

**HAPPY SUPPLEMENTS INC.  
(formerly Viking Gold Exploration Inc.)  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOUR MONTHS ENDED DECEMBER 31, 2020**

**FORWARD-LOOKING INFORMATION AND MATERIAL ASSUMPTIONS**

This report on results for the four months ended December 31, 2020 contains forward-looking information, including forward-looking information about Happy Supplements Inc.'s (the "Company") operations, estimates, commercial activities, research and development activities and the costs and timing of those activities..

Forward-looking information is generally signified by words such as "forecast", "projected", "expect", "anticipate", "believe", "will", "should" and similar expressions. This forward-looking information is based on assumptions that the Company believes were reasonable at the time such information was prepared, but assurance cannot be given that these assumptions will prove to be correct, and the forward-looking information in this report should not be unduly relied upon. The forward-looking information and the Company's assumptions are subject to uncertainties and risks and are based on a number of assumptions made by the Company, any of which may prove to be incorrect.

All dollar figures are stated in Canadian dollars unless otherwise indicated.

**GENERAL**

This Management Discussion and Analysis ("MD&A") of the financial condition, results of operations and cash flows of the Company for the four ended December 31, 2020, should be read in conjunction with the the audited financial statements as at December 31, 2020 and August 31, 2020. This MD&A is effective April 30, 2021.

The Company has prepared its consolidated financial statements for the four months ended December 31, 2020 in Canadian dollars and in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board.

**DESCRIPTION OF BUSINESS**

Happy Supplements Inc. (the "Company"), formerly known as Viking Gold Exploration Inc., was incorporated under the laws of the Province of Ontario, and on August 6, 2019, was continued into British Columbia. The Company has the principal address at 1606 Camerbur Dr., Orlando, Florida, U.S.A. and registered office and records office at 1199 West Hastings Street, Suite 800, Vancouver, British Columbia, Canada, V6E 3T5.

On December 11, 2020, the Company completed a reverse takeover ("RTO") transaction with Happy Supplements Inc. ("Happy") (formerly Happy Supplement, LLC), a Delaware corporation formed in September 2018, as further described in the following "Business of the Company".

Upon completion of the Share Exchange, Happy became a wholly-owned subsidiary of the Company. Effective December 11, 2020, the Company changed its name from Viking Gold Exploration Inc. (refer to as "Viking" for the period prior to the Share Exchange) to "Happy Supplements Inc." and has continued to carry out the business operations of Happy. On December 14, 2020, the Company's common shares commenced trading on the Canadian Securities Exchange under the symbol "FITT".

The Company is in the business of selling nutritional supplements which utilize natural hemp extract, branded as Happy Tea Powder and Happy Tea Shots.

The Company is currently focused on distributing its products directly to consumers via e-commerce, where legally permitted. The Company intends to utilize several different distribution models for its products at different stages in the development lifecycle of Happy Tea to ensure maximum profitability and productivity.

**HAPPY SUPPLEMENTS INC.  
(formerly Viking Gold Exploration Inc.)  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOUR MONTHS ENDED DECEMBER 31, 2020**

**BUSINESS OF THE COMPANY**

During July and August, 2019, Happy commenced a private placement (“Series 2”) of membership units at a price of \$0.25 per unit. During September to December, 2019 when the Series 2 private placement was completed, Happy issued 4,468,616 membership units for total proceeds of \$1,117,154.

The membership units issued in Series 2 had no voting right, no additional interest attached and no entitlement for return of the contributions.

On February 13, 2020, all 17,468,616 Series 1 and Series 2 membership units issued and outstanding were converted into an equivalent number of shares in common stock when Happy converted into a corporation.

On March 22, 2020, the convertible promissory note of USD\$2,522,872 issued to the director of Happy was converted to 17,000,000 shares of common shares of Happy.

On July 28, 2020, the Company entered into an assignment and novation agreement with 1208004 B.C. Ltd. (“Assignor”) whereby the Assignor assigned its letter of intent to acquire 100% of Happy to the Company for an assignment fee of 900,000 common shares of the Company. On the same date, the Company, Happy and the shareholders of the Happy executed a share exchange agreement dated (the “Agreement”). Pursuant to the Agreement, the Company issued an aggregate of 34,468,616 common shares of the Company pro rata to the shareholders of Happy in exchange for the 34,468,616 shares of Happy (“Share Exchange”).

As a result of the Share Exchange, Happy is deemed to be the acquirer for accounting purposes (“Reverse Takeover”) and therefore its assets, liabilities and operations are included in the consolidated financial statements and in this MD&A at their historical carrying value, with the operations of the Company being included from December 11, 2020, the closing date of the Reverse Takeover, and onwards.

The acquisition of the net assets was recorded at the fair value of the consideration transferred was as follows:

<b>Consideration:</b>		
Fair value of shares retained by former shareholders (2,827,042 shares)	\$	706,761
Fair value of shares issued to Assignor (900,000 shares)		225,000
Fair value of 1,183,333 warrants assumed		88,430
Fair value of 95,000 stock options assumed		17,411
Total consideration		1,037,602
<b>Fair value of net assets acquired:</b>		
Cash		297,536
GST receivable		3,959
Due from related parties		44,934
Prepaid expenses		5,010
Accounts payable and accrued liabilities		(13,836)
Subscriptions received		(290,000)
Loans payable		(10,000)
Cash transferred from Assignor		4,500
Accounts payable-receivable transferred from Assignor		19,153
Total net assets		61,255
<b>Listing expense</b>	<b>\$</b>	<b>976,346</b>

**HAPPY SUPPLEMENTS INC.**  
**(formerly Viking Gold Exploration Inc.)**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOUR MONTHS ENDED DECEMBER 31, 2020**

On December 11, 2020, the Company completed a concurrent private placement with the Share Exchange. The Company issued 2,517,000 common shares at \$0.25 per share for gross proceeds of \$629,250. The Company paid finders fees of \$18,498 and issued 73,990 broker warrants valued at \$10,124.

In addition, the Company issued 900,000 common shares to the shareholder of 1280004 B.C. Ltd. as part of the Share Exchange Agreement valued at \$225,000 and included in acquisition consideration.

In March 2020, there was a global outbreak of coronavirus (COVID-19). The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on financial markets and the Company's ability to raise new capital. These factors, among others, could have a significant impact on the Company's operations.

The Company applied for and received USD\$50,857 in Small Business Administration financial loan support through an accredited lender under the Paycheck Protection Program (the "PPP"), pursuant to the recently passed Federal Government Cares Act. The PPP allows for potential short-term loan forgiveness, reduced by amounts received from the Economic Injury Disaster Loan ("EIDL") advances, based on the lender's evaluation of the Company's use of the proceeds. The Company received \$10,000 in EIDL advance funds. The EIDL is not required to be repaid. The Company has included this advance as other income in statement of operations.

**SELECTED ANNUAL INFORMATION**

	<b>December 31, 2020*</b>	<b>August 31, 2020</b>	<b>August 31, 2019</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue	9,053	148,430	423,366
Net loss	(1,330,607)	(3,611,354)	(4,008,451)
Total assets	508,871	163,655	630,312
Non-current financial liabilities	15,426	24,543	Nil
Distributions	Nil	Nil	Nil

\*Four months ended

**SELECTED QUARTERLY INFORMATION**

Results for the four most recently completed quarters are summarized below.

<b>For the Quarter Periods Ending</b>	<b>December 31, 2020*</b>	<b>August 31, 2020</b>	<b>May 31, 2020</b>	<b>February 29, 2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
Total revenue	9,053	17,941	53,454	38,970
Loss for the period	(1,330,607)	(2,076,992)	(312,526)	(512,928)
Total assets	508,871	163,655	334,655	363,218
Total non-current liabilities	15,426	24,543	Nil	Nil
Distributions	Nil	Nil	Nil	Nil

**HAPPY SUPPLEMENTS INC.**  
**(formerly Viking Gold Exploration Inc.)**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOUR MONTHS ENDED DECEMBER 31, 2020**

<b>For the Quarter Periods Ending</b>	<b>November 30, 2019 \$ (unaudited)</b>	<b>August 31, 2019 \$ (unaudited)</b>	<b>May 31, 2019 \$ (unaudited)</b>	<b>February 28, 2019 \$ (unaudited)</b>
Total revenue	38,065	53,581	116,788	244,513
Loss for the period	(708,908)	(32,585)	(1,617,747)	(2,395,016)
Total assets	492,080	630,312	379,950	315,301
Total non-current liabilities	Nil	Nil	Nil	Nil
Distributions	Nil	Nil	Nil	Nil

\*Four months ended

**OPERATIONS**

During the four months ended December 31, 2020, the Company reported revenue of \$9,053 (year ended August 31, 2020 - \$148,430), cost of sales of \$6,919 (year ended August 31, 2020 - \$66,415), reversal of loss on inventory write-down of \$4,836 (year ended August 31, 2020 – write down of \$90,667) and gross profit of \$6,970 (year ended August 31, 2020 – gross loss of \$8,652) and a net loss of \$1,330,607 (year ended August 31, 2020 - \$3,611,354). Expenses were as follows:

- Advertising and marketing of \$15,275 (year ended August 31, 2020 - \$804,484) consisted mostly of expenditures to build online brand awareness ahead of an anticipated retail launch; and
- General and administrative of \$343,636 (year ended August 31, 2020 - \$2,822,508).

Management believes as the products are rolled out to various major retailers they will be able to scale back the marketing expenditures and focus on targeted online advertising campaigns which will reduce advertising and marketing expenses.

The major components of general and administrative expenditures for the four months ended December 31, 2020 and the year ended August 31, 2020 were:

- Legal and professional services of \$199,771 (year ended August 31, 2020 - \$249,257), which were primarily costs related to the Share Exchange Agreement and the listing on the CSE;
- Listing expense of \$976,346 (year ended August 31, 2020 - \$nil) relating to the Share Exchange;
- Payroll expense of \$74,225 (year ended August 31, 2020 - \$574,165) which decreased in line with revenues for the four months period; and
- Share-based payments of \$nil (year ended August 31, 2020 - \$1,883,675) relating to warrants granted to an advisor for service during the August 31, 2020 year-end.

**LIQUIDITY AND CAPITAL RESOURCES**

At December 31, 2020, the Company's cash was \$308,849 and the working capital was \$336,959.

During the four months ended December 31, 2020 and the year ended August 31, 2020, the Company took the following measures to address working capital concerns:

- During July and August, 2019, the Company commenced a private placement ("Series 2") of membership units at a price of \$0.25 per unit. During September to December, 2019 when the Series 2 private placement was completed, the Company issued 4,468,616 membership units for total proceeds of \$1,117,154.
- On March 22, 2020, the convertible promissory note of USD\$2,522,872 issued to the director of the Company was converted to 17,000,000 shares of common shares of the Company.
- On December 11, 2020, the Company completed a concurrent private placement with the Share Exchange Agreement. The Company issued 2,517,000 common shares at \$0.25 per share for gross proceeds of \$706,761. The Company paid finders fees of \$18,498 and issued 73,990 broker warrants valued at \$10,124.

**HAPPY SUPPLEMENTS INC.**  
**(formerly Viking Gold Exploration Inc.)**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOUR MONTHS ENDED DECEMBER 31, 2020**

The Company will need to raise additional financing in order to meet general working capital requirements for the 2021 fiscal year and to continue marketing and developing Happy Tea.

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company has not entered into any off-balance sheet arrangements.

**TRANSACTIONS WITH RELATED PARTIES**

*Key management compensation*

These amounts of key management compensation are included in general and administrative expenses on the consolidated statements of comprehensive loss:

	<b>Four Months Ended December 31, 2020</b>	<b>Year Ended August 31, 2020</b>
Officer compensation	\$ <del>72,766</del> 65,400	\$ 80,748

Included in the accounts payable and accrued liabilities, \$31,830 is related to the above compensation incurred with the Company's Chief Executive Officer.

*Due from related party*

As at December 31, 2020, the Company has \$58,544 (August 31, 2020 - \$5,846) due from Fit Products, LLC ("Fit Products") for working capital advances. Fit Products' sole member is a director of the Company. The amount bears no interest and has no stated terms of repayment.

*Convertible promissory note*

The Company utilized funds provided by a director to support its initial operations. The borrowings bore no interest and were payable on demand to the director. Funds provided were primarily used for advertising and inventory purchases for the Company.

On March 2, 2020, the Company issued a convertible promissory note to the director for the outstanding balance of USD\$2,522,842 with no interest bearing, whereby the director in his sole discretion may convert the full balance of the outstanding principal into common shares of the Company, subject to additional share issuance if certain target ownership percentage was not met with the conversion. On March 22, 2020, the promissory note was converted and settled in full.

*Related party transactions*

~~The Company utilized funds provided by a director to support its initial operations. The borrowings bore no interest and were payable on demand to the director. Funds provided were primarily used for advertising and inventory purchases for the Company.~~

During the period ended December 31, 2020, the Company was allocated with advertising and marketing expense of \$nil (year ended August 31, 2020 - \$106,667) from Fit Products. In addition, during the four months ended December 31, 2020 and the year ended August 31, 2020, the Company shared office and warehouse space leased by Fit Products on a month to month basis. The annualized rent expense to Fit Products is approximately

**HAPPY SUPPLEMENTS INC.  
(formerly Viking Gold Exploration Inc.)  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOUR MONTHS ENDED DECEMBER 31, 2020**

USD\$58,000. The pro-rata share of rent and utilities incurred by the Company for the year has been waived by Fit Products, therefore these expenses have not been included in the statement of loss and comprehensive loss.

**EVENTS OCCURRING AFTER THE REPORTING DATE**

Subsequent to December 31, 2020, 50,000 stock options expired unexercised and 45,000 stock options were exercised for proceeds of \$14,400.

Subsequent to December 31, 2020, 497,990 warrants were exercised for proceeds of \$196,498.

**CAPITAL RISK MANAGEMENT**

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholders and to maintain an optimal capital structure. As at December 31, 2020, the Company does not have any externally imposed capital requirements. The Company defines its capital as share capital and reserves. The Company has financed its capital requirements primarily through share (formerly units) issuances, warrant issuances and obtaining loans. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue shares or obtain new loans. The company's management actively and regularly reviews and manages its capital structure. There has been no change to how the Company manage its capital.

**FINANCIAL RISK MANAGEMENT**

The Company's activities expose itself to different kinds of financial risks. Management monitors this risk exposures to ensure appropriate measures are implemented in a timely manner so as to mitigate or reduce such risks.

Credit risk

The company is exposed to credit which is the risk that a counterparty will be unable to pay amounts in full when due. The credit risk on liquid funds and time deposits is limited because the counterparties are banks with high credit ratings assigned by credit-rating agencies. For banks and financial institutions, the Company from time-to-time evaluates the soundness of these institutions for possible exposure to loss. To mitigate the potential for loss, the Company's cash deposits are maintained in the United States with large, reputable financial institutions. The company does not provide any guarantees which would expose the company to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The Company's accounts payable and accrued liabilities are due within 90 days. Amounts due to related parties are due on demand. The Company addresses its liquidity through debt and equity financing obtained through the sale of common shares and the exercise of warrants and options. There is no assurance that it will be able to do so in the future. Liquidity risk is assessed as high.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at December 31, 2020, the Company is not exposed to significant interest rate risk.

**NEW ACCOUNTING STANDARD**

*Classification of Liabilities as Current or Non-current (Amendments to IAS 1)*

**HAPPY SUPPLEMENTS INC.**  
**(formerly Viking Gold Exploration Inc.)**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOUR MONTHS ENDED DECEMBER 31, 2020**

On January 23, 2020, the IASB issued amendments to IAS 1 *Presentation of Financial Statements*, to clarify the classification of a liability as either current or non-current. On July 15, 2020, the IASB issued an amendment deferring the effective date by one year. Currently the amendments are effective for annual periods beginning on or after January 1, 2023. Early application is permitted.

The amendments eliminated the requirement that the right to defer settlement or transfer of a liability for at least 12 months be unconditional to classify a liability as non-current. Instead, the right must be substantive and exist at the end of the reporting period.

The amendments also clarify how an entity classifies a liability that is convertible at the option of the counterparty. The amendments state that:

- The settlement of a liability includes the transfer of the entity's own equity instruments to the counterparty.
- When classifying a liability as current or non-current, an entity may only omit conversion options recognized as equity.

*Property, Plant and Equipment – Proceeds before Intended Use (amendments to IAS 16)*

On May 14, 2020, the IASB published *Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16)*. The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.

The amendments provide guidance for the recognition of proceeds from selling items that an entity produces and sells in the process of making an item of property, plant and equipment available for its intended use, as well as the associated production costs. Specifically, the proceeds from selling items produced before the related asset is available for use, as well as the related production costs, must be recognized in profit or loss.

**CAPITAL STRUCTURE**

The Company had the following securities issued and outstanding:

	<b>April 30, 2021</b>	<b>December 31, 2020</b>	<b>August 31, 2020</b>
Common shares	41,255,648	40,712,658	34,468,616
Warrants	9,759,333	10,257,323	9,000,000
Stock options	-	95,000	-
Fully diluted shares	51,014,981	51,064,981	43,468,616

**RISKS AND UNCERTAINTIES**

***Limited Operating History***

The Company began carrying on business in 2018 and has only recently begun to generate revenue. The Company is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues.

***Access to Raw Materials***

In the hemp industry, there is a risk that raw input materials or materials purchased from a third-party processor or producer could be contaminated with pesticides, heavy metals, mycotoxin, and microbial agents. The quality assurance tests required for marijuana flowers and infused products currently include moisture content, potency analysis, foreign matter inspection, microbiological screening, and residual solvent levels.

**HAPPY SUPPLEMENTS INC.  
(formerly Viking Gold Exploration Inc.)  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOUR MONTHS ENDED DECEMBER 31, 2020**

The results of the inspection and testing are submitted to each state governing hemp body through its traceability system. In conjunction with States Departments of Agriculture, each state board conducts random screening for pesticide residues. It is possible the much of hemp product may not move forward in processing, delivery, or sale without a passing test for that lot reported by the independent lab itself into the traceability system. All test results are required to be provided to retailers and/or end consumers upon request.

If the Company's licensed processors and co-packagers or other third-party services providers fail to have positive testing results, the Company could experience negative adverse effect on its operations and ability to produce and sell its products.

***Price of Raw Materials***

Costs of the ingredients and packaging for food products are volatile and can fluctuate due to conditions that are difficult to predict, including global competition for resources, weather conditions, consumer demand, changes in governmental trade and agricultural programs, epidemics/pandemics and other public health crises. Volatility in the prices of raw materials and other supplies food could increase the cost of the Company's cost of sales and reduce its profitability. Moreover, the Company may not be able to implement product price increases to cover any increased costs, or any price increases implemented may result in lower sales volumes. If the Company is not successful in managing its ingredient and packaging costs, and unable to increase its prices to cover increased costs or if such price increases reduce sales volumes, then such increases could have a material adverse effect the Companys business, results of operations and result of its operations.

***Supply Chain Management***

Insufficient or delayed supply of products threatens could threaten the Company's ability to meet customer demands while over capacity threatens the Company's ability to generate profit. Specifically, the impact of COVID-19 may adversely impact the Company's access to products. Some of these products may be available from only a single supplier or a limited group of suppliers. Accordingly, any failure by the Company to properly manage its supply chain could have a material adverse effect on its business, financial condition and results of its operations.

***Competition***

It is likely that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition, results of operations or prospects of the Company.

Because of the early stage of the industry in which the Company operates, the Company expects to face additional competition from new entrants. To become and remain competitive, the Company will require research and development, marketing, sales and support. The Company may not have sufficient resources to maintain research and development, marketing, sales and support efforts on a competitive basis which could materially and adversely affect the business, financial condition, results of operations or prospects of the Company.

If the number of users of CBD products in the United States increases, the demand for products will increase and the Company expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, the Company will require a continued high level of investment in research and development, marketing, sales and client support. The Company may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Company.

***Future Acquisitions or Dispositions***

Material acquisitions, dispositions and other strategic transactions involve a number of risks, including: (i) potential disruption of the Company's ongoing business; (ii) distraction of management; (iii) the Company may become



**HAPPY SUPPLEMENTS INC.**  
**(formerly Viking Gold Exploration Inc.)**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOUR MONTHS ENDED DECEMBER 31, 2020**

more financially leveraged; (iv) the anticipated benefits and cost savings of those transactions may not be realized fully or at all or may take longer to realize than expected; (v) increasing the scope and complexity of the Company's operations; and (vi) loss or reduction of control over certain of the Company's assets.

The presence of one or more material liabilities of an acquired company that are unknown to the Company at the time of acquisition could have a material adverse effect on the business, results of operations, prospects and financial condition of the Company. A strategic transaction may result in a significant change in the nature of the Company's business, operations and strategy. In addition, the Company may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into the Company's operations.

***Unfavorable Publicity or Consumer Perception***

The Company believes the hemp industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the hemp and hemp derived products produced. Consumer perception can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of hemp products. There can be no assurance that future scientific research or findings, regulatory investigations, litigation, media attention or other publicity will be favorable to the hemp market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory investigations, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or other publicity could have a material adverse effect on the demand for medical hemp and on the business, results of operations, financial condition, cash flows or prospects of the Company. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of hemp in general, or associating the consumption of medical hemp with illness or other negative effects or events, could have such a material adverse effect. There is no assurance that such adverse publicity reports or other media attention will not arise.

***Product Liability***

The Company would face an inherent risk of exposure to product liability claims, regulatory action and litigation if its customers' products are alleged to have caused significant loss or injury. In addition, tampering by unauthorized third parties or product contamination with respect to the hemp used to derive the CBD used in the Company's customers' products may impact the risk of injury to consumers. Previously unknown adverse reactions resulting from human consumption of hemp alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including, among others, that the product caused injury or illness, included inadequate instructions for use or included inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on the business, results of operations, financial condition or prospects of the Company. There can be no assurances that the Company will be able to maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to maintain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Company's potential products or otherwise have a material adverse effect on the business, results of operations, financial condition or prospects of the Company.

***Product Recalls***

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. Such recalls cause unexpected expenses of the recall and any legal proceedings that might arise in connection with the recall. This can cause loss of a significant amount of sales. In addition, a product recall may require significant management attention. Although the Company will have detailed procedures in place for testing its products, there

**HAPPY SUPPLEMENTS INC.**  
**(formerly Viking Gold Exploration Inc.)**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOUR MONTHS ENDED DECEMBER 31, 2020**

can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the Company's products were subject to recall, the image of that product, the Company could be harmed. Additionally, product recalls can lead to increased scrutiny of operations by applicable regulatory agencies, requiring further management attention and potential legal fees and other expenses.

***Product Approvals***

The Company may require advance approval of its products from federal, state, provincial and/or local authorities. While the Company intends to follow the guidelines and regulations of each applicable federal, state, provincial and/or local jurisdiction in preparing products for sale and distribution, there is no guarantee that such products will be approved to the extent necessary. If the products are approved, there is a risk that any federal, state, provincial and/or local jurisdiction may revoke its approval for such products based on changes in laws or regulations or based on its discretion or otherwise. If any of the Company's products are not approved or any existing approvals are rescinded, there is the potential to lead to a material adverse effect on the Company's business, financial condition, results of operations or prospects.

***Product Exchanges, Returns and Warranty Claims***

If the Company is unable to maintain an acceptable degree of quality control of its products, the Company will incur costs associated with the exchange and return of the products as well as servicing its customers for warranty claims. Any of the foregoing on a significant scale may have a material adverse effect on the Company's business, results of operations and financial condition.

***Research and Development***

Before the Company can obtain regulatory approval (if required) for the commercial sale of any of its products, it will be required to complete extensive trial testing to demonstrate safety and efficacy. Depending on the exact nature of trial testing, such trials can be expensive and are difficult to design and implement. The testing process is also time consuming and can often be subject to unexpected delays.

The timing and completion of trial testing may be subject to significant delays relating to various causes, including: inability to manufacture or obtain sufficient quantities of units and or test subjects for use in trial testing; delays arising from collaborative partnerships; delays in obtaining regulatory approvals (if any) to commence a study, or government intervention to suspend or terminate a study; delays, suspensions or termination of trial testing due to the applicable institutional review board or independent ethics board responsible for overseeing the study to protect research subjects; delays in identifying and reaching agreement on acceptable terms with prospective trial testing sites and subjects; variability in the number and types of subjects available for each study and resulting difficulties in identifying and enrolling subjects who meet trial eligibility criteria; scheduling conflicts; difficulty in maintaining contact with subjects after testing, resulting in incomplete data; unforeseen safety issues or side effects; lack of efficacy during trial testing; reliance on research organizations to conduct trial testing, which may not conduct such trials with good laboratory practices; or other regulatory delays.

***Difficulty in Developing Products***

If the Company cannot successfully develop, manufacture and distribute its products, or if the Company experiences difficulties in the development process, such as capacity constraints, quality control problems or other disruptions, the Company may not be able to develop market-ready commercial products at acceptable costs, which would adversely affect the Company's ability to effectively enter the market. A failure by the Company to achieve a low-cost structure through economies of scale would have a material adverse effect on the Company's commercialization plans and the Company's business, prospects, results of operations and financial condition.

**HAPPY SUPPLEMENTS INC.  
(formerly Viking Gold Exploration Inc.)  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOUR MONTHS ENDED DECEMBER 31, 2020**

***Success of New and Existing Products and Services***

The Company has committed, and expects to continue to commit, significant resources and capital to develop and market new products and services. These products and services are relatively untested, and the Company cannot guarantee that it will achieve market acceptance for any new products and services that the Company may offer in the future. Moreover, these and other new products and services may be subject to significant competition with offerings by new and existing competitors in the business of manufacturing and distributing vaporizers and accessories. In addition, new products, services and enhancements may pose a variety of technical challenges and require the Company to attract additional qualified employees. The failure to successfully develop and market these new products, services or enhancements or to hire qualified employees could seriously harm the Company's business, financial condition and results of operations.

***Continued Market Acceptance by Consumers***

The Company is substantially dependent on continued market acceptance of its products by consumers. Although the Company believes that the use of products similar to the products to be designed and manufactured by the Company is gaining international acceptance, the Company cannot predict the future growth rate and size of this market.

***Promoting and Maintaining Brands***

The Company believes that establishing and maintaining the brand identities of products is a critical aspect of attracting and expanding a large customer base. Promotion and enhancement of brands will depend largely on success in providing high quality products. If customers and end users do not perceive the Company's products to be of high quality, or if the Company introduces new products or enters into new business ventures that are not favorably received by customers and end users, the Company will risk diluting brand identities and decreasing their attractiveness to existing and potential customers. Moreover, in order to attract and retain customers and to promote and maintain brand equity in response to competitive pressures, the Company may have to increase substantially financial commitment to creating and maintaining a distinct brand loyalty among customers. If the Company incurs significant expenses in an attempt to promote and maintain brands, the business, results of operations and financial condition could be adversely affected.

***Dependence on Suppliers and Skilled Labour***

The ability of the Company to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Company will be successful in maintaining its required supply of skilled labour, equipment, parts and components. It is also possible that the final costs of the major equipment contemplated by the Company's capital expenditure plans may be significantly greater than anticipated by the Company's management, and may be greater than funds available to the Company, in which circumstance the Company may curtail, or extend the timeframes for completing, its capital expenditure plans. This could have an adverse effect on the Company's business, financial condition, results of operations or prospects.

***Dependence on Packer Facilities***

The Company is dependent on the Packer Facilities to manufacture its products. The Packer Facilities may be subject to damage or interruption from, among other things, fire, natural or man-made disaster, disease outbreaks or public health pandemics, such as COVID-19, power loss, telecommunications failure, unauthorized entry, computer viruses, denial-of-service attacks, acts of terrorism, human error, vandalism or sabotage, financial insolvency, bankruptcy and similar events. It is also possible that, due to the current uncertainty in the regulatory landscape regulating hemp derived CBD products, the Packer Facilities may elect, at any time, to decline or withdraw services necessary for the Company's operations. Loss of the Packer Facilities may have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

**HAPPY SUPPLEMENTS INC.  
(formerly Viking Gold Exploration Inc.)  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOUR MONTHS ENDED DECEMBER 31, 2020**

If the Packer Facilities are unable to manufacture, or are delayed in manufacturing, the Company's products, the Company may be unable to meet customer demand. Moreover, the Company may have to find alternative manufacturers of acceptable quality and in the appropriate volumes, which could significantly limit or delay production. If the Company determines that it is necessary to contract other third-party manufacturers, any delay in production could have an adverse effect on the Company's business, financial condition, results of operations or prospects.

***Reliance on Broker and Distribution Agreements***

The Company intends to sell its products to retailers via brokers and distributors. No assurances can be given that the Company will be successful in entering into broker and distribution agreements, or that such agreements will be available to the Company on terms which are acceptable. The Company's failure to establish a broker network could have a material adverse effect on the business, results of operations, financial condition or prospects of the Company.

***Difficulty to Forecast***

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the industry. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations, financial condition or prospects of the Company.

***Management of Growth***

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

***Internal Controls***

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's consolidated financial statements and materially adversely affect the trading price of the Company Shares.

***Conflicts of Interest***

Certain of the directors and officers of the Company are, or may become directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of the Company and as officers and directors of such other companies.

***Litigation***

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company, such a decision could adversely affect the Company's ability to continue operating and the market price for the Company Shares. Even if the Company is involved in litigation and wins, litigation can redirect significant company resources.

**HAPPY SUPPLEMENTS INC.  
(formerly Viking Gold Exploration Inc.)  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOUR MONTHS ENDED DECEMBER 31, 2020**

***Intellectual Property Risks***

The Company will have certain proprietary intellectual property, including but not limited to brands, trademarks, trade names, patents and proprietary processes. The Company will rely on this intellectual property, know-how and other proprietary information, and may require employees, consultants and suppliers to sign confidentiality agreements. However, any confidentiality agreement may be breached, and the Company may not have adequate remedies for such breaches. Third parties may independently develop substantially equivalent proprietary information without infringing upon any proprietary technology. Third parties may otherwise gain access to the Company's proprietary information and adopt it in a competitive manner. Any loss of intellectual property protection may have a material adverse effect on the Company's business, results of operations or prospects.

***Fraudulent Or Illegal Activity by Employees, Contractors And Consultants***

The Company is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. It may not always be possible for the Company to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Company, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the Company's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Company's operations, any of which could have a material adverse effect on the the Company's business, financial condition, results of operations or prospects.

***Information Technology Systems and Cyber-Attacks***

The Company's operations depend, in part, on how well it and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

The Company has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

***Security Breaches***

Given the nature of the Company's product and its lack of legal availability outside of channels approved by federal or state governments (as applicable), as well as the concentration of inventory in its facilities, there remains a risk of shrinkage as well as theft. A security breach at one of the Company's facilities could expose the Company to additional liability and to potentially costly litigation, increase expenses relating to the resolution and future prevention of these breaches and may deter potential patients from choosing the Company's products.

**HAPPY SUPPLEMENTS INC.  
(formerly Viking Gold Exploration Inc.)  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOUR MONTHS ENDED DECEMBER 31, 2020**

***Operating Risks and Insurance***

The Company's operations will be subject to hazards inherent in the hemp industry, such as equipment defects, malfunction and failures, natural disasters which result in fires, accidents and explosions that can cause personal injury, loss of life, suspension of operations, damage to facilities, business interruption and damage to or destruction of property, equipment and the environment, labour disputes, and changes in the regulatory environment. These risks could expose the Company to substantial liability for personal injury, wrongful death, property damage, pollution, and other environmental damages. The frequency and severity of such incidents will affect operating costs, insurability and relationships with customers, employees and regulators.

The Company will continuously monitor its operations for quality control and safety. However, there are no assurances that the Company's safety procedures will always prevent such damages. Although the Company will maintain insurance coverage that it believes to be adequate and customary in the industry, there can be no assurance that such insurance will be adequate to cover its liabilities. In addition, there can be no assurance that the Company will be able to maintain adequate insurance in the future at rates it considers reasonable and commercially justifiable. The occurrence of a significant uninsured claim, a claim in excess of the insurance coverage limits then maintained by the Company, or a claim at a time when it is not able to obtain liability insurance, could have a material adverse effect on the Company, the Company's ability to conduct normal business operations and on the Company's business, financial condition, results of operations and cash flows in the future.

***Uninsured or Uninsurable Risk***

The Company may be subject to liability for risks against which it cannot insure or against which the Company may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for the Company's normal business activities. Payment of liabilities for which the Company does not carry insurance may have a material adverse effect on the Company's financial position and operations.

***Certain Remedies and Rights to Indemnification may be Limited***

The Company's governing documents will provide that the liability of the Company Board and the Company's officers are eliminated to the fullest extent allowed under the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Thus, the Company and the Shareholders of the Company may be prevented from recovering damages for alleged errors or omissions made by the members of the Company Board. The Company's governing documents will also provide that the Company will, to the fullest extent permitted by law, indemnify members of the Company Board for certain liabilities incurred by them by virtue of their acts on behalf of the Company.

***Client Acquisitions***

The Company's success depends on its ability to attract and retain consumers of its products. There are many factors which could impact the Company's ability to attract and retain customers, including but not limited to the Company's ability to continually produce desirable and effective products, the successful implementation of the Company's client-acquisition plan and continued growth in the aggregate number of consumers choosing to use hemp either recreationally or medically. The Company's failure to acquire and retain customers would have a material adverse effect on the Company's business, operating results and financial condition.

***Industry and Regulatory Risks***

***Regulatory Regime***

The business and activities of the Company are heavily regulated in all jurisdictions where it will carry on business. The Company's operations will be subject to various laws, regulations and guidelines by governmental authorities. Laws and regulations, applied generally, grant government agencies and self-regulatory bodies broad

**HAPPY SUPPLEMENTS INC.**  
**(formerly Viking Gold Exploration Inc.)**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOUR MONTHS ENDED DECEMBER 31, 2020**

administrative discretion over the activities of the Company, including the power to limit or restrict business activities as well as impose additional disclosure requirements on the Company's products and services. Achievement of the Company's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Company cannot predict the impact of the compliance regime that is being implemented for the United States hemp industries. Similarly, the Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Company.

The Company will incur ongoing costs and obligations related to regulatory compliance in the United States. Failure to comply with regulations may lead to possible sanctions including the revocation or imposition of additional conditions on licenses to operate the Company's business, the suspension or expulsion from a particular market or jurisdiction or of its key personnel, and the imposition of fines and censures. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

***Change in Laws, Regulations and Guidelines***

The Company's operations are subject to a variety of laws, regulations and guidelines, including, but not limited to, those relating to the manufacture, management, transportation, storage and disposal of cannabis, as well as laws and regulations relating to health and safety (including those for consumable products), the conduct of operations and the protection of the environment. These laws and regulations are broad in scope and subject to evolving interpretations. If any changes to such laws, regulations and guidelines occur, which are matters beyond the control of the Company, the Company may incur significant costs in complying with such changes or it may be unable to comply therewith, which in turn may result in a material adverse effect on the Company's business, financial condition and results of operation. In addition, violations of these laws, or allegations of such violations, could disrupt certain aspects of the Company's business plan and result in a material adverse effect on certain aspects of its planned operations.

Changes in regulations, more vigorous enforcement thereof, the imposition of restrictions on the Company's ability to operate in the U.S, as a result of regulatory changes or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

***General Regulatory Risks***

The Company's business will be subject to a variety of laws, regulations and guidelines and licensing requirements in the United States. Achievement of the Company's business objectives will be contingent, in part, upon compliance with applicable regulatory requirements and obtaining all requisite regulatory approvals.

The Company will be required to obtain or renew further government permits, licenses and registrations for its contemplated operations. Obtaining, amending or renewing the necessary governmental permits and licenses can be a time-consuming process potentially involving numerous regulatory agencies, involving public hearings and costly undertakings on the Company's part. The duration and success of the Company's efforts to obtain, amend and renew permits and licenses will be contingent upon many variables not within its control, including the interpretation of applicable requirements implemented by the relevant permitting or licensing authority. The Company may not be able to obtain, amend or renew permits or licenses that are necessary to its operations. Any unexpected delays or costs associated with the permitting and licensing process could impede the ongoing or proposed operations of the Company. To the extent permits, licenses or registrations are not obtained, amended or renewed, or are subsequently suspended or revoked, the Company may be curtailed or prohibited from proceeding with its ongoing operations or planned development and commercialization activities. Such curtailment

**HAPPY SUPPLEMENTS INC.**  
**(formerly Viking Gold Exploration Inc.)**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOUR MONTHS ENDED DECEMBER 31, 2020**

or prohibition may result in a material adverse effect on the Company's business, financial condition, results of operations or prospects.

There is no assurance that the Company's licenses, permits or registrations will be renewed by each applicable regulatory authority in the future in a timely manner. Any unexpected delays or costs associated with the licensing renewal process for any of the licenses held by the Company could impede the ongoing or planned operations of the Company and have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

The Company may become involved in a number of government or agency proceedings, investigations and audits. The outcome of any regulatory or agency proceedings, investigations, audits, and other contingencies could harm the Company's reputation, require the Company to take, or refrain from taking, actions that could harm its operations or require the Company to pay substantial amounts of money, harming its financial condition. There can be no assurance that any pending or future regulatory or agency proceedings, investigations and audits will not result in substantial costs or a diversion of management's attention and resources or have a material adverse impact on the Company's business, financial condition, results of operations or prospects.

***Differing Local Rules and Regulations May Limit Ability to Expand into New Markets***

Expansion of the Company's business into new markets with different rules and regulations or distant from then-existing operations, may not succeed. Any such expansion may expose the Company to new operational, regulatory and/or legal risks. In addition, expanding into new localities may subject the Company to unfamiliar or uncertain local rules and regulations that may adversely affect the operations of the Company. For example, different localities may impose different rules on how hemp may be cultivated, manufactured, processed, distributed and/or transported. Each of the political subdivisions currently has the right to subject participants in the hemp industry operating within its jurisdiction to its own set of rules and regulations regarding the acquisition and maintenance of required licenses, permits or registrations, and the conduct of business, including prohibiting such operations and business in full or in part, regardless of the rules and regulations of other political subdivisions in which the Company operates. Newly entered localities may also have competitive conditions, consumer preferences and spending patterns that are more difficult to predict or satisfy than the existing markets.

***Constraints on Marketing Products***

The development of the Company's business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by government regulatory bodies. The regulatory environment in the United States, and the legal environment in the United States—particularly the existence of federal criminal laws that may prohibit certain marketing of hemp or hemp products limits companies' abilities to compete for market share in a manner similar to other industries. If the Company is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, the Company's sales and results of operations could be adversely affected.

***Risks Specifically Related to the United States***

The Company operates in a new industry which is highly regulated, highly competitive and evolving rapidly. As such, new risks may emerge, and management may not be able to predict all such risks or be able to predict how such risks may result in actual results differing from the results contained in any forward-looking statements.

The Company incurs ongoing costs and obligations related to regulatory compliance. Failure to comply with laws or regulations may result in additional costs for corrective measures, penalties, fines, fees, revocation or denial or licenses, permits, or other forms of authorization, or in restriction or prohibition of operations. In addition, changes in federal, state, or local laws, policies, or regulations, more vigorous enforcement thereof, or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company and, therefore, on the Company's prospective returns. Further, the Company may be subject to



**HAPPY SUPPLEMENTS INC.**  
**(formerly Viking Gold Exploration Inc.)**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOUR MONTHS ENDED DECEMBER 31, 2020**

a variety of claims and lawsuits. Adverse outcomes in some or all of these claims may result in significant monetary damages or injunctive relief that could adversely affect the ability to conduct our business. The litigation and other claims are subject to inherent uncertainties and management's view of these matters may change in the future. A material adverse impact on our financial statements also could occur for the period in which the effect of an unfavorable final outcome becomes probable and reasonably estimable.

The industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond the control of the Company and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies, which may be imposed. Changes in government levies, including taxes, could reduce the Company's earnings and could make future capital investments or the Company's operations uneconomic. The industry is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants and which cannot be reliably predicted.

***Farm Bill Risks***

The FDA is responsible for ensuring public health and safety through regulation of food, drugs, supplements, and cosmetics, among other products, through its enforcement authority pursuant to the FDCA. The FDA's responsibilities include regulating ingredients in, as well as the marketing and labeling of, drugs and other consumer products sold in interstate commerce.

As set forth in greater detail above, on December 20, 2018, the 2018 Farm Bill was signed into law. The 2018 Farm Bill, among other things, removes hemp from the CSA and amends the Agricultural Marketing Act of 1946 to allow for hemp production and sale in the United States. Under the 2018 Farm Bill, hemp is defined as "the plant *Cannabis sativa L.* and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a [THC] concentration of not more than 0.3 percent on a dry weight basis." The USDA issued Interim Rules pursuant to the 2018 Farm Bill and has authority to review and approve state hemp production plans or issue federal hemp production licenses to operators in states who do not submit plans but do not prohibit hemp production. Further, under the 2018 Farm Bill, the FDA has retained authority over the addition of CBD to products that fall within the FDCA.

Until such time as the USDA approves a state's hemp proposed plan, commercial sale of hemp may not be permissible depending, in large part, on whether the state authorizes such sale pursuant to the 2014 Farm Bill's marketing research provisions. Although the Interim Rules are now in place, the timing of finalized federal rules and regulations, the acceptance of state hemp production plans, the issuance of state-specific rules and regulations, and the finalization of FDA regulations cannot be assured. Even the finalization of a hemp production plan would probably not regulate the sale of products containing hemp derivatives. There can be no assurance that the FDA will approve CBD or other cannabinoids as an additive to consumer products under the FDCA, or change its interpretation of the FDCA that many CBD products are unlawful. It is not yet fully known what role the FDA will have in regulating hemp and CBD derived from hemp, though the FDA has made clear that it believes that food, beverages, animal products, dietary supplements, unapproved drugs, and certain cosmetic products containing CBD are currently prohibited. Changes in laws, regulations, or policies could substantially threaten or have a materially adverse effect on the operations of hemp businesses.

The potential for multi-agency enforcement (including state and local agencies) post-rescheduling of cannabis and post-removal of hemp from the CSA could threaten or have a materially adverse effect on the operations of existing state-legal hemp businesses, including certain of Issuer's State Operators.

***Incorrect Interpretation of Federal Law***

The Company's position in that the 2018 Farm Bill permanently removed hemp from the CSA and is now deemed an agricultural commodity, and accordingly the DEA no longer has any claim to interfere with the interstate commerce of hemp products on the basis that they are controlled substances, so long as the THC level is at or below 0.3% (though the DEA has some regulatory authority over hemp as set forth in detail above). There is a risk that the Company's interpretation of the legislation is inaccurate or that it will be successfully challenged by

**HAPPY SUPPLEMENTS INC.**  
**(formerly Viking Gold Exploration Inc.)**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOUR MONTHS ENDED DECEMBER 31, 2020**

federal, state, or local authorities. A successful challenge to such position by a federal, state, or local authority could have a material adverse effect on the Company, including civil, criminal, or administrative judgments, penalties, assessments, fees, damages, fines, the curtailment or restructuring of the Company's operations, asset seizures, imprisonment, or the denial, termination, revocation, suspension, or cancellation of regulatory licenses, permits, or applications ("Entitlements").

***Regulation of Hemp Derived CBD Products***

CBD derived from hemp as defined in the 2018 Farm Bill may be subject to various laws relating to health and safety. Specifically, CBD may be governed by the FDCA as a drug or other consumer product. The FDCA is intended to assure the consumer, in part, that drugs and devices are safe and effective for their intended uses and that all labeling and packaging is truthful, informative and not deceptive. The FDCA and FDA regulations define the term drug, in part, by reference to its intended use, as "articles intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease" and "articles (other than food) intended to affect the structure or any function of the body of man or other animals." Therefore, almost any ingested or topical or ingestible product that, through its label or labeling (including internet website, promotional pamphlets, and other marketing material), is claimed to be beneficial for such uses will be regulated by the FDA as a drug. The definition also includes components of drugs, such as active pharmaceutical ingredients. The FDCA defines cosmetics by their intended use, as "articles intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body . . . for cleansing, beautifying, promoting attractiveness, or altering the appearance." See FDCA § 201(i). Among the products included in this definition are skin moisturizers, perfumes, lipsticks, fingernail polishes, eye and facial makeup preparations, cleansing shampoos, permanent waves, hair colours and deodorants, as well as any substance intended for use as a component of a cosmetic product. Under the FDCA, cosmetic products and ingredients, except for colour additives, do not require FDA approval before they go on the market. Drugs, however, must generally either receive premarket approval by the FDA through the NDA process or conform to a "monograph" for a particular drug category, as established by the FDA's OTC Drug Review.

CBD is an active ingredient in drug products that have been approved or authorized for investigation by the FDA and therefore, under FDA's current position, cannot be used in dietary supplements or as a food additive (including beverages and animal products). Additionally, the FDA has taken the position that any advertisement of any kind of medical benefit for any product containing CBD (including, without limitation, cosmetics and inhalable products) could render that product a drug.

Laws, regulations, and policies governing the use of hemp in the U.S. are broad in scope, subject to evolving interpretations, and subject to enforcement by several regulatory agencies and law enforcement entities. As set forth in greater detail above, under the 2018 Farm Bill, a state that desires to have primary regulatory authority over the production of hemp in the state must submit a plan to monitor and regulate hemp production to the Secretary of the USDA. The Secretary must then approve the state plan after determining if the plan complies with the requirements set forth in the 2018 Farm Bill. The Secretary may also audit the state's compliance with the federally approved plan. If the Secretary does not approve the state's plan, then the production of hemp in that state will be subject to a plan established by the USDA, as set forth in the Interim Rules. Many states have already submitted hemp production plans to the USDA but few have been approved.

Federal, state, and local laws, regulations, and policies concerning hemp may address production, monitoring, manufacturing, distribution, and laboratory testing to ensure that the hemp has a THC concentration of not more than 0.3%.

Violations of any of these laws, regulations, or policies, or allegations of such violations, could disrupt our business and result in a material adverse effect in the Company's operations, as well as adverse publicity and potential harm to the Company's reputation.

Changes in laws, regulations, policies, or enforcement priorities may also drastically affect the commercial viability of Issuer's business. If certain CBD products are prohibited, Company may no longer be able to sell certain products or provide certain services.

**HAPPY SUPPLEMENTS INC.  
(formerly Viking Gold Exploration Inc.)  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOUR MONTHS ENDED DECEMBER 31, 2020**

***Transportation***

Federal, state, and local laws, regulations, and policies may also address the transportation or shipment of hemp or hemp products, as the 2018 Farm Bill prohibits states from prohibiting the transportation or shipment of hemp or hemp products produced in accordance with the 2018 Farm Bill through the state, as applicable.

Notwithstanding the foregoing, hemp transporters have been routinely arrested while transporting hemp in the U.S., for numerous reasons. First, some states still outlaw hemp, and hemp produced pursuant to the 2014 Farm Bill or other state laws arguably does not enjoy the same protections that hemp produced pursuant to the 2018 Farm Bill does. Second, law enforcement officers often confuse hemp for marijuana, as the two plants can look and smell identical. Third, if hemp is tested during transit and has excessive THC content, it will be considered marijuana. This last point can be problematic as the THC content in raw hemp can increase over time and due to exposure to heat; thus even hemp that tested below the THC threshold could later be considered illegal marijuana.

***Access to Financial Institutions***

Since the production and possession of cannabis is currently illegal under U.S. federal law and the Company relies on exemptions promulgated pursuant to the 2018 Farm Bill regarding hemp, it is possible that banks may refuse to open bank accounts for the deposit of funds from businesses involved with the cannabis industry. Financial institutions also often regularly refuse to offer banking services to companies that are not involved in the state-licensed marijuana industry but who lawfully cultivate, process, or sell hemp or hemp derivatives. Despite the shift in federal laws, many banks are highly risk averse and are concerned with the constant and unpredictable changes in federal, state, and local laws, policies, regulations, or enforcement priorities governing hemp, and therefore choose not to service companies in the hemp industry. Some financial institutions that do offer banking services to hemp companies could terminate accounts on short notice if there is a change in law, regulation, policy, or enforcement priorities, or if the financial institution decides that it no longer wishes to bank monies derived from the hemp industry. The inability to open or maintain bank accounts with certain institutions could materially and adversely effect the business of the Company.

***Negative Impact of Regulatory Scrutiny on Raising Capital***

The Company's business activities will rely on newly established and/or developing laws, regulations, policies, and enforcement priorities in multiple jurisdictions (including federal, state, and local jurisdictions). These laws, regulations, policies, and enforcement priorities are rapidly evolving and subject to change with minimal or no notice. Regulatory changes may adversely affect the Company's profitability or cause it to cease operations entirely. The hemp industry may come under scrutiny or further scrutiny by the USDA, FDA, FTC, Securities and Exchange Commission, DOJ, Financial Industry Regulatory Authority, Environmental Protection Agency, U.S. Customs and Border Patrol, or other applicable federal, state, local, or non-governmental regulatory authorities or self-regulatory organizations. It is impossible to determine the extent of the impact of any new laws, regulations, policies, or enforcement priorities that may be proposed or implemented, or whether any proposals will become law. The regulatory uncertainty surrounding the Company's industry may adversely affect the business and operations of the Company, including without limitation, the costs to remain compliant with applicable laws and the impairment of its ability to raise additional capital, create a public trading market in the U.S. for securities of the Company or to find a suitable acquirer, which could reduce, delay or eliminate any return on investment in the Company.

***Trademark Risks***

The United States Patent and Trademark Office ("USPTO") is responsible for issuing federal trademarks in the United States. Trademarks may be issued only for marks that are lawfully used in commerce. The USPTO's position is that products containing CBD that are prohibited by the FDA are generally not subject to trademark protection as they may not be lawfully used in interstate commerce. Therefore, if the Company sells products or provides services that the FDA or another agency prohibits, the Company may not be able to obtain federal trademark protection for such goods or services.

**HAPPY SUPPLEMENTS INC.  
(formerly Viking Gold Exploration Inc.)  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOUR MONTHS ENDED DECEMBER 31, 2020**

State trademark laws vary greatly. Even if the Company is able to secure state trademark rights, (1) those rights will typically require that the Company lawfully uses a trademark in the state in which trademark registrations are sought, and (2) the rights will not extend outside of that state.

***Taxation***

Though Internal Revenue Code 280E (which prohibits most deductions by companies who traffic in certain controlled substances under the CSA) no longer applies to hemp by virtue of the 2018 Farm Bill, states and localities may impose additional taxes on hemp or hemp-derived products. Federal, state, and local tax laws are subject to change.

***Consumer Litigation***

Since the passage of the 2018 Farm Bill and the proliferation of hemp-derived CBD as an additive in many consumer products, there has been a host of consumer class action and other lawsuits filed against CBD companies. Many of these lawsuits allege that CBD companies make false or misleading claims. The FDA takes the position that CBD may cause liver damage and other health problems. In addition to the risks of enforcement by governmental authorities, there is a higher risk of consumer litigation in the CBD industry.

***Import and Export Risks***

The U.S. Customs and Border Patrol, as well as other federal agencies, regulates the import and export of products in the United States. While hemp is no longer a controlled substance under the CSA (and thus is not a controlled substance under the U.S. federal *Controlled Substances Import-Export Act*), many factors could arise when importing or exporting hemp biomass or products containing hemp derivatives. Given the different THC-concentration standards in other countries, a product that is considered hemp in the United States could be considered marijuana or another controlled or unlawful substance in another country, implicating international treaties and criminal, civil, or administrative laws in other countries. The USDA regulates the importation of plants and seeds into the US and has provided guidance on the requirements for importing hemp plants and seeds. However, the USDA does not regulate the importation of hemp-derived products. Additionally, the FDA and other agencies may have jurisdiction over certain consumer products that are imported or exported, and the importer or exporter could face civil, criminal, or administrative liability in the United States if a product is not imported or exported in accordance with all applicable laws, regulations, and policies. The risks surrounding imports and exports are difficult to anticipate and are subject to immediate change.

***Economic Environment***

The Company's operations could be affected by general economic context conditions should the unemployment level, interest rates or inflation reach levels that influence consumer trends, and consequently, impact the Company's sales and profitability. As well, general demand for banking services and alternative banking or financial services cannot be predicted and future prospects of such areas might be different from those predicted by the Company's management.