

HAPPY CREEK MINERALS LTD.

CONCERNED SHAREHOLDERS GROUP PRESS RELEASE THREE

July 24, 2020

COMPARE THE PLANS

NOTE:

- 1. PLEASE WAIT FOR OUR INFORMATION CIRCULAR AND PROXY MATERIAL TO CAST YOUR VOTE IN FAVOR OF THE CONCERNED SHAREHOLDERS' NOMINEES TO THE BOARD OF DIRECTORS.**
- 2. THE CURRENT BOARD'S PRESS RELEASE OF JULY 20, 2020 MAKES SEVERAL PROMISES THAT HAVE ALSO BEEN MADE IN YEARS PAST BUT HAVE NEVER MATERIALIZED.**

In the initial press release on **June 22, 2020**, HPY (see Stock Watch – HPY) shareholders demanded the replacement of the entire current board of directors, and they put forth a new highly qualified, professional team that is committed to unlocking the value of HPY. The proposed new board speaks for a large group of long-term shareholders in Happy Creek Minerals Limited (TSX(V):HPY), who, for a considerable period of time, have advocated for additional strengths at the board level and operational changes. To understand the rationale for that action, please read that statement. That press release cited several failures that we believe the current board has made in the management of HPY.

Also, in that press release, the slate of proposed new board members and their supporting shareholders made several commitments to all shareholders, especially in the area of protecting and enhancing share value, improving corporate governance, and respecting HPY shareholders. Once elected, the new board will immediately begin to address those and other areas of concern.

The dissident shareholders' second press release on **July 9, 2020** exposed the fact that the share price decline and the share dilution under the current management were largely because decisions were made to enter the market to raise funds for questionable initiatives and for exercising inappropriate strategies and at

inappropriate times. The result has been an ongoing dilution of shareholder value and a decline of the share price. This occurred despite the company's 100% ownership of the Fox Project hosting high grade tungsten resources that are in the top 5 of the world's known deposits and the company's 100% ownership of the 200 square kilometer Rateria and West Valley copper property which has such promise. This property adjoins the operating Highland Valley Copper mine property, Canada's largest copper producer. Past drilling has discovered and partially defined two new copper occurrences that are 6.5 km from a producing open pit.

The share price decline and the stock dilution have been significant. From mid - 2017 to June 16, 2020, the Company's share price dropped from 22.5 to 7.5 cents, **a decline of 66.7%**. During this time, the Company reported a total of 25,951,424 shares, resulting in **a dilution of 30.6%**. By comparison, the market value of HPY was approximately \$17,840,000 in mid-2017, but was \$8,480,000 on June 16, 2020, **a decline of 52.5%**.

Over the longer term, HPY shares closed at \$1.04 on December 29, 2007 and at \$.08 on May 29, 2020. This is **a decline of 92.3%** despite considerable value-added work being carried out.

The very recent up-tick in the price is probably because of the looming proxy battle.

COMPARE THE PLANS

The proposed new board is suggesting measures to reverse the downward trend of HPY, and it is critical that all shareholders compare our plans to move HPY forward with those that the current board has suggested.

CURRENT BOARD'S PLAN

The current board, which presided over the share price decline and the share dilution mentioned above in their press release of July 7, 2020, (again, see Stock Watch – HPY) acknowledged their past ineffectiveness and suggested that the same leadership, with the same competencies, with the same attitudes, and with the same work ethic will do a better job for us in the future. The current board's announced plans to move HPY forward included:

1. giving some duties historically done by the CEO to other existing directors;
2. increasing staffing costs to do duties that had been done by others before;
3. outsourcing the marketing that will increase operational costs;

4. engaging in a costly exploration program as mentioned in their press release of July 13, 2020.
Such a program may be worthwhile down the road when the company is in a better position, but the timing of it now could not be worse. It will eventually drain the cash resources and force management to again go to the market to raise funds at historically low share prices. Additional share dilution and a stagnant or lower share price have been the predictable results.
5. giving free reign to the CEO for land acquisition and exploration as explained by Chairman Segsworth in their press release of July 7, 2020, as follows: "It has become apparent that, for too long, David Blann has been saddled with an ever-greater level of necessary but non-core work simply to keep Happy Creek operational. **These changes are meant to free our CEO to do what he does best - running hugely creative land acquisition and geological exploration programs that are the core of our business.**" That statement demonstrates that the current board is going to keep 'wandering in the wilderness' using the same failed strategies that have led us to where we are today. Engaging in "hugely creative land acquisition and geological exploration programs" will be expensive and again will be a drain on cash reserves. **This is not what this company needs at this point in time. The last thing that we need to do is to take the focus away from the core assets. What is needed is a development-centric team dedicated to demonstrating the inherent value of the current assets through selective value-added exploration and the pursuit of key economic milestones - not creative land acquisitions.**

The current HPY board's slate of appointments and the re-alignment of executive duties is considered "window dressing" that was very obviously prompted by the dissident shareholder concerns outlined in our press release of **June 22, 2020**.

PROPOSED NEW BOARD'S PLAN

Our proposed new board is very highly qualified and enthusiastically committed to moving HPY forward. Today, the suggested new board is putting forth a detailed plan to immediately revitalize the company and move forward to enhance shareholder value. If elected, the new board will take several steps.

1. STRATEGIC REORGANIZATION

- a. The proposed new board will implement a strategic reorganization of the HPY's assets to spin out its interests in the "Fox" tungsten property into a newly incorporated subsidiary (Fox Tungsten Mining Company), "FTM". Happy Creek Minerals Ltd. will continue to hold its interest in its Highland Valley copper projects, as well as its other base metal projects in British Columbia. The strategic rationale for this plan is to facilitate the accelerated development of a profitable mining operation based on Happy Creek's Fox tungsten property. **It will allow individual financing initiatives that are tailored to each specific project.** A statutory plan of arrangement (the "Spin-Out") pursuant to the Business Corporations Act (British Columbia) is being developed with a view towards the best interests and fairness to the Company and its shareholders. Under the terms of the Spin-Out, shareholders in HPY would be issued shares in the new Tungsten Mining Company on a pro-rata basis of their current holdings of Happy Creek Minerals Ltd. shares. Thus, there will be no change in the shareholder's holdings in Happy Creek as a result of this 'Spin-Out'. A potential additional benefit to this strategy is that any short sellers would have to go into the market to cover their positions. This increased demand could have a very positive increase in share price.
- b. In connection with the 'Spin-Out', the Company intends to complete a brokered private placement (the "Financing") into FTM for gross proceeds of approximately of \$4.5 million Cdn. Tri View Capital Ltd., a Calgary, AB based firm has indicated a strong interest in being the lead in such a financing. The net proceeds of the financing will be applied to, among other things, the engineering work and field activities necessary to arrive at a Final Investment Decision for a

tungsten mine based on the already-known tungsten resource contained within the Fox property. This FOX resource (per NI43-101 updated report posted by HPY on Sedar Feb 27, 2018) is already sufficient to support a small mining project. Moreover, it is an exceedingly high-grade resource by world standards. The proposition is that a mine at Fox may be economical at small scale and might become the catalyst for further self-funded expansion should additional exploration results so warrant. The engineering work that is to be undertaken after completion of the financing will resolve the final scope of the initial project; however, the capital cost of such project is not expected to exceed CAD\$16,000,000. This amount is within a range that should be able to be raised based on a positive FID given the very favorable metrics of the Fox deposit.

- c.** The Company intends to seek a listing of the Fox Tungsten Mining Company common shares on the TSX Venture Exchange (TSX.V).
- d.** Further details of the Spin-Out, including the number of FTM common shares to be granted to shareholders of Happy Creek, will be announced post the Happy Creek 2020 AGM meeting if the new board is constituted.
- e.** Happy Creek Minerals Ltd. shares should not be adversely affected as the share price is already below book value and a new team in place will introduce a new sense of confidence in the market that HPY will be moving forward.
- f.** For the Highland Valley asset: The plan will be to put together a full data room, containing all of the relevant technical data that the company has on the Highland Valley. The new management will then aggressively approach several of the world's major and mid-level copper producers with the intent of forming a joint venture to advance the property. The clear rationale behind this strategy is that exploration drilling and any development costs will quickly impair the treasury.

2. OPERATIONAL REORGANIZATION

The suggested new board members and its supporting shareholders made several commitments to all shareholders, especially in the area of governance. Once elected, they will immediately begin to implement those. The new board's commitment to our shareholders are as follows.

- a.** To bring enthusiasm, competence and professionalism into the boardroom so that Happy Creek can operate as an efficient and profitable public company. The new board will be a working board with assigned tasks and responsibilities.
- b.** Shareholders and the investing public will be kept fully informed by:
 - i.** Maintaining a competent investor relations person or company to manage market information for current shareholders and the investing public. As mentioned above, it was only until very recently (June 8, 2020) that the current management felt it necessary to move in this direction. It is important to note that the initial Press Release of June 22 made the valid point that the current board only engaged a public relations firm on June 8, 2020, long after the concerned shareholders criticized the board for this and other matters at the AGM on June 18, 2019. These factors seem to reflect a board that is reactive and not proactive and is reluctant to address the issues outlined by concerned shareholders. How much of a financial loss have shareholders suffered as a result of this neglect?
 - ii.** The company website will be modernized and be kept current so that it is a valuable source of information.
 - iii.** Annual general meetings will be well structured and informative.
 - iv.** Quarterly board reports that will be prepared and posted on the website for shareholders and other potential investors.
 - v.** Accurate board and annual general meeting minutes will be prepared and circulated.Furthermore, it should be noted here that despite the dissident shareholder request to

receive accurate minutes of the 2019 AGM where several concerns were raised, an accurate set of minutes was not received as earlier promised by the Chairman.

- vi.** Regular press releases and bulletins on the website regarding corporate developments will be used to keep everyone informed, thus enhancing share value.
 - vii.** The company will make use of all traditional and social media vehicles to get information about corporate initiatives out to shareholders, to investment advisers and to the investing public. Effectively spreading the word about HPY should increase share value.
 - viii.** A presentation package will be prepared for shareholders and investment advisers to use.
- c.** The company will review and revise the corporate structure to improve efficiency and information flow to shareholders.
 - d.** The company will initiate pro-active consultations with the indigenous people in the two project areas to outline the benefits of these developments to the first nations and to ensure an orderly development to the projects.
 - e.** The company will support others in their efforts to change the law to curb the harmful affects of naked short selling on junior mining companies.

3. ENHANCEMENT OF SHAREHOLDER RELATIONS

The suggested new board speaks for a large group of long-term shareholders in Happy Creek Minerals Limited (TSX(V):HPY) who want change. The proposed new board members recognize that current HPY shareholders are a critical asset to the company in that they will be future investors of HPY related shares and that they will spread the word about HPY being a great investment. Shareholders want to be - and will be - kept informed.

The proposed new board also recognizes that many of these shareholders have placed their HPY shares into their RRSP and TFSA accounts and those of their spouses and children. These investments and the accounts that they are in represent the hopes and dreams of the investors' future. They do not deserve to have those investments continually diluted and to have had the HPY share price to have declined over 90% over the

years because of ineffective management. The proposed new board makes a commitment to reverse that trend and thus to earn the respect of the shareholders.

The proposed directors' plan will send a strong message to the market that the new leadership is focused on enhancing share value and to moving Happy Creek Minerals Ltd. forward.

CONCLUSIONS:

1. Competent pro-active leadership has been missing for many years.
2. The current directors have presided over a steady decline in shareholder value and have proved they are not able to create the value that HPY shareholders deserve.
3. HPY's current Board of Directors has exhibited characteristics of entrenchment.
4. Real change for the better will only take place when the current directors are removed and replaced.

Enough is enough! It is time for a real change that will lead to value creative steps being taken.

A COMPLETE CHANGE in the current HPY management is now needed to protect shareholder value and to reverse the negative long trend of neglect. **STOP THE DESTRUCTION** of your investment in Happy Creek Minerals Ltd. **VOTE FOR POSITIVE CHANGE.**

Paul Berndt, FAusIMM from Australasian Institute of Mining and Metallurgy is the qualified person as defined under NI 43-101 that has reviewed this news release. Mr. Berndt approved the scientific and technical information in this news release.

Jon Perrett, Concerned and Nominating Shareholder

CONTACT REGARDING THIS NEWS RELEASE

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Disclaimers

The Concerned Shareholder has not sought or obtained consent from any third party to the use herein of previously published information. Any such information should not be viewed as indicating the support of such third party for the views expressed herein.

Except for the historical information contained herein, the matters addressed in these materials are forward-looking statements that involve certain risks and uncertainties. You should be aware that actual results could differ materially from those contained in the forward-looking statements. The Concerned Shareholder does not

assume any obligation to update the forward-looking information.

Information in Support of Public Broadcast Solicitation

The Concerned Shareholder is relying on the exemption under section 9.2(4) of National Instrument 51-102 – Continuous Disclosure Obligations (“NI 51-102”) to make this public broadcast solicitation. The following information is provided in accordance with corporate and securities laws applicable to public broadcast solicitations.

This solicitation is being made by the Concerned Shareholder, and not by or on behalf of the management of the Company.

The head and registered address of HPY is Suite 460, 789 West Pender Street, Vancouver, British Columbia V6C 1H2.

*HPY has announced that it has called the Meeting to be held on **August 14, 2020**. As the Concerned Shareholder fully expects that the Proposed Nominees shall be listed as candidates in HPY’s proxy and their biographical information provided in the Company’s information circular, the Concerned Shareholder is not intending to file a dissident information circular (the “Dissident Circular”) in connection with the Meeting, or any adjournment or postponement thereof, in due course in compliance with applicable securities and corporate laws.*

This press release and any solicitation made by the Concerned Shareholder in advance of the Meeting is, or will be, as applicable, made by the Concerned Shareholder and not by or on behalf of the management of HPY. All costs incurred for any solicitation will be borne by the Concerned Shareholder, provided that, subject to applicable law, the Concerned Shareholder may seek reimbursement from HPY for the Concerned Shareholder’s out-of-pocket expenses, including proxy solicitation expenses and legal fees, incurred in connection with a successful reconstitution of the Company’s board of directors.