

**FORM 51-102F3
MATERIAL CHANGE REPORT**

1. **NAME AND ADDRESS OF COMPANY**

Happy Creek Minerals Ltd.
#460 – 789 West Pender Street
Vancouver, British Columbia V6C 1H2

2. **DATE OF MATERIAL CHANGE**

May 4, 2012

3. **NEWS RELEASE**

News release dated May 4, 2012 was disseminated through the facilities of Stockwatch.

4. **SUMMARY OF MATERIAL CHANGE**

Happy Creek Minerals Ltd. provides additional drill results from exploration of the Rateria property, and announces it has granted to consultants of the Company a total of 950,000 stock options that are exercisable at a price of \$0.23 cents for a period of two years.

5. **FULL DESCRIPTION OF MATERIAL CHANGE**

See attached news release dated May 4, 2012.

6. **RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102**

N/A

7. **OMITTED INFORMATION**

N/A

8. **EXECUTIVE OFFICER**

David Blann, President & CEO
Telephone: 604-662-8310

9. **DATE OF REPORT**

May 7, 2012

Happy Creek drills 1.09% copper, 0.19 g/t gold, 4.50 g/t silver over 5.0 metres on a 200 metre step out hole at Rateria, Highland Valley area, B.C.

May 4, 2012 – Vancouver, British Columbia – Happy Creek Minerals Ltd. (TSX-V:HPY, the “Company”) is pleased to announce additional drill results from exploration of the Rateria property, located in the Highland Valley district, south central British Columbia (B.C.), Canada.

The Company has a 100% interest in approximately 145 square kilometres of mineral claims that adjoin Teck’s Highland Valley Copper (HVC) mine property. HVC is Canada’s largest copper producer and currently mining material with an average grade of around 0.22% copper.

On the Rateria property, Happy Creek has discovered Zone 1 and Zone 2 located approximately 6.5 kilometres south-southeast of Teck’s Highmont mine. Previously announced drill results from within Zone 1 include R10-12 with 120.0 metres of 0.38% copper (starting at surface), R11-1 with 95.0 metres of 0.67% copper, R11-8 with 250.0 metres of 0.25% copper and R11-11 with 102.5 metres of 0.43% copper and 0.11 g/t rhenium. Zone 1 is defined over one kilometre in length and remains open in extent. Zone 2 is located approximately 2.0 kilometres to the northeast of Zone 1. Previously released drill results from Zone 2 include 126.0 metres grading 0.46% copper, 0.10 g/t gold, 113.0 metres of 0.33% copper, 38.2 metres of 0.11% copper, 0.029% molybdenum and 2.14 g/t rhenium, and 6.4 metres of 1.65% copper, 0.017% molybdenum, 9.4 g/t silver and 5.2 g/t rhenium.

New results from Zone 2 are from drill hole R11-35 with 5.0 metres containing 1.09% copper, 0.19 g/t (grams per tonne) gold, 4.5 g/t silver and 0.06 g/t rhenium, starting from 252.5 metres that is located approximately 200 metres from any previous drilling. Moderate potassic and pervasive sericite alteration along with copper and locally elevated molybdenum, gold, silver and rhenium values occur from surface to the end of the hole at 358.75 metres and remain open in extent. The first 300.5 metres of core average 0.05% copper, and the final 36.3 metres averages 0.06% copper, 0.10 g/t rhenium, and mineralization remains open in extent. Results include a 2.5 metre interval with 0.42% copper, 0.005% molybdenum and 1.28 g/t rhenium that indicate strong enrichment of rhenium in the molybdenite and potential proximity to a porphyry system.

David Blann, President and CEO of Happy Creek states: “R11-35 has expanded Zone 2 by 200 metres with another interval containing over 1.0% copper. The long, continuous geochemically elevated copper values and presence of rhenium are thought to be important reflections of a porphyry system, and we continue to see the opportunity for gold to play a role in the potential here. Zone 2 is the Company’s second new find on the property that has returned potentially economic results and is about 6.5 kilometres from the Highmont mine that is currently in production.”

The mineralized zone is comprised of k-feldspar and quartz-sericite alteration and dominantly bornite (copper sulphide), chalcocite and locally molybdenite (molybdenum sulphide). Zone 2 contains positive copper values in drill core in an area over 1.0 kilometre by 600 metres in dimension and remains open in extent.

About Rhenium

Rhenium is a rare metal used to impart high-temperature strength in steel alloys. It is critical for manufacturing jet engine parts or in petroleum catalysts where it allows production of unleaded and higher-octane fuel. Within porphyry copper deposits the rhenium occurs within the molybdenite (molybdenum sulphide) concentrate. Happy Creek is the first in Highland Valley to announce rhenium concentrations in drilling results. Rhenium prices range from around \$4,000 to \$9,000/kg.

The West Valley Property

The Company also completed additional reconnaissance work on its 100% owned West Valley property. This work consisted of 49 stream sediment, 10 soil and 2 rock samples. Stream sediment sample results range from 20 to 733 ppm (parts per million) copper. Twelve samples returned strongly positive values of greater than 300 ppm copper, with two samples containing 729 ppm copper, 1.5 g/t silver and 733 ppm copper, 1.2 g/t silver, respectively.

In addition to the Company's previous positive results on this large property, several new stream drainages have returned encouraging values of 508 and 729 ppm copper and up to 8 ppm molybdenum in samples from tributaries of Skuhost Creek. Skuhost Creek follows the Lornex Fault that extends southward from the giant Valley and Lornex deposits and is an important structure in the Highland Valley copper district. The two streams that contain these positive copper values in sediment are thought to be underlain by structures that are subparallel to or splay off the Lornex fault and trend north to northwest.

Dikes of fine-grained quartz-feldspar porphyry appear to be oriented northwest, north to northeast and are sub-vertical in orientation. These dikes are thought to be from underlying, younger phases of the Guichon Batholith that are the major source of copper in the Highland Valley district. The West Valley property has at least seven known outcropping copper prospects and is believed to hold potential for large-scale mineralization in several underexplored areas.

The Company is currently planning additional exploration on its Highland Valley properties during 2012, including drilling on the Rateria property and geophysical surveys on the West Valley property. Results of preliminary metallurgical work on a drill core bulk sample from Zone 1 are expected over the next month and will assist in evaluating opportunities within and beyond Zone 1. Exploration drilling in 2011 approximately 500 metres west of Zone 1 located the southern extension of Teck's Yubet prospect onto the Rateria property. Reconnaissance, widely spaced drilling has traced the zone for 600 metres. Higher grade intervals intersected by drilling include 7.5 metres of 1.35% copper, 12.4 g/t silver, 7.5 metres of 1.70% copper, 30.7 g/t silver and 7.5 metres of 0.60% copper. Core samples

have returned values of 3.45% copper, 33.0 g/t silver over 2.5 metres, and this area is considered to be part of the overall Zone 1 mineral system. Analysis of the Companies 145 square kilometre property continues to develop new drill targets.

The Company also announces it has granted to consultants of the Company a total of 950,000 stock options that are exercisable at a price of \$0.23 for a period of two years.

On behalf of the Board of Directors,

“David E Blann”

David E Blann, P.Eng.
President, CEO

David Blann, P.Eng. is a Qualified Person as defined by National Instrument 43-101 and is responsible for the preparation and approval of the technical information disclosed in the news release. Analyses are performed by AGAT Laboratories of Burnaby, B.C. using a geochemical aqua regia digest and ICP/ ICP-MS finish, and results for copper, silver, molybdenum and rhenium are provided in PPM (parts per million or grams per tonne), with values converted to percent by dividing by 10,000. Samples greater than 5,000 ppm copper are automatically re-run with a larger pulp sample, aqua regia digest and Atomic Absorption Spectrophotometer (AA) finish with results provided in % (percent) copper. Quality control protocol includes on-site pick up of samples by the laboratory, insertion of blank, standard or duplicate every 10th sample in addition to the laboratory internal controls.

FOR FURTHER INFORMATION PLEASE CONTACT:

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