaining as a director of the Corporation or any of its affiliates during the vesting period;
- i) Options granted to any Investor Relations Service Provider shall vest in stages over a period of not less than one year with (i) no more than 25% of the Options vest no sooner than three months after the Options were granted; (ii) no more than another 25% of the Options vest no sooner than six months after the Options were granted; (iii) no more than another 25% of the Options vest no sooner than nine months after the Options were granted; and (iv) the remainder of the Options vest no sooner than 12 months after the Options were granted.
- j) Options will be exercisable over periods of up to 10 years as determined by the Board, except in the event that any Option expires during, or within 48 hours after, a self-imposed blackout period on trading securities of the Corporation, such expiry date will become the 10<sup>th</sup> day following the end of such blackout period; and
- k) The Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the 2022 Stock Option Plan with respect to all Common Shares in respect of Options, which have not yet been granted under the 2022 Stock Option Plan. Any amendment to any provision of the 2022 Stock Option Plan will be subject to regulatory approvals, as necessary, unless the effect of such amendment is intended to reduce (but not to increase) the benefits of the 2022 Stock Option Plan to Service Providers.

The Board has determined that, in order to reasonably protect the rights of participants, as a matter of administration, it is necessary to clarify when amendments to the 2022 Stock Option Plan may be made by the Board without further shareholder approval. Accordingly, the 2022 Stock Option Plan also provides that the Board may, without shareholder approval, subject to prior written approval of the TSXV, as applicable:

- a) amending typographical, clerical and grammatical errors;
- b) reflecting changes to applicable securities laws (including but not limited to TSXV policies);
- c) ensuring that the Options granted under the Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which an Optionee may from time to time be resident or a citizen; and
- d) make such amendments as may otherwise be permitted by the TSXV policies, as applicable.

Amendments to the Option Plan requiring approval by Disinterested Shareholders Approval, as defined below, are:

- a) Any amendments to the 2022 Stock Option Plan that, together with all other share compensation arrangements, could result at any time in: (i) the aggregate number of Common Shares reserved for issuance under Options granted to Insiders, as defined below, together with any equity compensation awarded pursuant to all other share compensation arrangements of the Corporation, exceeding 10% of the outstanding Common Shares; (ii) the number of Shares issued to Insiders, as a group, pursuant to the exercise of Options within any 12-month period, together with any equity compensation awarded pursuant to all other share compensation arrangements of the Corporation, exceeding 10% of the outstanding Common Shares; (iii) the issuance to any one optionee, within any 12-month period, of a number of Common Shares, together with any equity compensation awarded pursuant to all other share compensation arrangements of the Corporation, exceeding 5% of the outstanding Common Shares;
- b) any reduction in the exercise price of an Option previously granted to an Insider; or
- c) the extension to the term of an outstanding Option, held by an Insider.

For the purposes of this disclosure:

"**Discounted Market Price**" has the meaning ascribed to it in the TSXV Corporate Finance Manual in effect from time to time.

A "**Disinterested Shareholder**" means a Shareholder that is not an Insider, nor are they an associate of any such Insider.

An "**Insider**" has the meaning ascribed to it in the TSXV Corporate Finance Manual in effect from time to time;

The 2022 Stock Option Plan provides that other terms and conditions may be attached to a particular Option at the discretion of the Board.

At the Meeting, Shareholders will be asked, if thought advisable, to approve the continuation of the 2022 Stock Option Plan, as required by TSXV policies. See "**Particulars of Other Matters to be Acted Upon at the Meeting, Annual Approval of 2022 Stock Option Plan**" herein for further details.

### **Employment, consulting and management agreements**

Effective October 1, 2021, the Corporation entered into an Independent Consulting Agreement with Mr. Peter Hughes concurrent with his appointment as President and CEO of the Corporation (the "Hughes Agreement"). Pursuant to the Hughes Agreement, the Corporation paid Mr. Hughes a monthly fee of \$10,000 for management and administration services and for acting as the Corporation's President and CEO (the "Consulting Fee"). The Hughes Agreement had an initial term of 12 months and automatically and was to perpetually renew for further 12-month terms until terminated. On May 26, 2023, concurrent with the termination of Mr. Hughes position as President and CEO of the Corporation, the Hughes Agreement was terminated. Pursuant to the terms of the Hughes Agreement, the Corporation is required to pay Mr. Hughes a maximum one-time payment equal to six (6) months of the Consulting Fee in the amount of \$60,000. This amount is currently being negotiated.

On July 12, 2012, the Corporation entered into a professional services agreement with Mr. Richard Lee (the "Lee Agreement") pursuant to which the Corporation agreed to pay Mr. Lee a monthly fee to provide accounting and administrative services to the Corporation and to act as the Corporation's CFO. The Lee Agreement was amended on June 1, 2014 and again on September 1, 2016 and on January 31, 2022 was terminated and replaced by a Professional Services Agreement (the "Kitchener Agreement") between the Corporation and Kitchener Holdings Corp. ("Kitchener") made effective February 1, 2022. Kitchener is a private company wholly owned by Mr. Lee. The Kitchener Agreement has a term of three years, i.e., to and until January 31, 2025 (the "Term"). Pursuant to the terms of the Kitchener Agreement, the Corporation will pay Kitchener a base fee of \$3,000 per month (the "Consulting Fee"), plus GST and will reimburse Kitchener for all business expenses incurred on behalf of the Corporation. In the event the Corporation or Kitchener terminates the Agreement for any reason, including but not limited to, any form of re-organization, change of control, amalgamation or takeover bid, the Corporation will pay to Kitchener an amount equal to 6 months base salary at that time. In the event the Kitchener Agreement is terminated by the Corporation without cause, all vested options held by Kitchener are exercisable for a period of ninety days prior to cancellation and unvested options, if any, shall be immediately cancelled. If Kitchener elects to terminate the Kitchener Agreement due to a change of control all unvested options would be immediately vested and all vested options would be exercisable for a period of ninety days prior to cancellation.

The Corporation entered into a consulting agreement with StandardMetals Exploration Ltd. ("Standard") dated April 1, 2021 (the "Standard Agreement"), pursuant to which the Corporation pays a gross monthly fee equal to the greater of \$5,000 or the

number of days of services provided by Standard multiplied by a per diem rate of \$1,000 (the “Consulting Fee”). The Standard Agreement had an initial term of six months (the “Initial Term”) and automatically renews for an indefinite term (the “Extended Term”). The Corporation may terminate the Standard Agreement during the Extended Term upon 90 days written notice or a one-time payment equivalent to the Consulting Fee then payable under the terms of the Standard Agreement for a period of 90 days. Standard is a private company wholly owned by Mr. David E. Blann.

Other than disclosed herein, the Corporation does not have any agreement or arrangement under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Corporation or any of its subsidiaries that were performed by a director or a NEO or performed by any other party but are services typically provided to a director or a NEO.

### **Oversight and description of director and named executive officer compensation**

On July 15, 2021, the Board established a Compensation Committee and adopted a Mandate of the Compensation Committee to assist the Board in setting director and senior officer compensation and to develop and submit to the Board recommendations with respect to such other employee benefits as considered advisable, pursuant to the following principles: (a) to offer competitive compensation to attract, retain and motivate qualified executives in order for the Corporation to achieve the strategic plan and budget approved by the Board from time to time; and (b) to act in the best interests of the Corporation and its shareholders by being fiscally responsible.

### **Role of management in determining compensation**

The accountability for decisions on executive remuneration is clearly within the mandate of the Compensation Committee but Management has a key role in helping support the Compensation Committee in fulfilling its obligations. For example, the CEO makes recommendations to the Compensation Committee regarding executive officer base salary adjustments, equity plan allotments and discretionary bonuses, if any, other than with respect to the CEO’s own remuneration. The Compensation Committee reviews the basis for these recommendations and can exercise its discretion in modifying any of the recommendations prior to making its recommendations to the Board. The Board can also exercise discretion to increase or decrease amounts prior to making its final determination. The CEO does not make a recommendation to the Compensation Committee with respect to his own remuneration package, which is determined by the Compensation Committee for recommendation and approval by the Board.

### **NEO Compensation**

The objective of the Corporation’s compensation program is to compensate the executive officers for their services to the Corporation at a level that is both in line with the Corporation’s fiscal resources and competitive with companies at a similar stage of development.

The Corporation compensates its executive officers based on their skill and experience levels and the existing stage of development of the Corporation. Executive officers are rewarded on the basis of the skill and level of responsibility involved in their position, the individual’s experience and qualifications, the Corporation’s resources, industry practice, and regulatory guidelines regarding executive compensation levels.

The Board has implemented three levels of compensation to align the interests of the executive officers with those of the Shareholders. First, executive officers may be paid a monthly consulting fee or salary. Second, the Board may award executive officers long term incentives in the form of stock options. Finally, and only in special circumstances, the Board may award cash or share bonuses for exceptional performance that results in a significant increase in shareholder value. The Corporation does not provide medical, dental, pension or other benefits to the executive officers.

The base compensation of the executive officers is reviewed and set annually by the Board. The CEO has substantial input in setting annual compensation levels. The CEO is directly responsible for the financial resources and operations of the Corporation. In addition, the CEO and Board from time to time determine the stock option grants to be made pursuant to the Corporation’s Stock Option Plan. Previous grants of stock options are taken into account when considering new grants. The Board awards bonuses at its sole discretion. The Board does not have pre-existing performance criteria or objectives.

Executive officer compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Corporation’s financial resources and prospects.

## **Directors Compensation**

Non-executive directors do not currently receive directors' fees or fees for participation on Board committees. Directors may be reimbursed for out-of-pocket expenses incurred in attending meetings of the Board or its committees or otherwise if incurred acting on Corporation business.

Long-term incentives in the form of stock options are granted to non-executive directors from time to time, based on an existing complement of long-term incentives, corporate performance and to be competitive with other companies of similar size and scope.

Other than as set forth in the foregoing, no director of the Corporation who is not an NEO has received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors; or
- (c) any arrangement for the compensation of directors for services as consultants or expert.

## **Benefits and Perquisites**

Benefits do not form a significant part of the remuneration package of any of the NEOs. In most cases, employment benefits, health care and life insurance are provided in a manner which is in keeping with industry standards. During the year ended January 31, 2023, none of the NEOs received any perquisites which in the aggregate were greater than \$50,000 or 10% of the respective NEO's salary.

## **Risks Associated with the Corporation's Compensation Policies and Practices**

Given the current stage of development of the Corporation, neither the Board nor the Compensation Committee has proceeded to a formal evaluation of the implications of the risks associated with the Corporation's compensation policies and practices; however, risk management is a consideration of the Board generally when implementing its compensation program. The Board and the Compensation Committee do not believe that the Corporation's compensation program results in unnecessary or inappropriate risk taking, and the Board and the Compensation Committee have not identified any risks arising from the compensation policies and practices that are reasonably likely to have a material adverse effect on the Corporation.

The Corporation's NEOs and directors are not permitted to purchase financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

## **Pension Plan Benefits**

The Corporation does not have a pension plan that provides for payments or benefits to the directors at, following, or in connection with retirement.

## **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets out information as of the end of the Corporation's most recently completed financial year, i.e., as at January 31, 2023, with respect to compensation plans under which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuances under equity compensation plan (excluding securities reflected in column (a) (c))
Equity compensation plans approved by security holders (2022 Stock Option Plan)	12,850,000	0.12	2,664,195
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Non-Transferrable Share Purchase Warrants	16,972,743 <sup>(1)</sup> 400,000 <sup>(3)</sup>	0.12	N/A
Finder's Warrants (Non-Transferable)	1,384,393 <sup>(1)</sup> 12,000 <sup>(2)</sup> 348,000 <sup>(4)</sup>	0.12 0.06 0.05	N/A
<b>Total</b>	<b>31,967,136</b>		

Notes:

- (1) On November 19, 2020, the Corporation issued 2,777,743 non-flow-through warrants, 14,195,000 flow-through warrants and 1,384,393 finders' warrants pursuant to a non-brokered private placement. Each warrant issued pursuant to the placement, including the finder's warrants, entitles the holder to purchase one common share of the Corporation at an exercise price of \$0.12 per share up to the close of business on November 19, 2023.
- (2) On October 21, 2021, the Corporation issued 12,000 finder's warrants in connection with a non-brokered private placement. Each finder's warrant is exercisable into one common share of the Corporation at an exercise price of \$0.06 per share up to close of business on October 20, 2024.
- (3) On February 28, 2023, the Corporation issued 400,000 share purchase warrants in connection with a non-brokered private placement. Each share purchase warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.10 per share up to close of business on February 28, 2025.
- (4) On February 28, 2023, the Corporation issued 348,000 finder's warrants in connection with a non-brokered private placement. Each Finder's Warrant entitles the holder to purchase a unit of the Corporation comprising of one common share of the Corporation and one-half of a Non-Transferable secondary warrant (the "Second Warrant") at an exercise price of \$0.05 per unit up to close of business on February 28, 2025. Each whole Second Warrant is exercisable into one additional common share of the Corporation at an exercise price of \$0.10 per share up to close of business on February 28, 2025.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Corporation, no proposed nominee for election as a Director of the Corporation and no associate of such persons:

- (a) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Corporation or its subsidiaries; or
- (b) is indebted to another entity, which indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or its subsidiaries; or
- (c) is indebted in relation to a securities purchase program or any other related program.

### INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than the election of Directors, no person who has been a Director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, no proposed nominee of management of the Corporation for election as a Director of the Corporation and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting, except that the Directors and executive officers of the Corporation have an interest in the resolution ratifying and confirming the Corporation's 2022 Stock Option Plan as described under "Particulars of Other Matters to be Acted Upon" herein.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the best of the Corporation's knowledge, no informed person of the Corporation, proposed nominees for election as directors, or any associate or affiliate of any informed person or proposed nominee, has or has had any material interest, direct

or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Corporation or any of its subsidiaries, other than as follows:

On February 28, 2023, the Corporation concluded anon-brokered private placement of 8,000,000 units at a price of \$0.05 per unit for gross proceeds of \$400,000. Each Unit consisted of one common share and one-half of a share purchase Warrant. Each whole Warrant entitles the holder to purchase one common share of the Corporation at an exercise price of \$0.10 per share up to close of business on February 28, 2025. Certain directors and officers of the Corporation subscribed for an aggregate of 1,200,000 units. All common shares issued under the placement are subject to a hold period expiring on June 29, 2023 in accordance with applicable Canadian securities laws.

## MANAGEMENT CONTRACTS

Management functions of the Corporation are not to any substantial degree performed by anyone other than by the directors or executive officers of the Corporation.

## STATEMENT OF CORPORATE GOVERNANCE

The Corporation is listed on the TSXV and discloses its corporate governance practices using the disclosure requirements in National Instrument 58-101F2, *Disclosure of Corporate Governance Practices* ("NI 58-101F2") that apply to issuers listed on the TSXV. The Corporation's statement of corporate governance practices is made with reference to National Policy 58-201, *Corporate Governance Guidelines* and NI 58-101F2 (collectively the "Governance Guidelines") which are initiatives of the Canadian Securities Administrators. The corporate governance practices of the Corporation also conform to the TSXV corporate governance guidelines, which have essentially been supplanted by the Governance Guidelines. NI 58-101F2 mandates disclosure of corporate governance practices which disclosure is set out below.

While the Corporation does not have a formal Corporate Governance Committee, the Corporation recognizes that good governance is a business imperative and the Corporation's approach to governance has been tailored to its size and stage of development.

### Independence of Members of Board

The composition of the Board currently consists of five members: David E. Blann, Michael Cathro, Rodger Gray, Walter Segsworth and Sarah Weber. It is proposed that all five of these individuals, along with new nominee Kent Pearson be nominated for re-election at the Meeting.

Mr. Rodger Gray, Ms. Sarah Weber and Mr. Kent Pearson qualify as independent directors. For this purpose, a director is independent if they have no direct or indirect "material relationship" with the Corporation. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director's independent judgment. Of the proposed nominees, Michael Cathro, who served as Interim President and CEO during the periods March 23, 2021 to September 30, 2021 and May 26, 2023 to present, is not independent for purposes of membership on the Board. Messrs. David E. Blann and Walter Segsworth, former President and CEO and Executive Chair, respectively, may also not be considered independent for purposes of membership on the Board since they held executive positions with the Corporation within the last three fiscal years.

The independent directors exercise their responsibilities for independent oversight of management and are provided with leadership through their position on the Board and ability to meet independently of management whenever deemed necessary.

### Participation of Directors in Other Reporting Issuers

The following table sets forth the directors of the Corporation who are directors of other reporting issuers:

<i>Name</i>	<i>Name of other reporting issuer</i>
Walter Segsworth	Pan American Silver Corp.
Sarah Weber	Snowline Gold Corp. Germinate Capital Ltd.



## **Orientation and Continuing Education**

Orientation of new members of the Board is conducted informally by management and members of the Board. The Corporation has not adopted formal policies respecting continuing education for Board members.

The measures that the Board of Directors takes in connection with orienting new Board members regarding the role of the Board, its directors, the committees of the Board and the nature and operation of the Corporation's business include providing each new member with information concerning the role and responsibilities of a public company director and discussing with new members the Corporation's operations. New directors also have the opportunity to meet with management, technical experts and consultants of the Corporation. As each director has a different set of skills and professional background, the Board seeks to tailor orientation of new members according to the particular needs and experience of each new director.

The Board encourages continued education for its directors and ensures that all directors are kept apprised of changes in the Corporation's operations and business and changes in the regulatory environment affecting the Corporation's day-to-day business. At regular intervals, management provides updates and briefings to directors with respect to the business and operations of the Corporation. The Corporation's outside legal counsel also provides directors and senior officers with summary updates of any developments relating to the duties and responsibilities of directors and officers and corporate governance matters. Board members may also attend external education seminars that they determine necessary to keep themselves up to date with current issues relevant to their services as directors of the Corporation.

## **Ethical Business Conduct**

The Corporation is committed to conducting its business in compliance with the law and the highest ethical standards. Accordingly, the Corporation has adopted a written Code of Business Conduct and Ethics, as amended (the "**Code**") applicable to directors, officers and all employees of the Corporation. Directors, officers or employees who have concerns or questions about violations of laws, rules or regulations, or of the Code, are required to report them to the Corporation's legal counsel. Following the receipt of any complaints submitted hereunder, the Corporation's legal counsel will investigate each matter so reported and report to the Board which will take corrective disciplinary actions, if appropriate, up to and including termination of employment. The Corporation encourages all directors, officers, and employees to report promptly any suspected violation of the Code to the Corporation's legal counsel. The Corporation does not tolerate any retaliation for reports or complaints regarding suspected violations of the Code that were made in good faith. There has been no departure from the Code during the Corporation's most recently completed financial year.

All directors, officers and employees have an obligation to act in the best interest of the Corporation. Any situation that presents an actual or potential conflict between a director, officer or employee's, personal interests and the interests of the Corporation are to be reported to the Corporation's legal counsel.

The Code is available on the Corporation's website at [www.happycreekminerals.com](http://www.happycreekminerals.com), and is available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Internal Employee Alert Policy**

The Corporation has adopted a written Internal Employee Alert to encourage the Corporation's officers, directors and employees to raise concerns regarding accounting, internal controls or auditing matters, on a confidential basis free from discrimination, retaliation or harassment. The Whistleblower Policy is administered by the Audit Committee, a copy of which is posted on the Corporation's website at [www.happycreekminerals.com](http://www.happycreekminerals.com).

In addition, the Corporation has adopted a Blackout Period Policy for its directors, executive officers and senior management of the Corporation to raise the general level of awareness of the trading and confidential obligations of directors, executive officers and senior management. All directors, executive officers and senior management are expected to comply with the Blackout Period Policy.

## **Nomination of Directors**

The Board has not established a nominating committee and this function is currently performed by the Board as a whole.

The Board considers its size each year when it considers the number of directors to recommend to the Shareholders for election at the annual general meeting. The Board takes into account the number of directors required to carry out the Board's duties effectively and to maintain diversity of views and experience. The Board considers the competencies and skills that the Board as a whole, should possess, the competencies and skills of existing Board members and the competencies and skills of

proposed new Board members. The Board utilizes its extensive knowledge of the industry and personal contacts to identify potential nominees that possess the desired skills and competencies.

## **Other Board Committees**

On July 15, 2021, the Board established a Compensation Committee. The members of the Compensation Committee are Walter Segsworth (Chair), Rodger Gray and Sarah Weber. All the members of the Compensation Committee are independent, except for Mr. Segsworth who is currently non-executive Chairman, but who was Executive Chairman of the Corporation during the past three years.

### Compensation Committee

The principal purpose of the Compensation Committee is to implement and oversee compensation policies approved by the Board. The duties and responsibilities of the Compensation Committee include, without limitation, the following:

- (a) to recommend to the Board compensation policies and guidelines for the Corporation; and
- (b) to review and approve corporate goals and objectives relevant to the compensation of the CEO and, in light of those goals and objectives, to recommend to the Board the annual salary, bonus and other benefits, direct and indirect, of the CEO and to approve compensation for all other designated officers of the Corporation, after considering the recommendations of the CEO, all within the human resources and compensation policies and guidelines approved by the Board.

All members of the Compensation Committee have direct experience that is relevant to their responsibilities as Compensation Committee members. All of the members of the Compensation Committee have acted as Directors and/or Officers for a public company, and therefore have a good understanding of how compensation works and how to motivate staff. All of the members have good financial understanding, which allows them to assess the costs versus benefits of compensation plans. The members combined experience in the resource sector provides them with the understandings of the Corporation's success factors and risks which is very important when determining the metrics for measuring success. The Corporation did not retain any compensation consultants or advisors during or since the year ended January 31, 2023.

The Board appoints the members of the Compensation Committee for the ensuing year at its organizational meeting held in conjunction with each annual general meeting of the Corporation's Shareholders. The Board may at any time remove or replace any member of the Compensation Committee and may fill any vacancy in the Compensation Committee.

The Compensation Committee meets at least once annually on such dates and at such locations as the Chair of the Compensation Committee determines. The Compensation Committee has access to such officers and employees of the Corporation and to such information respecting the Corporation and may engage independent counsel or advisors at the expense of the Corporation, all as it considers to be necessary or advisable in order to perform its duties and responsibilities.

## **Assessments**

The Board annually, and at such other times as it deems appropriate, reviews the performance and effectiveness of the Board, the directors and its committees to determine whether changes in size, personnel or responsibilities are warranted. To assist in its review, the Board conducts informal surveys of its directors and receives reports from each committee respecting its own effectiveness.

## **AUDIT COMMITTEE**

National Instrument 52-110 of the Canadian Securities Administrators ("NI 52-110") requires the Corporation, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee (the "Audit Committee") and its relationship with its independent auditor, as set forth in the following.

### **Audit Committee Disclosure**

Pursuant to Section 224(1) of the British Columbia *Business Corporations Act* and NI 52-110 the Corporation is required to have an audit committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Corporation or an affiliate of the Corporation.

The primary function of the Audit Committee is to assist the Board in fulfilling its financial oversight responsibilities by: (a) reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and Shareholders; (b) reviewing the systems for internal corporate controls which have been established by the Board and management; and (c) overseeing the Corporation's financial reporting processes generally. In meeting these responsibilities, the Audit Committee monitors the financial reporting process and internal control system; reviews and appraises the work of external auditors and provides an avenue of communication between the external auditors, senior management and the Board. The Audit Committee is also mandated to review and approve all material related party transactions.

### **The Audit Committee's Charter**

The Corporation has adopted a Charter of the Audit Committee of the Board of Directors, a copy of which is attached as Schedule "A".

### **Composition of the Audit Committee**

The Audit Committee is comprised of the following members: Rodger Gray (Chair), Michael Cathro and Sarah Weber. Rodger Gray and Sarah Weber are considered independent. Michael Cathro is not considered independent as he served as Interim President and CEO of the Corporation during the period March 23, 2021 to September 30, 2021 and is currently the interim President and CEO of the Corporation. Each member of the Audit Committee is considered to be financially literate as defined by NI 52-110 in that he has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Corporation's financial statements.

The members of the Audit Committee are elected by the Board at its first meeting following the annual Shareholders' meeting. Unless a Chair is elected by the full Board, the members of the Audit Committee designate a Chair by a majority vote of the full Audit Committee membership.

### **Relevant Education and Experience**

*Michael Cathro* – Mr. Cathro is a retired professional geoscientist whose career includes work with major and junior mining companies in Canada and overseas, and 17 years with the B.C. Ministry of Energy, Mines and Petroleum Resources in technical and management roles. Mr. Cathro previously served as VP Operations for Skeena Resources Ltd., as an officer or director of several TSXV-listed exploration companies, and as the chair and director of Geoscience BC. Through his work as a director and senior officer of public companies, Mr. Cathro has gained an understanding of financial reporting requirements respecting financial statements of junior resource exploration companies sufficient to enable him to discharge his duties as an audit committee member. Mr. Cathro holds a B.Sc. (Honours) from Queen's University and a M.Sc. from the Colorado School of Mines.

*Rodger Gray* – Mr. Gray has over 23 years of experience as a stockbroker and officer of an IDA member firm. Mr. Gray is currently Vice President of Pollitt & Co. Inc. Previously, Vice President Wellington-Altus and prior thereto, Founder, President and Chief Executive Officer of Toll Cross Securities Inc., a Toronto-based, full-service broker dealer specializing in the junior resource sector. Mr. Gray has previously acted as a director and vice-president investment banking, institutional equities, with First Associates Investments Inc. and prior thereto as president of St. James Securities Inc. Mr. Gray is a graduate of Laurentian University.

*Sarah Weber* – Ms. Weber is the President & CEO of C3 Alliance Corp – a strategic advisory and consulting firm providing project consulting in the mineral exploration and mining sector. Ms. Weber holds a B.Sc. in Geology from the University of British Columbia and an Executive MBA from the Beedie School of Business, Simon Fraser University. Ms. Weber currently sits as an independent Director on the Boards of Snowline Gold Corp. and Germinate Capital Ltd.

### **Audit Committee Oversight**

Since the commencement of the Corporation's most recently completed financial year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

### **Reliance on Certain Exemptions**

Since the effective date of NI 52-110, the Corporation has not relied on the exemptions contained in Section 2.4, 6.1.1(4), 6.1.1(5), 6.1.1(6), or Part 8 of NI 52-110.

## Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable the Audit Committee, on a case-by-case basis.

## External Auditor Service Fees

In the following table, “audit fees” are fees billed by the Corporation’s external auditor for services provided in auditing the Corporation’s annual financial statements for the subject year. “Audit-related fees” are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation’s financial statements. “Tax fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Corporation to its auditor in each of the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
January 31, 2023	\$17,000	Nil	\$1,500	Nil
January 31, 2022	\$17,450	Nil	\$1,500	Nil

## Exemption

The Corporation is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Corporation, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

## PARTICULARS OF OTHER MATTERS TO BE ACTED UPON AT THE MEETING

### Annual Approval of 2022 Stock Option Plan

As noted above under “**Stock Option Plans and other Incentive Plans**”, the Corporation’s current incentive stock option plan (the “**2022 Stock Option Plan**”) governs the issuance of stock options to eligible persons (as defined therein). The 2022 Stock Option Plan was approved by Shareholders at the Annual General and Special Meeting of Shareholders held on September 8, 2022.

The 2022 Stock Option Plan provides that the Board may, from time to time, in its discretion, grant Options to directors, officers, employees, consultants and other personnel of the Corporation and its subsidiaries or affiliates. The 2022 Stock Option Plan is a “rolling” stock option plan, whereby the aggregate number of Shares reserved for issuance, together with all of the Corporation’s other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of the Corporation’s issued and outstanding Common Shares at the time an Option is granted. If approved, there would have been a total of 2,664,195 Options available for grant under the 2022 Stock Option Plan as of the date of this Information Circular.

Accordingly, at the Meeting the Shareholders will be asked to pass the following resolution to ratify, confirm and approve the Corporation’s 2022 Stock Option Plan. **To be effective, the resolution must be passed by a simple majority of the votes cast thereon by Shareholders present in person or represented by proxy at the Meeting.**

### “BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the Corporation’s 2022 Stock Option Stock Option Plan be confirmed, ratified and approved, and that in connection therewith a maximum of 10% of the Corporation’s issued and outstanding Common Shares at the time of each grant be approved for granting as Options; and
2. any one director or officer of the Corporation is hereby authorized and directed on behalf of the Corporation to execute all documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the foregoing provisions of this resolution.”

The form of the resolution in respect of the 2022 Stock Option Plan set forth above (the “**2022 Option Plan Resolution**”) is subject to such amendments as management may propose at the Meeting, but which do not materially affect the substance of the 2022 Option Plan Resolution.

**The Board believes that the passing of the 2022 Option Plan Resolution is in the best interests of the Corporation and recommend that Shareholders vote in favor of the 2022 Option Plan Resolution.**

**The persons named as proxies in the enclosed Proxy intend to cast the votes represented by proxy in favor of the 2022 Option Plan Resolution unless the holder of Common Shares who has given such proxy has directed that the votes be otherwise cast.**

A copy of the Stock Option Plan is made available at the records office of the Corporation located at #1200 – 750 West Pender Street, Vancouver, British Columbia, Canada, until the business day immediately preceding the date of the Meeting, and a copy will also be made available at the Meeting.

### **Name Change**

On June 6, 2023, the Board recommended and authorized a change of the Corporation's name to South Valley Copper Inc. Management and the Board believe that the Name Change will better reflect the Corporation's current project portfolio in Southern, British Columbia, and that the new name will be better aligned with the Corporation's strategic direction.

At the Meeting, the Shareholders of the Corporation will be asked to consider and, if deemed advisable, to pass, with or without variation, a Name Change Resolution approving an amendment to the Notice of Articles of the Corporation to change the name of the Corporation from Happy Creek Minerals Ltd. to South Valley Copper Inc. The text of the Name Change Resolution to be submitted to the Shareholders at the Meeting is set forth below:

#### **“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. The Articles be amended as follows: to change the name of the Corporation from Happy Creek Minerals Ltd. to South Valley Copper Inc.
2. Any director or officer of the Corporation is authorized for and on behalf of and in the name of the Corporation to do all such acts and things and to execute and deliver, whether under the corporate seal of the Corporation or otherwise, all such documents, instruments and writings as in that person's discretion are necessary or desirable to give effect to this ordinary resolution including, without limitation, the delivery of articles of amendment in the prescribed form to the Registrar (“Registrar”) appointed under the Business Corporations Act of British Columbia (the “BCABC”) pursuant to section 257(2) of the BCABC, and compliance with all requirements of the TSX Venture Exchange.
3. The directors of the Corporation may, in their discretion, without further approval by the Shareholders, revoke this ordinary resolution at any time before the issuance by the Registrar of a certificate of amendment in respect of the foregoing.”

**To be effective, the resolution must be passed by a simple majority of the votes cast thereon by Shareholders present in person or represented by proxy at the Meeting.**

If approved by Shareholders, the effective date of the Name Change will be the date of issuance of a certificate of amendment, by the Registrar under the BCABC, in respect of the Name Change which is expected to be obtained as soon as practicable after the Meeting. The Corporation is not forwarding a letter of transmittal to Shareholders for their use in transmitting share certificates representing Shares of the Corporation in exchange for new share certificates giving effect to the Name Change. Instead, in the event that the Name Change Resolution is approved by the requisite number of Shareholders at the Meeting and articles of amendment are subsequently filed to give effect thereto, each existing share certificate reflecting the current name of the Corporation shall continue to be a valid share certificate of the Corporation until such certificate is transferred, re-registered or otherwise exchanged.

**Unless otherwise instructed, the named proxyholders will vote FOR the Name Change to South Valley Copper Inc.**

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on the SEDAR website under the Corporation's profile at [www.sedar.com](http://www.sedar.com). Financial information related to the Corporation is contained in the Corporation's audited consolidated financial statements and related management's discussion and analysis for the year ended January 31, 2023. Copies of the Corporation's audited consolidated financial statements, related management's discussion and analysis and Statement of Executive Compensation prepared for its fiscal year ended January 31, 2023 may be accessed on the Corporation's website at [www.happycreekminerals.com](http://www.happycreekminerals.com) or under the Corporation's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com). The Corporation will provide, at no charge to the shareholder, a copy of its latest Financial Statements and MD&A for the year ended January

31, 2023, interim quarterly reports for subsequent periods, and a copy of this Information Circular upon request to the to the Corporation as follows:

- (i) e-mail: [klove@happycreekminerals.com](mailto:klove@happycreekminerals.com)
- (ii) telephone: 1 (604) 512-2959
- (iii) mail: Happy Creek Minerals Ltd.  
P.O. Box 45150  
12851 16th Avenue  
Surrey, British Columbia V4A 3V0  
Attn: Corporate Secretary

DATED at Vancouver, British Columbia, this 14<sup>th</sup> day of June 2023.

**BY ORDER OF THE BOARD OF DIRECTORS**

"Michael Cathro"  
Michael Cathro  
Interim President and Chief Executive Officer

## Schedule "A"

### MANDATE OF AUDIT COMMITTEE

As restated in its entirety and adopted by the Board of Directors December 3, 2020. Reviewed and ratified by the Board of Directors on June 14, 2023.

#### 1. MANDATE

The Audit Committee (the "Committee") will assist the Board of Directors (the "Board") of Happy Creek Minerals Ltd. (the "Corporation") in fulfilling its financial oversight responsibilities. The Committee will review and consider, in consultation with the Corporation's external auditors, the financial reporting process, the system of internal control over financial reporting and the audit process. In performing its duties, the Committee will maintain effective working relationships with the Board, management and the external auditors. To effectively perform his or her role, each Committee member must obtain an understanding of the principal responsibilities of Committee membership as well as the Corporation's business, operations and risks.

#### 2. COMPOSITION

The Board will appoint, from among their membership, a Committee after each annual meeting of the shareholders of the Corporation. The Committee will consist of a minimum of three directors.

##### 2.1 Independence

A majority of the members of the Committee should be "independent" (as defined in Sec. 1.4 of National Instrument 52-110 (Audit Committees)) ("NI 52-110").

##### 2.2 Expertise of Committee Members

A majority of the members of the Committee must be "financially literate" (as defined in Sec. 1.6 of NI 52-110) or must become financially literate within a reasonable period of time after his or her appointment to the Committee. At least one member of the Committee must have accounting or related financial management expertise.

#### 3. MEETINGS

The Committee shall meet in accordance with a schedule established each year by the Board, and at other times that the Committee may determine. The Committee shall meet at least annually with the Corporation's Chief Financial Officer and external auditors in separate executive sessions.

#### 4. ROLES AND RESPONSIBILITIES

The Committee shall fulfill the following roles and discharge the following responsibilities:

##### 4.1 External Audit

The Committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, or performing other audit, review or attestation services, including the resolution of disagreements between management and the external auditors regarding financial reporting. In carrying out this duty, the Committee shall:

- (a) recommend to the Board that the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Corporation;
- (b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors;
- (e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards; and
- (f) review and approve the Corporation's hiring policies regarding partners and employees, and former partners and employees, of the present and former external auditor of the Corporation.

##### 4.2 Internal Control

The Committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Corporation. In carrying out this duty, the Committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Corporation; and
- (b) ensure that the external auditors discuss with the Committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

#### 4.3 Financial Reporting

The Committee shall review the financial statements and financial information of the Corporation prior to their release to the public. In carrying out this duty, the Committee shall:

##### General

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

##### Annual Financial Statements

- (a) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (b) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and
- (c) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

##### Interim Financial Statements

- (a) review and approve the interim financial statements prior to their release to the public; and
- (b) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

##### Release of Financial Information

- (a) where reasonably possible, review and approve all public disclosure containing financial information, including news releases, prior to release to the public. The Committee must be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and must periodically assess the adequacy of those procedures.

#### 4.4 Non-Audit Services

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Corporation or any subsidiary of the Corporation shall be subject to the prior approval of the Committee.

##### Delegation of Authority

- (a) The Committee may delegate to one or more independent members of the Committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the Committee at its next scheduled meeting.

##### De-Minimis Non-Audit Services

- (a) The Committee may satisfy the requirement for the pre-approval of non-audit services if:
  - (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
  - (ii) the services are brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated.

##### Pre-Approval Policies and Procedures

- (a) The Committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:
  - (i) the pre-approval policies and procedures are detailed as to the particular service;



- (ii) the Committee is informed of each non-audit service; and
- (iii) the procedures do not include delegation of the Committee's responsibilities to management.

#### 4.5 Other Responsibilities

The Committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and the external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board; and
- (f) review and update this Mandate and receive approval of changes to this Mandate from the Board.

#### 4.6 Reporting Responsibilities

The Committee shall regularly update the Board about Committee activities and make appropriate recommendations.

### **5. RESOURCES AND AUTHORITY OF THE AUDIT COMMITTEE**

The Committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the Committee; and
- (c) communicate directly with the internal and external auditors.

### **6. GUIDANCE – ROLES & RESPONSIBILITIES**

The Committee should consider undertaking the actions described in the following guidance, which is intended to provide the Committee members with additional guidance on fulfilment of their roles and responsibilities on the Committee:

#### 6.1 Internal Control

- (a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities,
- (b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown, and
- (c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

#### 6.2 Financial Reporting

General

- (a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements;
- (b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and
- (c) understand industry best practices and the Corporation's adoption of them.

Annual Financial Statements

- (a) review the annual financial statements and determine whether they are complete and consistent with the information known to Committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Corporation reports or trades its shares;
- (b) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;

- (c) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;
- (d) consider management's handling of proposed audit adjustments identified by the external auditors; and
- (e) ensure that the external auditors communicate all required matters to the Committee.

#### Interim Financial Statements

- (a) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;
- (b) meet with management and the auditors, either telephonically or in person, to review the interim financial statements;
- (c) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:
  - (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
  - (ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financials statements are consistent with changes in the Corporation's operations and financing practices;
  - (iii) generally accepted accounting principles have been consistently applied;
  - (iv) there are any actual or proposed changes in accounting or financial reporting practices;
  - (v) there are any significant or unusual events or transactions;
  - (vi) the Corporation's financial and operating controls are functioning effectively;
  - (vii) the Corporation has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and
  - (viii) the interim financial statements contain adequate and appropriate disclosures.

#### 6.3 Compliance with Laws and Regulations

- (a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";
- (b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements;
- (c) review the findings of any examinations by securities regulatory authorities and stock exchanges; and
- (d) be satisfied that the Corporation has adequate policies, procedures and practices for the maintenance of the books, records and accounts by the Corporation with respect to third party payments in compliance with applicable laws, including, without limitation, the *Corruption of Foreign Public Officials Act* (Canada).

#### 6.4 Other Responsibilities

- (a) review with the Corporation's counsel, any legal matters that could have a significant impact on the Corporation's financial statements.