

**DARELLE ONLINE SOLUTIONS INC.**  
**UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

For the periods ended May 31, 2025 and May 31, 2024

## **NOTICE OF NO AUDITORS' REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the condensed consolidated financial statements.

The accompanying unaudited condensed interim consolidated financial statements of Darelle Online Solutions Inc. (the "Company") as at May 31, 2025, and for the nine month periods ended May 31, 2025 and May 31, 2024 (the "Financial Statements") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

The Financial Statements should be read in conjunction with the Company's audited financial statements for the year ended August 31, 2024 which are available under the Company's profile on SEDAR at <https://www.sedarplus.ca/darelle>. The Financial Statements are prepared in accordance with International Financial Reporting Standards ("IRFS").

**DARELLE ONLINE SOLUTIONS INC.**  
**Condensed Interim Consolidated Statements of Financial Position**  
**(Unaudited)**  
(Expressed in Canadian dollars)

As at	May 31, 2025	August 31, 2024
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 9,324	\$ 3,438
Accounts and other receivables	7,298	9,859
	<b>\$ 16,622</b>	<b>\$ 13,297</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 10)	\$ 72,063	\$ 556,258
Due to related parties (note 6)	87,000	793,184
	159,063	1,349,442
<b>Non-Current Liabilities</b>		
Forborne accounts payable (note 10)	490,165	-
Forborne amount due to related party (note 6)	794,184	-
Promissory notes payable (note 9)	42,299	-
	1,326,648	-
	<b>1,485,711</b>	<b>1,349,442</b>
<b>Share Capital and Deficit</b>		
Share capital (note 5)	5,886,871	5,886,871
Other equity reserve	1,713,145	1,713,145
Deficit	(9,069,105)	(8,936,161)
	(1,469,089)	(1,336,145)
	<b>\$ 16,622</b>	<b>\$ 13,297</b>

Nature and Continuance of Operations (note 1)  
Subsequent Event (note 12)

Approved on behalf of the Board of Directors:

....."Dean Bethune".....Director                      ..... "John Newman".....Director

## DARELLE ONLINE SOLUTIONS INC.

### Condensed Interim Consolidated Statements of Comprehensive Loss (Unaudited)

(Expressed in Canadian dollars)

For the periods ended	Three months ended May 31, 2025	Three months ended May 31, 2024	Nine Months Ended May 31, 2025	Nine Months Ended May 31, 2024
<b>Revenue</b>	\$ 8,998	\$ 17,618	\$ 36,947	\$ 55,450
<b>Expenses</b>				
Consulting fees	3,150	-	5,600	8,710
General and administrative	3,990	8,185	17,727	20,429
Management fees (note 6)	38,500	31,000	98,500	108,000
Marketing fees	-	(15,750)	-	(15,750)
Professional fees	8,696	344	32,259	22,026
Transfer agent & filing fees	-	390	12,858	9,174
Travel	179	-	648	1,389
Total operating expense	54,515	24,169	167,592	153,978
<b>Loss from operations</b>	(45,517)	(6,551)	(130,645)	(98,528)
<b>Other income/(loss)</b>				
Interest on promissory (note 9)	(1,662)	-	(2,299)	-
Accretion	-	-	-	(1,267)
<b>Other income/(loss)</b>	(1,662)	-	(2,299)	(1,267)
<b>Net loss and comprehensive loss</b>	\$ (47,179)	\$ (6,551)	\$ (132,944)	\$ (99,795)
<b>Basic and diluted loss per share</b>	\$ (0.02)	\$ (0.00)	\$ (0.05)	\$ (0.04)
<b>Weighted average number of shares outstanding – basic and diluted</b>	2,456,939	2,456,939	2,456,939	2,456,939

**Darelle Online Solutions Inc.**  
**Consolidated Statements of Changes in Shareholders' Equity (Deficiency)**  
(Expressed in Canadian dollars)

	Share Capital		Other equity	Deficit	Total
	Number(1)	Amount			
Balance, August 31, 2024	2,456,939	\$ 5,886,871	\$ 1,713,145	\$ (8,936,161)	\$ (1,336,445)
Loss for the period	-	-	-	(132,944)	(132,944)
<b>Balance, May 31, 2025</b>	<b>2,456,939</b>	<b>\$ 5,886,871</b>	<b>\$ 1,713,145</b>	<b>\$ (9,069,105)</b>	<b>\$ (1,469,089)</b>
Balance, August 31, 2023	2,456,939	5,886,871	\$ 1,706,548	\$ (8,775,881)	\$ (1,182,462)
Loss for the period	-	-	-	(99,795)	(99,795)
<b>Balance, May 31, 2024</b>	<b>2,456,939</b>	<b>\$ 5,886,871</b>	<b>\$ 1,706,548</b>	<b>\$ (8,875,676)</b>	<b>\$ (1,282,257)</b>

(1) The number of shares in the prior period has been retroactively adjusted to reflect the share consolidation on a new company share for thirty existing common shares that became effective on August 13, 2024 (see note 5).

**Darelle Online Solutions Inc.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
**(Unaudited)**  
(Expressed in Canadian dollars)

<b>For the periods ended</b>	<b>Nine Months Ended May 31, 2025</b>	<b>Nine Months Ended May 31, 2024</b>
<b>Operating Activities</b>		
Net loss for the year	\$ (132,944)	\$ (99,795)
<b>Adjustment for items not affecting cash:</b>		
Accretion	-	1,267
Interest expense – effective interest	2,299	-
<b>Changes in non-cash operating working capital items:</b>		
Accounts payable, accrued liabilities and forborne accounts payable (note 10,11)	5,970	(14,805)
Due to related parties and forborne amount due to related party	88,000	103,000
Accounts and other receivables	2,561	1,513
<b>Total cash used in operating activities</b>	<b>(34,114)</b>	<b>(8,820)</b>
<b>Financing Activities</b>		
Proceeds of promissory notes	40,000	-
Repayment of a loan	-	(40,000)
<b>Total cash provided (used) in financing activities</b>	<b>40,000</b>	<b>(40,000)</b>
<b>Inflow (outflow) of cash</b>	<b>5,886</b>	<b>(48,820)</b>
<b>Cash at beginning of year</b>	<b>3,438</b>	<b>59,099</b>
<b>Cash at end of year</b>	<b>\$ 9,324</b>	<b>\$ 10,279</b>

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

**Darelle Online Solutions Inc.**  
**Notes to Interim Condensed Consolidated Financial Statements**  
**For the Nine-Month Periods Ended May 31, 2025 and May 31, 2024**  
**(Unaudited)**

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Darelle Online Solutions Inc. (the “Company”) was incorporated in Vancouver, British Columbia on February 11, 2005. The Company’s shares are listed on the TSX Venture Exchange (the “Exchange”) under the symbol “DAR”. The primary office is located at 4610 Sheridan Ridge Road, Nanaimo, British Columbia, Canada V9T 6S6.

The Company provides an online raffle lottery system to charities. The online raffle program enables charitable and nonprofit organizations to create, sell, deliver, and manage their raffle ticket and 50/50 draws completely online.

The unaudited condensed consolidated interim financial statements have been prepared on the basis that the Company is a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company’s ability to continue as a going concern is dependent upon achieving profitable operations and/or upon obtaining additional financing. The outcome of these matters cannot be predicted at this time.

As at May 31, 2025, the Company had not achieved profitable operations and has a cumulative deficit of \$9,069,105 (August 31, 2024 - \$8,936,161) and a working capital deficit of \$1,426,790 (August 31, 2024 - \$1,336,145) prior to the reclassification of certain liabilities. On February 19, 2025 and February 28, 2025, the Company entered into forbearance agreements with a related party and an arm’s length creditor, respectively, in respect of outstanding payables totaling \$1,284,349. Under the terms of the agreements, each creditor agreed to forbear from demanding or enforcing repayment for a period of two years, subject to certain conditions. As a result, the Company reclassified these obligations from current to non-current liabilities as at May 31, 2025. After the reclassification, the Company’s adjusted working capital deficit was \$142,441.

Despite the short-term relief provided by the forbearance agreements, the Company continues to face uncertainty in meeting its ongoing obligations and planned expenditures through August 31, 2025. There remains a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. These unaudited condensed interim financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue its operations.

Any funding shortfall may be met in the future in a number of ways including but not limited to, the issuance of new equity or debt financing. While management has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future or that these sources of funding or initiatives will be available to the Company or that they will be available on terms which are acceptable to the Company. If management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in the Financial Statements.

**Darelle Online Solutions Inc.**  
**Notes to Interim Condensed Consolidated Financial Statements**  
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**(Unaudited)**

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**2. MATERIAL ACCOUNTING POLICIES**

**Basis of preparation**

The interim condensed consolidated financial statements as at and for the nine months Ended May 31, 2025 have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting* (“IAS 34”) and do not include all the information required for annual financial statements. These interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended August 31, 2024.

The interim condensed interim consolidated financial statements were approved by the Company’s Board of Directors on July 9, 2025.

**Use of Estimates and Judgments**

The preparation of these unaudited condensed interim consolidated financial statements in accordance with IFRS requires management to make certain estimates, judgements and assumptions that affect the reported amounts of assets and liabilities and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based upon future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based upon historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgments include the following:

- Assessment of whether the going concern assumption is appropriate which requires management to consider all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period; and
- The determination of the allowance for expected credit loss on the financial assets such as account and other receivable.

**Material Accounting Policies**

These unaudited condensed interim consolidated financial statements follow the same accounting policies and methods of application as the annual audited consolidated financial statements for the year ended August 31, 2024.

**3. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

The Company’s financial instruments consist of cash, trade receivable, accounts payable and accrued liabilities, due to related party, and loan payable. The carrying values of the financial instruments approximate fair value due to the short-term nature of these instruments. Fair value of financial assets and liabilities, information related to risk management positions and discussion of risks associated with financial assets are presented as follows:

**Darelle Online Solutions Inc.**  
**Notes to Interim Condensed Consolidated Financial Statements**  
**For the Nine-Month Periods Ended May 31, 2025 and May 31, 2024**  
**(Unaudited)**

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**3. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)**

**Fair value**

IFRS 13 establishes a fair value hierarchy that effects the significance of inputs used in making fair value measurements as follows:

Level 1 quoted prices in active markets for identical assets or liabilities;

Level 2 inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e., as prices) or indirectly (i.e., from derived prices); and

Level 3 inputs for the asset or liability that are not based upon observable market data.

As of May 31, 2025, the carrying value of the Company's financial instruments approximates their fair value due to their short terms to maturity. The fair value of cash was determined using level 1 inputs.

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Company's primary exposure to credit risk is in its cash accounts and trade receivable. The Company manages credit risk, in respect of cash, by placing cash at major Canadian financial institutions. Accounts receivable mainly consists of receivables from its customers.

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations as they become due. The Company attempts to ensure that there is sufficient cash to meet its liabilities when they are due and manages this risk by regularly evaluating its liquid financial resources to fund current and long-term obligations and to meet any capital commitments in a cost-effective manner. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases. The Company's liquidity requirements are met through a variety of sources, including debt financings and equity capital markets.

**Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings in financial instruments. The object off market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital. As at May 31, 2025, the Company is not exposed to significant market risk.

**4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	May 31, 2025	August 31, 2024
Accounts payable and accrued liabilities	\$ 72,063	\$ 556,258
Due to related parties	87,000	793,184
	<b>\$ 159,063</b>	<b>\$ 1,349,442</b>

**Darelle Online Solutions Inc.**  
**Notes to Interim Condensed Consolidated Financial Statements**  
**For the Nine-Month Periods Ended May 31, 2025 and May 31, 2024**  
**(Unaudited)**

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**5. SHARE CAPITAL**

Authorized

*Common shares*

Authorized – Unlimited number of common shares without par value

*For the nine-month period ended May 31, 2025:*

No capital activity during the period ended May 31, 2025.

*For the nine-month period ended May 31, 2024:*

No capital activity during the period ended May 31, 2024.

Effective August 13, 2024, the Company completed a share consolidation on the basis of one new common share for every thirty (30) existing common shares held (“Share Consolidation”). The impact of this Share Consolidation on the number of issued and outstanding common shares is summarized as follows:

- Issued and outstanding common shares before consolidation: 73,708,147
- Consolidation ratio: 1 new common share for every 30 existing common shares
- Issued and outstanding common shares after consolidation: 2,456,939

Fractional shares resulting from the Share Consolidation were rounded up to the nearest whole number.

There was no impact on the total authorized share capital of the Company as a result of the Share Consolidation; neither did the Share Consolidation result in any change to the total value of shareholders’ equity. All historical per-share amounts presented in these interim condensed consolidated financial statements, including basic and diluted loss per share, have been retrospectively restated to reflect the impact of the share consolidation for all periods presented.

**6. RELATED PARTY TRANSACTIONS**

These transactions were in the normal course of operations and were valued in these unaudited condensed interim financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**Key management compensation**

<b>Key Management Personnel</b>	<b>Nine Month Period Ended May 31, 2025</b>	<b>Nine Month Period Ended May 31, 2024</b>
Management fees	\$ 98,500	\$ 108,000

**Darelle Online Solutions Inc.**  
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**(Unaudited)**

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**6. RELATED PARTY TRANSACTIONS (continued)**

- During the period ended May 31, 2025, the Company incurred and recorded \$90,000 (2024 - \$90,000) as management fees pursuant to a contract with a company owned by an officer. The Company entered into agreements dated February 6, 2015, with the officer and a former officer of the Company. Under the terms of the agreements, through their companies, each would receive a monthly consulting fee of \$10,000.
- On February 19, 2025, the Company entered into a forbearance agreement with the Company controlled by the officer in respect of \$794,184 of the total amount owing as at that date. Under the terms of the agreement, the related party agreed to forbear from demanding or enforcing repayment of this amount for a period of twenty-four (24) months. This portion of the payable has been reclassified from current to non-current liabilities as at May 31, 2025.
- At May 31, 2025, the total amount owing to the company controlled by the officer was \$843,684 (August 31, 2024 – \$793,184), of which
  - \$794,184 is classified as a non-current liability, and
  - \$49,500 is classified as a current liability
- During the period ended May 31, 2025, the Company incurred and recorded \$8,500 (2024 - \$17,000) as director fees. Directors will receive a meeting fee of \$2,000 and a chair of a committee receive a meeting fee of \$2,500 per meeting. At May 31, 2025 \$37,500 (August 31, 2024 - \$29,000) was due and payable to directors for meeting fees rendered.
- On October 29, 2024, the Company received loan proceeds of \$30,000 pursuant to third party-lenders as well as a promissory note of \$10,000 issued to a related party (director of the Company). During the period ended May 31, 2025, the Company incurred and recorded \$575 (2024 - \$Nil) as interest on the promissory note to the related party. At May 31, 2025, \$10,575 (August 31, 2024 - \$Nil) was due and is payable on October 29, 2026.

**7. FINANCIAL INSTRUMENTS**

The carrying amounts present in the balance sheet relate to the following categories of assets and liabilities:

	<b>May 31, 2025</b>	<b>August 31, 2024</b>
<b>Financial assets</b>		
Cash	\$ 9,324	\$ 3,438
Accounts receivable and other receivable	7,298	9,859
	<b>\$ 16,622</b>	<b>\$ 13,297</b>

**Darelle Online Solutions Inc.**  
**Notes to Interim Condensed Consolidated Financial Statements**  
**For the Nine-Month Periods Ended May 31, 2025 and May 31, 2024**  
**(Unaudited)**

**7. FINANCIAL INSTRUMENTS (continued)**

	May 31, 2025	August 31, 2024
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	\$ 72,063	\$ 556,258
Due to related parties	87,000	793,184
Promissory notes payable	42,299	-
Forborne accounts payable	490,165	-
Forborne amounts due to related party	794,184	-
	<b>\$ 1,485,711</b>	<b>\$ 1,349,442</b>

The fair value of cash, prepaid expenses, accounts receivable, accounts payable and accrued liabilities approximate their varying amount due to their short-term nature.

Accounts receivable is comprised of the following:

	May 31, 2025	August 31, 2024
Trade receivables	\$ 7,298	\$ 7,846
Allowance for doubtful debts	-	-
Net trade receivables	7,298	7,846
Other receivables	-	2,013
	<b>\$ 7,298</b>	<b>\$ 9,859</b>

The Company's trade receivables are monitored on an ongoing basis for impairment.

An analysis of the age of net trade receivables is as follows:

	May 31, 2025	August 31, 2024
31 – 60 days	\$ -	\$ -
61 – 90 days	-	-
Greater than 90 days	525	527
Balance past due	525	527
Current balance	6,773	7,319
Trade accounts receivable	<b>\$ 7,298</b>	<b>\$ 7,846</b>

The Company's contractual liabilities and obligations are as follows:

	<1 year	1 to 3 years	4 to 5 years	>5 years	Total
Accounts payable and accrued liabilities	\$ 72,063	-	-	-	\$ 72,063
Due to related parties	87,000	-	-	-	87,000
Promissory notes payable	42,299	-	-	-	42,299
Forborne accounts payable	490,165	-	-	-	490,165
Forborne amount due to related party	794,184	-	-	-	794,184
<b>Balance May 31, 2025</b>	<b>\$ 1,485,711</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 1,485,711</b>

**Darelle Online Solutions Inc.**  
**Notes to Interim Condensed Consolidated Financial Statements**  
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**(Unaudited)**

**7. FINANCIAL INSTRUMENTS** (continued)

	<b>&lt;1 year</b>	<b>1 to 3 years</b>	<b>4 to 5 years</b>	<b>&gt;5 years</b>	<b>Total</b>
Accounts payable and accrued liabilities	\$ 556,258	-	-	-	\$ 556,258
Due to related party	793,184	-	-	-	793,184
<b>Balance August 31, 2024</b>	<b>\$ 1,349,442</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 1,349,442</b>

**8. CAPITAL MANAGEMENT**

The Company defines its capital as follows:

- shareholders' equity, comprising of issued common shares, reserves, and deficit;
- long term debt, including any current portion; and
- short term borrowing

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the funding of its marketing and operational plans and any joint venture and project commitments extending beyond one year. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended May 31, 2025. The Company is not subject to externally imposed capital requirements.

**9. PROMISSORY NOTES PAYABLE**

On October 29, 2024, the Company issued four promissory notes to one related party and three arm's length parties, each with a principal amount of \$10,000, totaling \$40,000. The original terms of the notes required repayment of the principal together with interest at 10% per annum, calculated on a simple interest basis, in a single payment due 90 days from the date of issuance (i.e., by January 27, 2025). The notes bore no interim interest payments and were recorded at amortized cost.

On February 12, 2025, the Company and the noteholders executed an addendum to the promissory notes, under which the maturity date was extended to October 29, 2026 (i.e., 24 months from the original issue date). The interest terms remain unchanged at 10% per annum, with simple interest accrued and payable at maturity. There are no scheduled interim payments of either principal or interest.

As a result of the amendments, the promissory notes have been reclassified from current liabilities to non-current liabilities as of the end of the period. The Company assessed the modification under IFRS 9 – Financial Instruments and determined that the change in terms did not constitute a substantial modification, as the present value of the revised cash flows (discounted at the original EIR) did not differ by more than 10% from the original contractual cash flows.

Accordingly, the notes continue to be measured at amortized cost using the effective interest

**Darelle Online Solutions Inc.**  
**Notes to Interim Condensed Consolidated Financial Statements**  
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**(Unaudited)**

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**9. PROMISSORY NOTES PAYABLE (continued)**

rate (EIR) method, which reflects the timing and compounding of interest over the revised term. The effective interest rate based on the updated maturity profile is approximately 9.54%, compounded daily.

As at May 31, 2025, the carrying amount of the notes was \$42,299 (August 31, 2024 - \$Nil), and the related interest expense for the nine-month period ended May 31, 2025 is \$2,299 (2024 - \$Nil).

The entire liability is now classified as a non-current liability, as no repayment is required within the next twelve months.

**10. FORBEARANCE AGREEMENTS AND RECLASSIFICATION OF LIABILITIES**

**Forbearance Agreements**

During February 2025, the Company entered into forbearance agreements with two creditors as follows:

- On February 28, 2025, 1047356 B.C. Ltd., an arm's length creditor, agreed to forbear from demanding or enforcing payment of an outstanding balance of \$490,165 for a period of twenty-four (24) months from the agreement date.
- On February 19, 2025, Wescap Capital Inc., a related party defined under IAS 24, entered into a forbearance agreement with respect to a balance owing of \$794,184 on substantially the same terms, including a forbearance period of twenty-four (24) months from the agreement date.

Under the terms of the agreements, the creditors have contractually waived their rights to enforce payment until as least February 19, 2027 and February 28, 2027, respectively, unless a defined default event occurs (none of which had occurred as May 31, 2025).

**Reclassification of Liabilities**

In accordance with IAS 1 – Presentation of Financial Statements, paragraphs 69-76, the Company has reclassified the above balances from current liabilities to non-current liabilities as of May 31, 2025. This reclassification reflects the Company's contractual right to defer settlement for more than twelve months from the reporting date.

The remaining balances within Accounts Payable and Accrued Liabilities (\$72,063) and Amounts Due to Related Parties (\$87,000) are expected to be settled within twelve months and remain classified as current.

**11. SUPPLEMENTAL CASH FLOW INFORMATION**

During the quarter ended May 31, 2025, the Company entered into two forbearance agreements with respect amounts owing totaling \$1,284,349, in which the creditors agreed to defer enforcement of payment for a period of 24 months.

**Darelle Online Solutions Inc.**  
**Notes to Interim Condensed Consolidated Financial Statements**  
**For the Nine-Month Periods Ended May 31, 2025 and May 31, 2024**  
**(Unaudited)**

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**11. SUPPLEMENTAL CASH FLOW INFORMATION** (continued)

- A related party (Wescap Capital Inc.) executed a forbearance agreement on February 19, 2025, covering the balance of \$794,184.
- An arm's length creditor (1047356 B.C. Ltd.) entered into a similar agreement on February 28, 2025, covering \$490,165.

As a result, these liabilities were reclassified from current to non-current liabilities in accordance with IFRS.

These forbearance agreements represent non-cash financing activities and have been excluded from the Statement of Cash Flows.

**12. SUBSEQUENT EVENT**

On July 7, 2025, the Company closed a non-brokered private placement financing (the "Offering") following receipt of conditional approval from the TSX Venture Exchange. Under the Offering, the Company issued 4,786,000 units at a price of \$0.10 per unit for aggregate gross proceeds of \$478,600. Each unit consists of one common share and one transferable share purchase warrant, with each warrant exercisable into one additional common share at a price of \$0.13 until July 7, 2027.

In connection with the Offering, the Company paid finders fees totaling \$59,825 and issued 598,250 common shares to arm's length parties who introduced subscribers to the Offering. All securities issued in connection with the Offering are subject to a four-month hold period expiring on November 8, 2025.