HAPPY CREEK MINERALS LTD.
FORM 51-102F1
MANAGEMENT'S DISCUSSION and ANALYSIS
For the six months ended July 31, 2025 and 2024

Overview

This Management's Discussion and Analysis ("MD&A") provides relevant information on the operations and financial condition of Happy Creek Minerals Ltd., ("Happy Creek" or the "Company") for the six months ended July 31, 2025, and 2024. This MD&A has been prepared by management as of September 29, 2025 and includes information up to that date.

The MD&A supplements, but does not form part of, the interim financial statements of the Company for the six months ended July 31, 2025, and 2024. The following MD&A should be read in conjunction with the interim financial statements for the six months ended July 31, 2025, and 2024. The financial statements and the notes therein have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All monetary amounts in this MD&A and in the financial statements are expressed in Canadian dollars unless otherwise stated. Additional information may be found on SEDAR at www.sedar.com, and www.happycreekminerals.com.

The MD&A may contain "forward-looking information" within the meaning of applicable securities laws, including statements that address capital costs, recovery, grade, and timing of work or plans at the Company's mineral projects. Forward-looking information may be, but not always, identified by the use of words such as "seek", "anticipate", "plan", "planned", "continue", "expect", "thought to", "project", "predict", "potential", "targeting", "intends", "believe", "opportunity", "further" and others, or which describes a goal or action, event or result such as "may", "should", "could", "would", "might" or "will" be undertaken, occur or achieved. Statements also include those that address future mineral production, reserve potential, potential size or scale of a mineralized zone, potential expansion of mineralization, potential type(s) of mining, potential grades as well as to Happy Creek's ability to fund ongoing expenditure, or assumptions about future metal or mineral prices, currency exchange rates, metallurgical recoveries and grades, favourable operating conditions, access, political stability, obtaining or renewal of existing or required mineral titles, licenses and permits, labour stability, market conditions, availability of equipment, accuracy of any mineral resources, anticipated costs and expenditures. Assumptions may be based on factors and events that are not within the control of Happy Creek and there is no assurance they will prove to be correct. Such forward-looking information involves known and unknown risks, which may cause the actual results to materially differ, and/or any future results expressed or implied by such forward-looking information. Additional information on risks and uncertainties can be found within Financial Statements, Prospectus and other materials found on the Company's SEDAR profile at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there can be no assurance that such information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. The Company withholds any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by law.

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

Overall Performance

Happy Creek Minerals Ltd. (the "Company") is engaged in the business of acquisition and exploration of mineral properties in British Columbia, Canada. The Company has a 100% interest in 4 mineral properties totalling approximately 409 square kilometres of mineral tenure located in British Columbia, Canada. It also holds several royalties on properties it has sold or optioned to other parties.

Fox property

The Fox property is located 75 Km northeast of 100 Mile House in south-central B.C. The property contains a tungsten mineral system that is overall, 12 km by 5 km in dimensions, with high grade deposits in a near-surface setting. The Company discovered the Ridley Creek, BN and BK zones and with approximately 12,500 meters of diamond drilling on the project. In February 2018, the Company announced an updated NI43-101 resource estimate for the Fox property of 582,400 tonnes grading 0.826% WO_3(Indicated) and 565,000 tonnes grading 1.231% WO_3(Inferred). This amounts to 4.8 million Kg (Indicated) and 6.96 million Kg (Inferred) of WO_3. These resources are among the highest grade in the western world and are open for expansion. In addition, at the Nightcrawler and South Grid targets, drilling has returned intercepts that are above cut-off grade, remain open and are thought to host additional resource potential. The Company has continued to conduct basic prospecting and geological investigations in un-explored areas of the property between 2020-2023, new areas with tungsten were found that provide direction to expand current resources. A large-scale mineral system, globally significant resource grade and proximity to infrastructure are thought to make the Fox a rare and exceptional tungsten find. Plans include increasing the resource base and performing a preliminary economic assessment and bulk sampling.

Highland Valley property

Since 2004, the Company has assembled the current 237 square km Rateria and West Valley property. The properties adjoin and surround the southern side of the Highland Valley Copper mine property, Canada's largest copper producer having over 50 years of continuous production. The property also adjoins the north side of the past producing Craigmont copper mine property. Extensive glacial till and historically smaller, irregular shaped and patchwork claims affected the efficiency of previous exploration. The Company has discovered and partially outlined by drilling Zone 1 and 2 on the Rateria property, located 6.5 km southeast of the Highmont open pit. These newly defined zones contain similar copper grade in drill core typical of other Highland Valley deposits. Drill results include 95m of 0.65% copper, 257m of 0.24% copper in Zone 1 and 152.5m of 0.35% copper, 0.06 g/t gold in Zone 2.

Both Zone 1 and Zone 2 have excellent metallurgical characteristics and are thought to have near-term resource potential.

During the year ending January 31, 2025, the Company sold all its interests in the Highland Valley claims. See "Property updates".

Silverboss property

The Silverboss property consists of approximately 120 square kilometres of mineral tenure adjoining and surrounding the past-producing Boss Mountain molybdenum mine property (Glencore Canada). The Company has conducted systematic surface rock and soil sampling, geology and geophysics. This work has identified several new potential bulk-tonnage copper, molybdenum, gold and silver targets that are untested by drilling. Highlights include 53.01 g/t gold, 343.0 g/t silver in grab samples and 9.29 g/t gold, 27.3 g/t silver over 1.17 metres at the Dogtooth zone and 9.25 g/t gold, 514.8 g/t silver over 0.25 metres and 2.52 percent copper, 6.21 g/t gold, 295 g/t silver and 6.76 g/t indium in grab samples at the Silverboss shaft. In addition to the strong potential for molybdenum deposits adjacent to the former molybdenum mine, the underlying geology and presence of copper and gold in rocks provide several opportunities for typical Quesnel Trough style porphyry copper-moly-gold deposits largely beneath extensive glacial till covered areas as occurs at the Woodjam deposit to the northwest. The Gus target is in the northern end of the Silverboss property, and the Company has outlined a zone of anomalous copper in soil that is approximately 4.5 square kilometers with portions containing trace values of nickel and palladium that are thought to represent potential for copper-PGE (Platinum Group Elements) type deposits.

Silver Dollar property

This property was purchased by Explorex Resources Inc. (now Origen Resources Inc.) Happy Creek holds a 1% net smelter return royalty on the property which contains several zones with high-grade gold-silver with lead, zinc and copper in outcrop, historical mining and drilling. A mid-tier gold-copper mining company has acquired mineral claims in the area.

Hen & Art-DL property

Prospecting, rock, soil sampling and trenching have identified several new gold and copper-gold prospects at the Hen property. At the Anomaly Creek prospect, the Company has outlined an approximately 1.5 X 1.5km lead-zinc-copper soil geochemical anomaly with associated strong induced polarization (IP) and magnetic geophysical features that extend to over 400 metres below surface. Trenching of a small portion of this area returned 26m of 0.07% zinc, and 4m of 0.06% copper that remains open and grab samples returned up to 0.35% copper. The Anomaly Creek target is untested by drilling. Historical drilling at the Hen prospect returned anomalous values of gold including 8 m of 0.88 g/t gold and 0.86m of 1.98 g/t gold while at the Dyke zone, trenching and chip sampling returned 3.5 metres of 3.46 g/t gold, 2.0 metres of 4.20 g/t gold and up to 35.06 g/t gold in grab samples that remains untested by drilling. The DL property contains sediment-hosted gold-silver prospects sharing geological similarities with the Spanish Mountain deposit (Spanish Mountain Gold Ltd. website 243mt @ 0.43 g/t Au M&I) and FG Gold deposit (Karus Gold) to the north. Up to 42 g/t gold over 1.0 metre in a quartz vein occur at the DL adit and to the southwest, drill hole GL10-3 returned 72.5 metres of 4.03 g/t silver including 20.0 metres of 8.5 g/t silver.

Property updates

The following is an overview of the Company's properties with a summary of results from the most recent years. The Company is active in its exploration and prospecting business, which requires from time to time, the acquisition or disposition of mineral claims which depend on uncertain factors such as opportunity, cost, market conditions and financial resources available. For mineral claims that are relinquished there can be no assurance that such property does not contain economic resources. The Company is registered as a Free Miner in British Columbia that allows it to stake its own mineral claims. The Company may see an appropriate opportunity to increase its existing mineral properties by staking claims directly itself, or may acquire from arm's length individuals, mineral claims for cash-only payments of less than $10,000. These transactions are conducted in the normal course of its business activity. Larger property acquisitions involving option payments, work commitments and share issuance are described below.

Please refer to the Company's website, news releases and filings on SEDAR for additional details, maps, photos and other information.

Since 2005 the Company has acquired in excess of 6,952 hectares in the Cariboo region. The Company has paid $215,000 in cash and issued 5,800,000 shares to assemble this package of properties. Some claims are subject to net smelter royalties between 1.5-2.5% and have partial or full buy-back provisions.

Between 2023 and January 2025, the Company has prepared, consulted, submitted and received 5 year mineral exploration permits for the Fox, Silverboss, Hen and Art-DL properties. During this period, The Company performed surface geology and geochemical surveys in new or underexplored areas and maintained the property mineral tenures in good standing with the B.C. government.

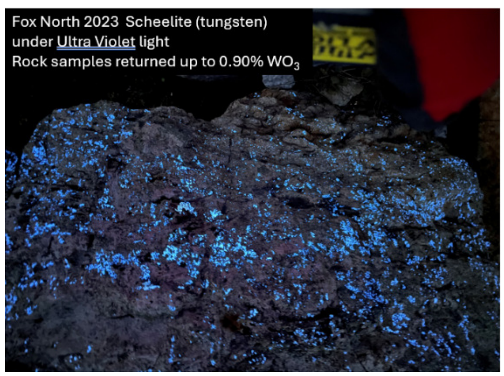
Fox Tungsten Property

On January 10, 2022, the Company announced results of its 2021 drill program at the Nightcrawler-Creek zones. F21-09 intersected 6.7m containing 0.43% WO_3, including 1.2m with 1.83% WO_3 and hole F21-11 that intersected 1.2m containing 0.67% WO_3. Four step-out holes drilled in the Eastern Creek zone demonstrated that the skarn-hosted tungsten mineralization extends in the up-dip direction in hole F21-02 (1.0m containing 0.74%WO_3), in the down-dip direction in hole F21-03 (2.2 m containing 0.37% WO_3) and to the northwest in hole F21-04 (1.0 m containing 0.49% WO_3). This near-surface mineralized zone remains open in several directions. Subsequent wireframe modelling indicates that portions of the Nightcrawler zone have grade and thickness potentially meeting project resource criteria and mineralization is open.

During 2022, 2023 and 2024, the Company continued community and First Nations engagement in conjunction with developing plans and submitting a 5-year permit application to the BC government for large scale and more advanced stage exploration and development work. The Company also continued building its database of geology, silt, soil, rock, trench and drilling results in preparation for a future NI-43-101 report.

During 2022, two days of prospecting and mapping focused on several under-explored areas of the property. A stream sediment sample returned a positive 53 ppm tungsten and nearby large blocks of calc silicate-skarn were found that are over 2 km south of the BN tungsten deposit.

In August, 2023, a 3-day field program of geology, prospecting and rock sampling was performed at the North Zone which had previously received only cursory daylight investigations. The overnight work done in 2023 has located several new tungsten showings and expanded the known area containing tungsten in bedrock.



Highland Valley Property (Rateria and West Valley claims)

The Highland Valley property is located northwest of Merritt and southwest of Logan Lake in south central B.C. In prior years, the Highland Valley Properties were presented as Rateria, West Valley, Abbott Lake Property and Tyner Lake Property. In 2018, Abbott Lake Property was grouped with West Valley and Tyner Lake Property was grouped with Rateria. Together Rateria and West Valley surround the south east, south and southwest sides of Teck Resources' Highland Valley copper mine property.

On November 7, 2024 the Company sold 100% of its interests in the Highland Valley Mineral Properties to Metal Energy Corporation (TSX:V MERG) for the following consideration:

-$300,000 cash (received)

-11,736,100 common shares of MERG valued at $234,722 (received)

-$1,000,000 of MERG common shares due not later than October 2, 2025

-$1,000,000 of MERG common shares due not later than October 2, 2026

-$1,500,000 of MERG common shares due not later than October 2, 2027

-$2,500,000 of MERG common shares due not later than October 2, 2028

-The Company retains a 2.5% Net Smelter Royalty (NSR) and Metal Energy may purchase up to 1.5% of the NSR for $5,000,000.

The Company retains the following additional Net Smelter Return royalty obligations;

Rateria

Underlying Net Smelter Returns ("NSR") royalties on the Rateria property are as follows:

Rateria claims – 7 claims are subject to a 2.5% NSR royalty, payable to a maximum of $3,000,000. The Company has the exclusive right to purchase 1% of the NSR for $2,000,000.

Masco Claims – 2 claims are subject to a 2% NSR royalty, with the Company having the exclusive right to purchase 1% NSR royalty at any time for $1,000,000. Sho claims – 1 claim is subject to a 2% NSR royalty, with the Company having the exclusive right to purchase the NSR royalty at any time for $3,000,000.

Tyner claims – 18 mineral claims are subject to a 2% NSR royalty, with the Company having the exclusive right to purchase the NSR royalty for $2,000,000.

West Valley

The NSR royalty on the West Valley property is as follows:

Abbott claims - 8 claims are subject to a 0.5% NSR royalty, with the Company having the exclusive right to purchase the NSR royalty for $1,000,000.

Silverboss property

On August 4, 2021, the Company announced that it has completed field studies and soil sampling at the Silverboss property, which surrounds the closed Boss Mountain molybdenum mine owned by Glencore Canada. Fieldwork completed included rock sampling and geological evaluation of high-grade and bulk-tonnage gold-silver and copper targets. A total of 143 soil samples were collected and additional follow-up soil and rock sampling of the Gus copper target was completed. Grab sample results of the Silverboss shaft dump material returned assays ranging from 0.216 to 9.28 g/t Au, 2.44 to 199 g/t Ag and 0.055 to 3.12% Cu. At the Dogtooth vein target 900 m to the south, rock samples returned 1.86 to 2.96 g/t Au, 3.89 to 257 g/t Ag, with anomalous arsenic, bismuth, antimony and tellurium values from quartz-sulphide sheeted and stockwork veins cutting diorite. The Shaft and Dogtooth targets among others, have never been tested by drilling.

On February 15, 2022, the Company announced that it has expanded the Gus copper target to 4.5 square kilometres and identified local nickel and palladium values from soil geochemical surveys and a review and sampling of historical drill holes. Based on these results and their correlation with a strong magnetic response in government airborne surveys, additional mineral claims were acquired by staking to cover the 18-kilometre extent of the regionally strong magnetic anomaly.

Between June and October 2022 prospecting to the east and south of the Boss Mountain moly mine was focused on regional, highly magnetic rocks that are the continuation of the Company's Gus copper, nickel PGE(platinum group elements) prospect located approximately ten km to the north of the mine (see news release dated February 15, 2022). Fourteen widely spaced rock samples returned from trace to maximum values of 1035 ppm copper, 660 ppm nickel (with 1000ppm chrome), 0.031 ppm gold, 0.012 ppm platinum and 0.026 ppm palladium. These rock samples and those from Company's Gus prospect are similar. The geochemical values, geology and association with regional magnetics suggest potential for a large-scale magmatic copper, nickel, PGE style mineral system. The Company has continued to build upon its rock, soil, silt and geology database.

During 2024, geology, soil and stream sediment sampling was performed at the South Target area of the Silverboss property. The South Target is a large area of glacial till cover underlain by a prominent low magnetic geophysical feature that extends immediately south from the Boss Mnt mine property. Peripheral to this area, an outcrop rock sample returned 0.119 ppm gold, 9.3 ppm silver, 625 ppm copper, 15ppm molybdenum and 10 ppm tungsten. Southward from this sample, outcrop and subcrop collected over approximately 200m returned 0.057 ppm gold, 1 ppm silver, 61 ppm copper and 3 ppm molybdenum. The geology consists of granodiorite cut by quartz-epidote-sericite sheeted veins and stockwork for approximately two kilometres, with variable concentrations of pyrite, trace chalcopyrite and molybdenite locally. The Silverboss South target is consistent with a porphyry copper-molybdenum-gold-silver system.

Hen property

During 2022, a limited prospecting program returned a stream sediment sample containing 0.372 ppm (parts per million or g/t) gold located approximately 500 metres north of a different creek with a previously collected stream sediment sample that contained 0.154 ppm gold. The upstream source of gold from these two creeks is unknown and presents an under-explored new gold target area.

During 2023, the Company performed a reconnaissance to the north of this target area however results were not encouraging. During 2024, the area was visited again and approximately two kilometres south of the gold target area a stream sediment sample returned 0.199 ppm gold, 1.5 ppm silver. The bedrock source for the anomalous gold in stream sediments remains unknown and the Hen Northwest area is a new and underexplored gold target area.

At the Hen Dike prospect, rock samples collected in 2024 returned 1.46 ppm gold over 0.35m, and a 5 metre long hand trench sample returned 0.040 ppm gold that are approximately 13m north and 30 metres northwest, respectively, of a historical machine trench containing 2m of 4.0 ppm gold. The Dike zone is open and remains untested by drilling. Geology in 2024 mapped the favorable sulphide-rich calc silicate skarn in outcrop some 500 metres to the northwest that is on trend with the Hen prospect, and located similar boulders some 1.4 km north of the Hen prospect. Together, the Hen and Dike prospects and similar boulders appear to be part of a large scale calcic gold skarn system- and may connect with the Northwest gold target area located several km further north.

Approximately 1.5 km south of the Dike zone, a stream sediment sample collected in 2024 returned 9 ppm molybdenum, 30 ppm tungsten that is thought to be a significant result similar to the Company's Fox property and is within a new unexplored area. Additional mineral claims were acquired by staking to cover this area.

DL property

Results from the 2023 work at the DL north area returned continuous grab and chip samples of 40 metres with 0.021ppm gold,1.57 ppm silver and the next 30 metres returned 0.011 ppm Au and 0.93 ppm Ag.

During 2024 and north of the DL adit, till sampling at 100 m spacing returned a 500-metre-long section containing 0.011 to 0.040 ppm Au and up to 5.4 ppm Ag. The last sample collected returned 0.110 ppm Au and is open to the south. Approximately 2 km northwest of this area, till samples returned a 400-metre-long section containing up to 0.045 ppm Au, 4.8 ppm Ag. East of the DL adit is an area with no known previous exploration. In this area and along a new logging road, four large outcrop samples returned between 2.1 and 5.3 ppm Ag over a distance of approximately 600 metres. A 3-metre chip sample returned 5.3 ppm Ag, 13.6 ppm cadmium and 923 ppm zinc. In addition, a large boulder of serpentinite ultramafic was identified and returned 2,080 ppm (0.21%) nickel, 1,575 ppm (0.16%) chrome, 0.0086 ppm platinum and 0.003 ppm palladium. Exploration of the DL area continues to develop new large scale targets for base and precious metals.

The Hen property contains several large-scale targets with gold skarn potential while the DL is a sediment hosted gold and base metal prospect- both are deposit types known to occur elsewhere in B.C. and globally.

Silver Dollar Property

On April 23, 2024, the Company entered into a binding letter of intent for the sale of its 1% NSR for cash consideration of $250,000. The buyer has 12 months to complete the payment. In addition, the buyer will pay the Company a monthly interest rate of 1% on the consideration until the transaction is completed. The buyer has the right to terminate the letter of intent with a termination fee of $3,000 paid to the Company. This agreement was terminated on April 16, 2025.

Financial Results of Operations

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

	Prepared in accordance with IFRS		
As at and for the year ended	**Jan. 31, 2025**	**Jan. 31, 2024**	**Jan. 31, 2023**
Interest revenue	$ 0	$ 0	$ 3,099
Comprehensive loss	$ 4,018,738	$ 637,297	$ 348,958
Basic net loss per share	$ 0.03	$ 0.00	$ 0.00
Total assets	$ 14,211,776	$ 18,475,460	$ 18,651,320
Basic weighted average number of shares outstanding	141,386,910	132,723,939	124,439,715

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

	Prepared in accordance with IFRS for interim reporting							
For the quarter ended	**July 31 2025 $**	**Apr 30 2025 $**	**Jan 31 2025 $**	**Oct 31 2024 $**	**July 31 2024 $**	**Apr 30 2024 $**	**Jan 31 2024 $**	**Oct 31 2023 $**
Interest revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Administrative expenses	(107,149)	(108,152)	(149,016)	(85,487)	(68,851)	(171,584)	(110,041)	(53,529)
Net gain(loss)	45,648	39,662	(3,729,079)	(48,737)	(68,851)	(171,584)	(341,641)	(53,529)
Basic net loss per share	0.00	(0.00)	(0.03)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

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

Results of Operations

Six months ended July 31, 2025

The Company has taken measures to keep administrative costs to a minimum and will operate virtually for the foreseeable future in order to be more cost efficient. Exploration costs have been reduced in the past however, a subsequent flow through private placement completed in August (See Subsequent Events) will allow the Company to conduct a drilling program this summer and fall.

On May 26, 2023 Mr. Michael Cathro, Director, was appointed to serve as interim President and Chief Executive Officer. On May 1, 2024 Mr. Jason Bahnsen assumed the position of President and Chief Executive Officer. During the year ended January 31, 2025 the Company settled an outstanding debt with Mr. Hughes, former Chief Executive Officer, and paid $26,250 (includes GST). As part of the settlement the Company recorded a gain on settlement of accounts payable of $36,750 (includes GST)

The Company incurred a net gain of $85,310 for the six months ended July 31, 2025 compared with a loss of $240,435 for the same period in 2024. The following expenses accounted for the change in the quarterly gain;

- Management fees and salaries increased by $37,562 due to increases in Chief Executive Officer fees and offset by reductions in Corporate Secretary fees.

- Office and administration costs decreased slightly due to conservative cash management policies.
- Share-based payments decreased by $94,050 due to no share purchase options being granted during the period.
- Professional fees decreased by $14,980 due to reduced legal expenses.
- The Company recorded a gain on accretion of $300,611 to recognize the adjustment for the fair value of proceeds on the sale of the Highland Valley property.

Deferred Income Taxes

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are likely to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that includes the substantive enactment date.

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

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

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

The Company has financed a portion of its exploration activities through the issue of flow-through shares. Canadian tax legislation permits a company to issue flow-through instruments whereby the deduction for tax purposes relating to qualified resource expenditures could be claimed by the investors rather than the company.

A flow-through instrument comprises transfer of income tax deductions and common shares. Proceeds from an issuance of a flow-through instrument are allocated to liability and equity components in proportion, according to their respective fair values at the date of issuance. Upon renunciation of the flow-through expenditures for Canadian income tax purposes, the related flow through liability recognized in previous periods in the statement of financial position will be reversed and the related deferred tax liability will be recognized. Any difference between the liability settled and the deferred tax liability recognized is accounted for as other income or expense in profit and loss.

Liquidity and Capital Resources

The ability of the Company to continue to operate as a going concern is dependent upon its ability to obtain necessary financing to meet the Company's obligations and liabilities as they become due. As of July 31, 2025, the Company had cash and cash equivalents of $24,191 (January 31, 2025 - $267,603). The Company's working capital surplus as of July 31, 2025 was $1,201,379 (January 31, 2025 – surplus of $1,358,197).

During the year ended January 31, 2025, the Company completed a non-brokered private placement, issuing 9,000,000 units at a price of $0.05 per unit for gross proceeds of $450,000. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant is exercisable into one common share at a price of $0.075 per share expiring not later than September 19, 2026.

In addition, the Company received a subscription for 1,000,000 units at $0.05 that closed on November 8, 2024. The warrants attached to these units are exercisable at $0.075 expiring not later than November 8, 2026. A cash finder's fee of $14,700 was paid as well as the issuance of 294,000 broker warrants exercisable into common shares at $0.075 expiring not later than November 8, 2026.

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

Off-Balance Sheet Arrangements

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

RELATED PARTY TRANSACTIONS AND BALANCES

Relationships	**Nature of the relationship**
Standard Metals Exploration Ltd. ("Standard")	Standard is a private company controlled by an officer and director of the Company. Standard provides geological exploration and management consulting services to the Company.

Key management	Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and include the President and Chief Executive Officer, Chief Financial Officer, Corporate Secretary and Directors.

	Geological, Permitting and Consulting services	**Other Exploration expenditures**	**Management services**
Services provided for the six months ended July 31, 2025:			
Chief executive officers	$ -	$ -	$ 90,000
Chief financial officer	-	-	18,000
Directors	10,059	-	-
Standard	25,486	-	-
	$ 35,545	$ -	$ 108,000

	Geological, Permitting and Consulting services	**Other Exploration expenditures**	**Management services**
Services provided for the six months ended July 31, 2024:			
Chief executive officer	$ -	$ -	$ 60,000
Chief financial officer	-	-	18,000
Directors	17,950		-
Standard	44,506	-	-
	$ 62,456	$ -	$ 78,000

Key management compensation includes:

	Six months ended July 31 2025	**2024**
Management fees and salaries	$ 108,000	$ 78,000
Share-based payments	-	94,050
	$ 108,000	$ 172,050

At July 31, 2025, there was $Nil (2025 - $1,541) payable to directors of the Company, $34,997 (2025 - $32,856) payable to Standard Metals Exploration Ltd. and $Nil (2024-$Nil) payable to officers of the Company.

These transactions were in the normal course of operations and measured at their exchange amounts, being the amounts agreed to by the parties to the transactions.

Subsequent Events

Subsequent to the end of the period the Company completed a private placement on August 18, 2025. The placement consists of 34,625,000 flow-through units at a price of C$0.07 for proceeds of $2,423,750 and 26,525,000 non-flow-through units at a price of C$0.05 for gross proceeds of $1,326,250. Each flow-through unit will be comprised of one flow-through common share and one-half of one common share purchase warrant and each non-flow-through unit will be comprised of one common share and one half of one common share purchase warrant. Each warrant will be exercisable into one common share of the Company at an exercise price of C$0.07 for a period of 60 months from the date of issue. The Company will pay finders' fees of $201,000 cash plus 4,032,000 broker warrants. Each broker warrant will be exercisable at a price of C$0.05 into one Finders Commission Unit. Each Finders Commission Unit will be comprised of one common share and one half of one common share purchase Finders Commission Warrant. Each Finders Commission Warrant will be exercisable at a price of C$0.05 into one common share for a period of 60 months from the date of issue.

Risk Factors

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

Financial Instruments

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

(i) Financial assets

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

Amounts receivable, exclusive of GST, are non-interest bearing and are recognized at the face amount, except when fair value is materially different, and are subsequently measured at amortized cost. Amounts receivable recorded are net of lifetime expected credit losses. The

Company applies the simplified approach to determining expected credit losses, which requires expected credit losses to be recognized upon initial recognition of the receivables.

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

Other receivables and Reclamation deposits are classified as subsequently measured at amortized cost.

(ii) Financial liabilities

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

Significant judgements, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

(i) Going concern

The assessment of the Company's ongoing viability as an operating entity and determination of the related disclosures require significant judgment.

(ii) Exploration and evaluation properties and impairment

The Company is required to make significant judgments regarding the capitalization of the costs incurred in respect to its exploration and evaluation properties. The Company is also required to make significant judgments on the ongoing feasibility of mineral exploration, and whether there are indicators that the development of a specific area is unlikely and exploration and evaluation properties should be impaired. Management has assessed impairment indicators on the Company's exploration and evaluation properties and has concluded that no impairment indicators existed as of July 31, 2025.

Share Capital

Common shares, stock options, warrants, and agent's warrants as at September 29, 2025 are as follows:

	September 29, 2025
Common shares	**210,287,000**
Stock Options	**8,950,000**
Warrants	**40,869,000**
Agents warrants	**4,032,000**

Future Outlook

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

David Blann, P.Geo. is a Qualified Person as defined by National Instrument 43-101 and is responsible for the preparation and approval of the geological and technical information disclosed above. All monetary amounts are in Canadian currency unless otherwise indicated.