

DARELLE ONLINE SOLUTIONS INC.

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

Periods ended May 31, 2026 and May 31, 2025

Dated July 29, 2026

Management's Discussion and Analysis

For the nine months ended May 31, 2026

(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 nine months ended May 31, 2026 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 two wholly owned subsidiaries, Darelle Media Inc. and OneKindly Technology Inc.

There were no material changes to the Company's business model or strategy during the nine months ended May 31, 2026.

Highlights and Key Developments

During the period, the Company made targeted investments in technology leadership and strategic partnerships to expand its platform capabilities into new verticals, including animal welfare and product-based fundraising. These initiatives are intended to diversify revenue streams and enhance long-term scalability.

- 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 first quarter, 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.

- During the second quarter, the Company appointed Yaniv Talmor as Chief Technology Officer of the Company. Mr. Talmor has a proven track record of architecting production-grade Gen-AI platforms that lead to strategic exits.
- Established a wholly owned subsidiary, OneKindly Technology Inc. to expand the Company's existing online fundraising infrastructure and develop tailored fundraising and engagement solutions for nonprofit organizations with specialized needs.
- Alex Chieng, a director of the Company, joined the Company as a consultant during the second quarter and leads the development and introduction of technology solutions for the animal welfare sector.
- The Company announced a technology collaboration with Pet Investment, an animal health innovation and technology platform, to explore opportunities to deploy the Company's existing platform in areas where fundraising and financial support tools may benefit animal welfare organizations and veterinary care initiatives. Development activities under the collaboration continued through the third quarter.
- On July 3, 2026, the Company completed a non-brokered private placement issuing 1,546,334 common shares at a price of \$0.75 per share, realizing gross proceeds of \$1,159,750.

Selected Annual Information

For Fiscal Years Ended August 31

	2025	2024	2023
	\$	\$	\$
Revenue	39,103	68,915	54,010
Loss before income taxes	(296,884)	(160,280)	(147,511)
Net loss	(296,684)	(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

Summary

The following table sets forth a comparison of revenues, earnings, and major expense category for the three and nine-month periods ended May 31, 2026 and May 31, 2025:

	Three Months Ended May 31, 2026	Three Months Ended May 31, 2025	Nine Months Ended May 31, 2026	Nine Months Ended May 31, 2025
Revenue	3,450	8,998	15,948	36,947
Expenses				
Consulting fees	3,535	3,150	7,210	5,600
General and administrative	5,846	5,652	27,111	20,026
Software development	20,000	-	110,000	-
Management fees	8,875	38,500	82,475	98,500
Professional fees	10,317	8,696	29,230	32,259
Transfer agent & filing fees	1,200	-	13,221	12,858
Travel	-	179	54	648

	49,773	56,177	269,301	169,891
Loss from operations	(46,323)	(47,179)	(253,353)	(132,944)
Other income/(loss)				
Other income (loss)	-	-	-	-
Accretion	(24,764)	-	(74,295)	-
	(24,764)	-	(74,295)	-
Net loss and comprehensive loss	(71,087)	(47,179)	(327,648)	(132,944)
Basic and diluted loss per share	(0.01)	(0.02)	(0.04)	(0.05)
Weighted average # of shares outstanding	7,841,189	2,456,939	7,841,189	2,456,939

Three and nine-month periods ended May 31, 2026 compared to three and nine-month periods ended May 31, 2025

Revenue for the nine-month period ended May 31, 2026 was \$15,948 compared with revenue of \$36,947 for the same nine-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. The set-up fee is non-refundable and is payable once an organization enters into a service agreement with the Company. The Company realizes a flat administration fee per each raffle ticket ("processing fees") once the organization begins to sell raffle tickets. The decrease reflects both timing variability in client fundraising campaigns and a reduced number of active programs during the period, as the Company allocated resources toward platform development and strategic expansion initiatives.

The Company realized revenue of \$3,450 during the third quarter of the 2026 fiscal year compared with revenue of \$8,998 during the same three-month period of the 2025 fiscal year. Processing fees fluctuate with the timing of each raffle program and ticket sales realized by the client organization.

Total operating expenses for the nine-month period ended May 31, 2026 was \$269,301 compared to \$169,891 during the comparable period. The Company incurred software development costs of \$110,000 during the period compared to \$Nil during the same nine month period in fiscal 2025. During the third quarter, the Company entered into a technology collaboration with Pet Investment to support the development of technology designed to help animal welfare organizations access modern fundraising and financial support tools. The Company also incurred management fees of \$82,475 compared to \$98,500 during the prior fiscal period. Management fees included the hiring of a Chief Technology Officer as product manager (\$10,000) and the addition of a director (Alex Chieng) as consultant (\$50,000) with industry expertise in the pet welfare, point-of-sale and payment processing. These costs represent strategic investment in platform development and expansion initiatives.

Total operating expenses for third quarter of 2026 were \$49,773 compared to \$56,177 during the same three-month period of the 2025 fiscal year. The additions of Mr. Chieng and Mr. Talmor provide the Company with expertise necessary to expand the darelle platform into new markets. These investments are expected to support the Company's expansion into new verticals and enhance long-term revenue generation capabilities.

Accretion expense of \$74,295 was recognized during the nine-month period ended May 31, 2026 (2025 – \$Nil) and reflects the non-cash unwinding of discounts applied to certain forborne liabilities, which are measured at amortized cost using the effective interest method. This expense does not impact the Company's cash position but increases the carrying value of the underlying liabilities over time.

Accretion expense of \$24,763 was recognized during the third quarter of 2026 compared to \$Nil during the same three-month period of the 2025 fiscal year.

Net loss for the nine months ended May 31, 2026 was \$327,648 compared to \$132,944 in the comparable period. The change was primarily driven by higher operating costs associated with officer and consultant additions to the team as well as the technology collaboration with Pet Investment.

Net loss for the three months ended May 31, 2026 was \$71,086 compared to \$47,179 in the comparable period.

Additional Disclosure for Venture Issuers Without Significant Revenue

	2026	2025
Material Expenses:		
Software development	\$ 110,000	\$ -
Management fees	82,475	98,500
General and administrative	27,111	20,026
Professional fees	29,230	32,259
Transfer agent & filing fees	13,221	12,858

Summary of Quarterly Results

The following financial summary of quarterly operations has been presented on the basis of the unconsolidated financial statements of the Company.

Summary of Quarterly Operations

	Three Month Period Ended May 31, 2026	Three Month Period Ended Feb.28, 2026	Three Month Period Ended Nov. 30, 2025	Three Month Period Ended Aug 31, 2025
	\$	\$	\$	\$
Revenue	3,450	2,542	9,956	2,156
Net Loss	(71,087)	(198,655)	(57,907)	(163,941)
Net Loss Per Share	(0.01)	(0.02)	(0.02)	0.00

	Three Month Period Ended May 31, 2025	Three Month Period Ended Feb. 28, 2025	Three Month Period Ended Nov. 30, 2024	Three Month Period Ended Aug 31, 2024
	\$	\$	\$	\$
Revenue	8,998	7,885	20,064	13,465
Net Loss	(47,179)	(51,732)	(34,032)	(60,485)
Net Loss Per Share	(0.02)	(0.02)	(0.02)	0.02

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 May 31, 2026. 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 nine months ended May 31, 2026 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 May 31, 2026, the Company had cash of \$85,186 compared to \$244,341 at August 31, 2025. Cash used in operating activities during the nine months ended May 31, 2026 was \$46,655 as compared to \$34,114 during the same nine month period of the prior year.

During the period, the Company made repayments on forbore amounts payable totaling \$187,500, which are reflected as financing cash outflows. Portions of these obligations were assigned to third parties as part of the Company's ongoing management and settlement of existing obligations. The Company also received share subscriptions of \$75,000 in conjunction with a private placement the Company completed on July 3, 2026 (see "Subsequent Event").

The Company continues to actively manage its obligations through a combination of negotiated forbearance arrangements, structured repayments, and strategic assignment of certain liabilities.

Related Party Transactions

Management services were provided to the Company by a company controlled by an officer, an officer of the Company, and a director of the Company in his capacity of consultant to the Company. Fees charged are based upon services rendered. Management and consulting fees of \$82,475 were recognized during the period (2025 - \$98,500). As at May 31, 2026, amounts contractually payable to related parties totaled \$545,000 (August 31, 2025 – \$843,684) on an undiscounted basis. Certain of these balances are subject to forbearance arrangements and are measured at amortized cost using the effective interest method. Accordingly, the carrying value reflected in the statement of financial position is lower than the contractual amount, with the difference representing the unamortized discount, which is recognized over time as accretion expense.

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.

During the nine months ended May 31, 2026, repayments were made on forborne amounts payable to a related party of \$118,597 (2025 - \$Nil), and portions of the outstanding balance were assigned to third parties. The assignments did not modify the terms of the underlying obligations.

During the period ended May 31, 2026, the Company incurred and recorded \$21,500 (2025 - \$8,500) 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, 2026 \$8,500 (August 31, 2025 - \$Nil) was due and payable to directors for meeting fees rendered.

During the period ended May 31, 2026, the Company incurred and recorded \$524 (2025 - \$575) as interest on the promissory note to the related party. As at May 31, 2026, the balance owing to the related party was \$11,356 (August 31, 2025 – \$10,866).

Off Balance Sheet Arrangements

The Company did not have any off-balance sheet arrangements as at May 31, 2026.

Outstanding Share Data

As at the date of this MD&A, the Company has 9,387,523 common shares issued and outstanding. On July 3, 2026, the Company issued 1,546,334 common shares in conjunction with a private placement (see "Subsequent Event"). There were no changes in outstanding share capital during the nine months ended May 31, 2026.

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 nine months ended May 31, 2026.

Subsequent Events

On July 3, 2026, 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

1,546,334 common shares ("Share") at a price of \$0.75 per Share for aggregate gross proceeds of \$1,159,750.

In connection with the Offering, the Company paid finders fees totaling \$81,182 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 4, 2026.

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>