

DARELLE ONLINE SOLUTIONS INC.

Management's Discussion & Analysis – Form 51-102F1

Periods ended November 30, 2025 and 2024

Dated January 28, 2026

Management's Discussion and Analysis

For the three months ended November 30, 2025

(Unaudited – prepared in accordance with NI 51-102/Form 51-102F1)

This management discussion and analysis (“MD&A”) should be read in conjunction with the condensed interim consolidated financial statements of Darelle Online Solutions Inc. (the “Company”) for the three months ended November 30, 2025 and the audited consolidated financial statements for the year ended August 31, 2025. All amounts are expressed in Canadian dollars unless otherwise stated.

The statements and additional information regarding the Company can be found in filings with Canadian security commissions on the System for Electronic Document Analysis and Retrieval (SEDAR+) at <https://www.sedarplus.ca>

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements within the meaning of applicable securities laws. Forward-looking statements are based on management's expectations, estimates and assumptions as at the date of this MD&A and are subject to risks and uncertainties that could cause actual results to differ materially. Readers are cautioned not to place undue reliance on forward-looking statements. The Company undertakes no obligation to update forward-looking statements except as required by applicable securities laws.

Company Overview

The Company is listed on the TSX Venture Exchange under the symbol “DAR”. The Company provides an online raffle lottery system to charities and nonprofit organizations. The Company has a wholly owned subsidiary, Darelle Media Inc.

There were no material changes to the Company's business model or strategy during the three months ended November 30, 2025.

Highlights and Key Developments

- Completion of the audited consolidated financial statements for the year ended August 31, 2025.
- Continued implementation of forbearance arrangements with certain creditors, including ongoing accretion and repayments during the period.
- No equity issuances, share capital changes, or reserve movements during the period.
- Subsequent to the quarter end, the Company held its Annual General and Special Meeting of Shareholders on January 5, 2026. At the meeting, shareholders elected two new independent directors, Alex Chieng and Gabriel Kabazo. Mr. Kabazo was also appointed Chief Financial Officer, effective January 2026. These appointments are intended to support the Company's continued focus on governance, financial oversight, and public company reporting.

Selected Annual Information

The selected annual information set out below is derived from the Company's audited consolidated financial statements.

For the fiscal years ending August 31	2025	2024	2023
	\$	\$	\$
Revenue	39,103	68,915	54,010
Loss before income taxes	(296,884)	(160,280)	(147,511)
Net loss	(296,884)	(160,280)	(147,511)
EPS - Basic	(0.09)	(0.07)	(0.06)
EPS - Diluted	(0.09)	(0.07)	(0.06)
Total assets	252,331	13,297	73,864
Long-term liabilities	1,258,687	-	38,733
Dividends	Nil	Nil	Nil

Results of Operations

Results of Operations – Summary

The following table sets forth a comparison of revenues, earnings, major expense category for the three-month periods ended November 30, 2025 and 2024:

Three months ended	November 30, 2025	November 30, 2024
Revenue	\$ 9,956	\$ 20,064
Expenses		
Consulting fees	3,675	2,450
General and administrative	10,547	7,608
Management fees	14,250	30,000
Professional fees	9,439	11,361
Transfer agent & filing fees	4,028	2,328
Travel	-	349
Total operating expense	41,939	54,096
Loss from operations	\$ (31,983)	\$ (34,032)
Other income (expenses)		
Accretion	(25,924)	-
Net loss and comprehensive loss	(57,907)	(34,032)
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)
Weighted average # of shares outstanding	7,841,189	2,456,939

Three months ended November 30, 2025 compared to three months ended November 30, 2024

Revenue for the first quarter was \$9,956 compared with revenue of \$20,064 for the same three-month period of the 2025 fiscal year. Revenue is typically comprised of a set-up fee and a flat administration fee per ticket sold by organizations and may fluctuate period-to-period based on the timing and volume of raffle campaigns.

Total operating expenses for the three months ended November 30, 2025 were \$41,939 compared to \$54,096 for the comparable period. The change in operating expenses was primarily attributable to reduced

management fees incurred and was partially offset by higher costs associated with preparation for the annual and general special meeting which was held on January 5, 2026.

Accretion expense of \$25,924 was recognized during the period (2024 - \$Nil) and reflects the unwinding of discounts recorded on the initial recognition of certain forbore liabilities measured at amortized cost. Details of the recognition of certain forbore liabilities are included in the condensed interim consolidated financial statements and the annual consolidated financial statements for the fiscal year ended August 31, 2025.

Net loss for the three months ended November 30, 2025 was \$57,907 compared to \$34,032 in the comparable period. The change was primarily driven by lower revenue and higher operating costs associated with regulatory filing and partially offset by lower management fees during the period.

Additional Disclosure for Venture Issuers Without Significant Revenue

	2025	2024
Material Expenses:		
Management fees	\$ 14,250	\$ 30,000
General and administrative	10,547	7,608
Professional fees	9,439	11,361
Transfer agent & filing fees	4,028	2,328

Summary of Quarterly Results

The following financial summary of quarterly operations are derived from the Company's interim and annual consolidated financial statements.

Summary of Quarterly Operations

	Three Month Period Ended Nov. 30, 2025	Three Month Period Ended Aug 31, 2025	Three Month Period Ended May 31, 2025	Three Month Period Ended Feb. 28, 2025
	\$	\$	\$	\$
Revenue	9,956	2,156	8,998	7,885
Net Loss	(57,907)	(163,941)	(47,179)	(51,732)
Net Loss Per Share	(0.02)	0.00	(0.02)	(0.02)

	Three Month Period Ended Nov. 30, 2024	Three Month Period Ended Aug 31, 2024	Three Month Period Ended May 31, 2024	Three Month Period Ended Feb. 28, 2024
	\$	\$	\$	\$
Revenue	20,064	13,465	17,618	10,189
Net Loss	(34,032)	(60,485)	(6,551)	(71,464)
Net Loss Per Share	(0.02)	0.02	(0.00)	(0.03)

Quarterly results may fluctuate due to the timing and scale of client raffles, professional fee timing (audit and reporting), and non-cash accretion expense related to discounted liabilities.

Accounting Policies and Estimates

The accounting policies applied in the preparation of the condensed interim consolidated financial statements are consistent with those applied in the Company's audited consolidated financial statements for the year ended August 31, 2025. There were no material changes in judgments or key sources of estimation uncertainty during the period.

Internal Controls

Controls and Procedures

The Company's management, with the participation of the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as at November 30, 2025. Based on that evaluation, management concluded that the disclosure controls and procedures were effective.

There were no changes in the Company's internal control over financial reporting during the three months ended November 30, 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Liquidity and Capital Resources

As at November 30, 2025, the Company had cash of \$129,609 compared to \$244,341 at August 31, 2025. Cash used in operating activities during the three months ended November 30, 2025 was \$2,232 as compared to \$29,453 during the same three month period of the prior year.

During the period, the Company made repayments on forbore amounts payable totaling \$112,500, which are reflected as financing cash outflows. Portions of these obligations were assigned to third parties as a consequence of repayments.

The Company expects to meet its obligations as they come due through a combination of operating cash flows, creditor support, and potential financing initiatives.

Related Party Transactions

Management services were provided to the Company by a company controlled by an officer of the Company. Management and consulting fees of \$14,250 were recognized during the three months ended November 30, 2025 (three months ended November 30, 2024 – \$30,000).

As disclosed in the Company's audited consolidated financial statements for the year ended August 31, 2025, the Company entered into a forbearance agreement with a related party on February 14, 2025. The forbearance remains in effect during the current interim period, and the related liability continues to be accounted for at amortized cost using the effective interest method. Repayments and related assignments during the period did not modify the underlying terms or maturity of the forbearance arrangements.

The Company also accrued interest during the period on a loan payable to a director. As at November 30, 2025, the balance owing to the related party was \$11,092 (August 31, 2025 – \$10,866).

Off Balance Sheet Arrangements

The Company did not have any off-balance sheet arrangements as at November 30, 2025.

Outstanding Share Data

As at the date of this MD&A, the Company has 7,841,189 common shares issued and outstanding. There were no changes in outstanding share capital during the three months ended November 30, 2025.

Risks & Uncertainties

The principal risks and uncertainties facing the Company remain consistent with those disclosed in the Company's MD&A for the year ended August 31, 2025. There were no material changes to the Company's risk profile during the three months ended November 30, 2025.

Accounting Policies

The accounting policies applied in the preparation of the condensed interim consolidated financial statements for the three months ended November 30, 2025 are consistent with those applied in the audited consolidated financial statements for the year ended August 31, 2025. There were no changes in accounting policies during the period.

Subsequent Events

There were no material subsequent events requiring disclosure in this MD&A.

Approval

The board of directors has approved the disclosure contained in this MD&A. Additional information relating to the Company is available on SEDAR+ at <https://www.sedarplus.ca>