



## Happy Creek Minerals Ltd. Sets the Record Straight

July 30, 2020, Vancouver, British Columbia – Happy Creek Minerals Ltd. (TSX-V: HPY).

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**Happy Creek Minerals Ltd. (“Happy Creek” or the “Company”) has a great future and strong Board of Directors committed to creating shareholder value. Please help Management continue with this positive momentum by voting for the Company’s current Board of Directors (the “Board”) on the **YELLOW** form today.**

Vote your **YELLOW** Proxy via the internet, by telephone or by mail in advance of the Vote Deadline at 11 a.m. (Pacific Daylight Time) on Wednesday, August 12, 2020.

Message to my fellow Happy Creek Shareholders.

Recently, dissident shareholders have questioned Happy Creek’s leadership and strategy. If you are confused by the misleading statements and unadvisable plans proposed by the dissidents, you are not alone. As the Company’s Management team continues to make progress to develop Happy Creek’s properties, the dissidents’ self-serving and hollow promises are simply an effort to take over your Company without paying a premium, in order to enrich themselves at your expense.

Happy Creek is led by a team of seasoned, knowledgeable, respected directors with track-records of success. Over the past year, Happy Creek’s Board and Management team has diligently worked to advance the Company’s two principal projects, Highland Valley and Fox Tungsten, through focused drilling and field work. Currently, Management is in the process of executing exciting work programs to add value to your Company, including:

- ✓ At **Fox Tungsten**, drilling in fall 2019 added significant resource potential at the low elevation, road-accessible Nightcrawler zone, even with a limited drilling program. And now, new logging roads are being actively prospected with the goal of inexpensive discovery of new drill targets, prior to the next round of drilling.
- ✓ At our **Highland Valley** copper project, Management has judiciously acquired additional ground, further consolidating the second largest property position in Canada’s most important copper district. In spring 2020, the Company successfully applied for and was granted new five-year permits for up to 105 drill sites, plus trenching and access trails. In the last few months the Company has completed geological field work with the use of cutting-edge instruments to vector in to the centres of mineralization and will launch a drill program imminently (drilling will be underway at the time of the AGM).

While the dissidents refer to these efforts as “questionable initiatives” and “inappropriate strategies”, it is these very actions which are necessary to take Happy Creek to the next stage and have raised the interest of several major companies.

As the Board and Management continues to build Happy Creek into the next stage for all shareholders, I felt the need to address many of the false, inaccurate and even problematic statements raised by the dissidents. At the very least, the Board questions the motives of the dissidents as many of their actions display their lack of understanding of the Company's projects or reinforce their self-interest, and not that of all shareholders.

**The Fox Property:** The dissidents have suggested the Company should spin out the Fox property into a new company. The Board questions their rationale, particularly in light of the strong push for consolidation in the industry, driven by the need for economies of scale and reduction of administrative costs. This has been reinforced by many of the Company's institutional shareholders and evidenced by the many mergers recently completed in the industry. The reality is there are too many underfunded companies in the junior mining sector and the Company's shareholders would not benefit from a duplication of administrative costs and the payment of two management teams. **The Board asks, who would really benefit from having two separate companies with two management teams and fees?**

Although they lust after it, the dissidents have an inadequate appreciation of the value of the Company's very high-grade tungsten project, which has five tungsten deposits, all of which were discovered and advanced by the current Management. Where we differ is the path to production. While a director of the Company, the dissidents' CEO nominee, Mr. Paul Berndt, lobbied for the immediate development of a tiny mine, mill and tailings facility (<75,000 tonnes per year), essentially a "Mom and Pop" operation. Mr. Berndt's proposal shows a stunning lack of understanding of the British Columbia/Canada permitting regime, including that, regardless of the size of the mine, permitting requires a substantial investment in environmental studies and community consultation. The basic economics of Mr. Berndt's proposal do not justify this investment until the project is bigger.

The more sensible path, which is being executed by your current Management, and which is strongly supported by the Company's institutional investors, is to continue to grow the resource through step-out drilling and new discoveries, in order to reach an economic threshold where a more substantial mine is warranted, and the expensive environmental studies make sense.

**Highland Valley:** The dissidents refer to implementing a "full data room" for Highland Valley. The Board can confirm the data room exists and it is "full" and has been operational for several years with the goal of attracting greater investment to this world-class project. Happy Creek's Management team is driving the value of this asset, including filling in the holes in the claim blocks (now largely done), and advancing the geological model so that the property is attractive to a developer that has the wherewithal to put it into production.

Your Management team views Highland Valley as more than a "proximity play" that can be flipped for a quick sale and has a much bigger view for the Company's shareholders. Highland Valley is a significant contiguous block of claims in industrially logged land, with numerous targets, some partially drilled off, but also with other very exciting ones that were recently exposed and are now ready to drill. To maximize the value for the Company's shareholders, the project requires and deserves a very substantial investment in drilling and related studies. It is because of this approach that the Company has attracted several majors to sign Confidentiality Agreements, review the data, and visit the property, some even as recently as this past week! Common amongst these majors is the view that they want to see the results of the next steps, specifically, development by a strong technical and permitting team, with a path to further discoveries and production. This is how value is added.

Simply selling off an asset too early is not in shareholders' interests. **Given the lack of understanding, experience and knowledge of this world-class asset, would the dissidents be able to truly maximize value for shareholders? Or just be looking to raise cash to support their management team?**

Moreover, a cause for concern for the Company's shareholders should be the fact that Mr. Berndt has never seen the value in the extraordinary Highland Valley property.

**Australian CEO with no work visa:** The dissidents have put forward a former director of the Company, Mr. Berndt, a resident of Australia or Monaco, be appointed as the new CEO for Happy Creek. In addition to the obvious travel restrictions due to COVID-19, Mr. Berndt does not have a work visa to work legally in Canada, and it is a lengthy, expensive process to obtain such a visa. In addition, Mr. Berndt has no experience with the logistical challenges of exploration and mining in the heavily snow-covered and mountainous terrain of the Cariboo, nor the permitting of exploration and mining in BC. **With assets in southern British Columbia the Board questions how an absent CEO with no hands-on experience in the jurisdiction would serve Happy Creek shareholders well?**

**Corporate Governance:** Happy Creek has a very well-structured and compliant governance program. The Board and Management take great pride in running the organization the right way on all fronts. To allege Happy Creek does not hold regular board meetings, with relevant minutes or adequately prepare for AGM's is simply silly. Again, these accusations either display a lack of sophistication or a self-serving agenda. What is worth noting is that while a director of the Company, Mr. Berndt did not bother to attend the 2019 AGM, even by phone, missed some board meetings or showed disengagement in Company affairs and should be a continuing concern.

**First Nations:** In spite of the dissidents' "novel" suggestion that the Company engage with First Nations, Happy Creek has been working on this very dialogue for years. Negotiations do take time, but in the end they are necessary to establish a foundation of trust that can enable progress on the Company's projects, to the benefit of surrounding communities, the Company and Happy Creek's shareholders. Any change to personnel with these negotiations will only lead to increased costs and delays.

There are many other falsehoods and much misleading information being shared by the dissidents and I encourage shareholders to reach out to any one of the Board members or Management to speak on the realities. The Board and Management are a committed team whose interests are aligned with the Company's shareholders. Moreover, the Board and Management encourage shareholders to compare your Management team's track record with that of the dissidents. It is clear who the dissidents are serving.

Vote with Management on the **YELLOW** Proxy to go with the plan that makes far and away the most sense for all the Shareholders. Vote your **YELLOW** Proxy via the internet, by telephone or by mail in advance of the vote deadline at 11 a.m. (Pacific Daylight Time) on Wednesday, August 12, 2020.

Sincerely yours,

*"Walter Segsworth"*  
Executive Chair

## FOR FURTHER INFORMATION, PLEASE CONTACT:

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*David Blann, P.Eng., Director, 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.*

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