

**HAPPY CREEK MINERALS LTD.
("Happy Creek" or the "Corporation")**

FORM 51-102F6V

**STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUERS
for the fiscal year ended January 31, 2021
dated July 15, 2021**

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, 2021, the Corporation had two (2) NEOs. 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, 2020, and 2021, 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 (\$) ⁽¹⁾⁽²⁾	Value of all other compensation (\$)	Total compensation (\$)
David E. Blann ⁽³⁾ President, CEO and Director	2021	64,106	Nil	Nil	Nil	7,150	71,256
	2020	63,960	Nil	Nil	Nil	8,439	72,399
Richard Lee CFO	2021	36,000	Nil	Nil	Nil	Nil	36,000
	2020	37,000	Nil	Nil	Nil	Nil	37,000
M.S. (Mike) Cathro ⁽⁴⁾ Director	2021	5,550	Nil	Nil	Nil	Nil	5,550
	2020	9,150	Nil	Nil	Nil	Nil	9,150
Rodger Gray Director	2021	15,000	Nil	Nil	Nil	Nil	15,000
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Walter Segsworth Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Sarah Weber ⁽⁵⁾ Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil

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) 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. Mr. Blann resigned as President and CEO of the Corporation effective March 23, 2021.
- (4) Mr. M.S. (Mike) Cathro was appointed Interim President and CEO of the Corporation effective March 23, 2021.
- (5) Ms. Weber was appointed a director of the Corporation on March 23, 2021.

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, directly 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, 2021, 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, 2021:

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
David E. Blann ⁽¹⁾ President, CEO and Director	Stock Option	450,000	Oct 27, 2017	0.24	0.20	0.11	Oct 26, 2022
	Stock Option	550,000	Oct 17, 2019	0.17	0.10	0.11	Oct 17, 2024
Richard Lee CFO	Stock Option	100,000	Oct 27, 2017	0.24	0.20	0.11	Oct 26, 2022
	Stock Option	400,000	Oct 17, 2019	0.17	0.10	0.11	Oct 17, 2024
M.S. ("Mike") Cathro ⁽²⁾ Director	Stock Option	400,000	Oct 27, 2017	0.24	0.20	0.11	Oct 26, 2022
	Stock Option	600,000	Oct 17, 2019	0.17	0.10	0.11	Oct 17, 2024
Rodger Gray Director	Stock Option	500,000	Oct 27, 2017	0.24	0.20	0.11	Oct 26, 2022
	Stock Option	500,000	Oct 17, 2019	0.17	0.10	0.11	Oct 17, 2024
Walter Segsworth Director	Stock Option	250,000	Oct 27, 2017	0.24	0.20	0.11	Oct 26, 2022
	Stock Option	750,000	Jan 16, 2020	0.17	0.08	0.11	Jan 16, 2025

⁽¹⁾ Mr. Blann resigned as President and CEO of the Corporation effective March 23, 2021.

⁽²⁾ Mr. M.S. (Mike) Cathro was appointed Interim President and CEO of the Corporation effective March 23, 2021.

Subsequent to January 31, 2021, the Corporation issued an aggregate of 3,950,000 incentive stock options to directors and NEOs of the Corporation. These options are exercisable at a price of \$0.10 per share at any time up to March 24, 2026.

Stock option plans and other incentive plans

Other than the Corporation's Amended 2006 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.

Pursuant to the policies of the TSX Venture Exchange (the “Exchange”), the Corporation is required to adopt stock option plan prior to granting incentive stock options. At the Corporation’s annual general meeting held on August 14, 2020, shareholders approved the continuation of the Plan and all unallocated options, rights or other entitlements issuable thereunder. The Plan must be re-approved by the Corporation’s shareholders on an annual basis.

The purpose of the Plan is to provide an incentive to directors, employees and consultants to acquire a proprietary interest in the Corporation, to continue their participation in the affairs of the Corporation and to increase their efforts on behalf of the Corporation. The Corporation does not provide any financial assistance to participants to facilitate the purchase of shares under the Plan. The following summary of the Plan does not purport to be complete and is qualified in its entirety by reference to the Plan.

1. Eligible Participants. Stock options (“Options”) may be granted under the Plan to directors or officers of the Corporation or individuals providing management services to the Corporation (collectively, the “Directors”), employees of the Corporation (collectively, the “Employees”) or consultants of the Corporation (collectively, the “Consultants”). The Board, in its discretion, determines which of the Directors, Employees or Consultants will be awarded Options under the Plan.
2. Number of Shares Reserved. The number of Common Shares which may be issued pursuant to Options granted under the Plan may not exceed 10% of the issued and outstanding Common Shares of the Corporation from time to time at the date of granting of Options (including all Options granted by the Corporation prior to the adoption of the Plan and under the Plan). Options which are cancelled or expire prior to exercise continue to be issuable under the Plan.
3. Limitations. Under the Plan, the aggregate number of Options granted to any one person in a 12- month period must not exceed 5% of the issued and outstanding shares of the Corporation, calculated on the date the option is granted. The aggregate number of Options granted to any one Consultant in a 12-month period must not exceed 2% of the issued and outstanding shares of the Corporation, calculated at the date the option is granted. The aggregate number of Options granted to all persons retained to provide investor relations services to the Corporation (including Consultants and Employees or Directors whose role and duties primarily consist of providing investor relations services) must not exceed 2% of the issued and outstanding shares of the Corporation in any 12-month period, calculated at the date an option is granted to any such person.
4. Term of Options. Subject to the termination and change of control provisions noted below, the terms of any option granted under the Plan is determined by the Board and may not exceed ten years from the date of grant.
5. Exercise Price. The exercise price of Options granted under the Plan is determined by the Board, provided that it is not less than the discounted market price, as that term is defined in the Exchange’s Corporate Finance policy manual or such other minimum price as is permitted by the Exchange in accordance with the policies from time to time, or, if the Common Shares are no longer listed on the Exchange, then such other exchange or quotation system on which the Common Shares are listed or quoted for trading. The exercise price of Options granted to insiders may not be decreased without disinterested shareholder approval at the time of the proposed amendment.
6. Vesting. All Options granted pursuant to the Plan will be subject to such vesting requirements as may be prescribed by the Exchange, if applicable, or as may be imposed by the Board.
7. Termination. Any Options granted pursuant to the Plan will terminate upon the earliest of:
 - (a) such date as the Board has fixed when the option is granted, provided that the date is no more than one year from the date on which the holder ceases to be eligible (the “Cessation Date”) to hold the option;
 - (b) the end of the term of the option;
 - (c) if the Cessation Date is as a result of dismissal for cause or regulatory sanction, then immediately on the Cessation Date; or
 - (d) if the Cessation Date is as a result of death or disability, then the date that is one year from the date of such death or disability.

Employment, consulting and management agreements

Pursuant to the terms of a management agreement dated May 31, 2010, and subsequently amended several times between the Corporation and Mr. David E. Blann (the “Management Agreement”), Mr. Blann was paid \$5,000 per month for management

and administrative services provided to the Corporation and for acting as the Corporation's President and CEO. In addition, the Management Agreement provided for a one-time payment of \$60,000 to Mr. Blann in the event the Corporation terminates the Management Agreement without cause or Mr. Blann's responsibilities are altered as a result of a change of control. Mr. Blann had the option of providing the services under the Management Agreement directly or through Standard Metals Exploration Ltd. ("Standard"), a private company wholly-owned by Mr. Blann.

On October 16, 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 \$5,000 per month to provide accounting and administrative services to the Corporation and to act as the Corporation's CFO. The agreement has been amended several times and Mr. Lee was paid \$3,000 per month for the last two fiscal years. In the event that the Corporation terminates the Lee Agreement, the Company must make a final payment of \$5,000 to Mr. Lee.

Subsequent to January 31, 2021:

- (a) Mr. Blann resigned as President and CEO of the Corporation effective March 31, 2021. As a result of his voluntary resignation, Mr. Blann was not entitled to receive, and the Corporation did not pay any termination payments to Mr. Blann pursuant to the terms of the Management Agreement.
- (b) the Corporation entered into a consulting agreement with Standard (the "Standard Agreement") dated April 1, 2021, whereby the Corporation will pay 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 has an initial term of six months (the "Initial Term") and shall automatically renew for an indefinite term (the "Extended Term"). The Corporation may terminate the Standard Agreement at any time during the Initial Term, provided the Corporation undertakes to continue payment of the Consulting Fee from the date of termination until the last day of the Initial 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; and
- (c) the Corporation entered into a consulting agreement dated March 23, 2021, with Mr. M.S. (Mike) Cathro, who was appointed Interim President and CEO of the Corporation (the "Cathro Agreement") following Mr. Blann's resignation. Pursuant to the Cathro Agreement, the Corporation will pay Mr. Cathro an hourly fee of \$100 for up to 40 hours a week (the "Consulting Fee"), which is payable monthly. The Cathro Agreement has an initial term of three months and will perpetually renew for further three-month terms until terminated. The Corporation may terminate the Cathro Agreement prior to the expiration of any term by providing written notice and making a one-time payment equal to the average monthly Consulting Fee paid during the three months preceding the date of termination. If, within six months after a change of control the Corporation terminates the Cathro Agreement, the Corporation will pay Mr. Cathro an amount equal to one month of the Consulting Fee based on the average of the Consulting Fee paid for the two months preceding the change of control.

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

During fiscal 2020, the Corporation did not have a Compensation Committee. All compensation matters were dealt with by the Board, as a whole, with NEOs and/or directors abstaining from voting on any matters related to their respective compensation or award under the Corporation's Stock Option Plan.

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.

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.