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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2024

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 001-39683

REZOLUTE, INC.

(Exact Name of Registrant as Specified in its Charter)

Nevada	**27-3440894**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
275 Shoreline Drive, Suite 500, Redwood City, California	**94065**
(Address of principal executive offices)	(Zip Code)

(650) 206-4507
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001 per share	RZLT	Nasdaq Capital Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files.). ☒ Yes ☐ No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, and an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller reporting company ☒
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 17(a)(2)(B) of the Securities Act. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) ☐ Yes ☒ No

The registrant had 40,135,147 shares of its $0.001 par value common stock outstanding as of May 13, 2024.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q ("Report") contains statements reflecting assumptions, expectations, projections, intentions or beliefs about future events that are intended as "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements included or incorporated by reference in this Report, other than statements of historical fact, that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements. These statements appear in a number of places, including, but not limited to "Management's Discussion and Analysis of Financial Condition and Results of Operations." These statements represent our reasonable judgment of the future based on various factors and using numerous assumptions and are subject to known and unknown risks, uncertainties and other factors that could cause our actual results and financial position to differ materially from those contemplated by the statements. You can identify these statements by the fact that they do not relate strictly to historical or current facts, and use words such as "anticipate", "believe", "estimate", "expect", "forecast", "may", "should", "plan", "project" and other words of similar meaning. In particular, these include, but are not limited to, statements relating to the following:

- our ability to obtain regulatory approvals or remove regulatory holds for clinical trials and our drug candidates;
- expectations regarding clinical development and the timing of clinical trials in the United States and outside of the United States;
- projected operating or financial results, including anticipated cash flows to be used in operating activities;
- expectations regarding capital expenditures, research and development expenses and the timing of milestone payments required under license agreements;
- our beliefs and assumptions relating to our liquidity position, including our ability to obtain additional financing; and
- our future dependence on third party manufacturers or strategic partners to manufacture any of our pharmaceutical drugs and diagnostics that receive regulatory approval, and our ability to identify strategic partners and enter into license, co-development, collaboration or similar arrangements.

Any or all of our forward-looking statements may turn out to be wrong. They can be affected by inaccurate assumptions or by known and unknown risks, uncertainties and other factors including, but not limited to, "Risk Factors" described in (i) Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended June 30, 2023 (the "2023 Form 10-K"), filed with the Securities and Exchange Commission ("SEC") on September 14, 2023 and (ii) in Part II, Item 1A of each of our Quarterly Reports on Form 10-Q for the fiscal quarters ended September 30, 2023 and December 31, 2023 filed with the SEC on November 13, 2023 and February 13, 2024, respectively.

In addition, there may be other factors that could cause our actual results to be materially different from the results referenced in the forward-looking statements, some of which are included elsewhere in this Report, including "Management's Discussion and Analysis of Financial Condition and Results of Operations." Many of these factors will be important in determining our actual future results. Consequently, no forward-looking statement can be guaranteed. Our actual future results may vary materially from those expressed or implied in any forward-looking statements. All forward-looking statements contained in this Report are qualified in their entirety by this cautionary statement. Forward-looking statements speak only as of the date they are made, and we disclaim any obligation to update any forward-looking statements to reflect events or circumstances after the date of this Report, except as otherwise required by applicable law.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

Rezolute, Inc.

Unaudited Condensed Consolidated Balance Sheets
(In thousands, except per share amounts)

	March 31, 2024	June 30, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 5,930	$ 16,036
Investments in marketable debt securities	74,092	85,860
Prepaid expenses and other	2,188	3,014
Total current assets	82,210	104,910
Long-term assets:		
Investments in marketable debt securities	1,573	16,470
Right-of-use assets	2,006	2,054
Property and equipment, net	110	139
Deposits and other	1,838	148
Total assets	$ 87,737	$ 123,721
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 3,499	$ 3,269
Accrued liabilities:		
Accrued clinical and other	2,027	507
Compensation and benefits	879	883
Current portion of operating lease liabilities	552	541
Total current liabilities	6,957	5,200
Long term liabilities:		
Operating lease liabilities, net of current portion	1,819	1,937
Warrant derivative liability	7,647	—
Embedded derivative liability	453	412
Total liabilities	16,876	7,549
Commitments and contingencies (Notes 5, 9 and 10)		
Shareholders' equity:		
Preferred stock, $0.001 par value; 400 shares authorized; no shares issued and outstanding	—	—
Common stock, $0.001 par value; 100,000 shares authorized; issued and outstanding 40,132 and 36,827 shares as of March 31, 2024 and June 30, 2023, respectively	40	37
Additional paid-in capital	377,367	377,471
Accumulated other comprehensive loss	(78)	(351)
Accumulated deficit	(306,468)	(260,985)
Total shareholders' equity	70,861	116,172
Total liabilities and shareholders' equity	$ 87,737	$ 123,721

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

Rezolute, Inc.

Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss
(In thousands, except per share amounts)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	**2023**	**2024**	**2023**
Operating expenses:				
Research and development	$ 12,401	$ 14,231	$ 36,654	$ 32,880
General and administrative	3,812	2,911	10,667	8,872
Total operating expenses	16,213	17,142	47,321	41,752
Operating loss	(16,213)	(17,142)	(47,321)	(41,752)
Non-operating income (expense):				
Interest and other income, net	1,122	1,484	3,829	2,733
Loss from change in fair value of derivative liabilities	(1,959)	(14)	(1,991)	(40)
Total non-operating income (expense), net	(837)	1,470	1,838	2,693
Net loss	(17,050)	(15,672)	(45,483)	(39,059)
Other comprehensive income (loss):				
Net unrealized gain (loss) on available-for-sale marketable debt securities	(30)	(132)	273	(132)
Comprehensive loss	$ (17,080)	$ (15,804)	$ (45,210)	$ (39,191)
Net loss per common share:				
Basic and diluted	$ (0.34)	$ (0.30)	$ (0.89)	$ (0.76)
Weighted average number of common shares outstanding:				
Basic and diluted	50,811	51,409	51,212	51,113

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

Rezolute, Inc.

Unaudited Condensed Consolidated Statements of Shareholders' Equity
Nine Months Ended March 31, 2024 and 2023
(In thousands)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount				
Nine Months Ended March 31, 2024:						
Balances, June 30, 2023	36,827	$ 37	$ 377,471	$ (351)	$ (260,985)	$ 116,172
Issuance of common stock upon exercise of stock options	5	—	10	—	—	10
Share-based compensation	—	—	5,589	—	—	5,589
Exercise of pre-funded warrants	6,300	6	(6)	—	—	—
Acquisition and retirement of treasury shares pursuant to Exchange Agreement	(3,000)	(3)	(5,697)	—	—	(5,700)
Net change in accumulated other comprehensive loss	—	—	—	273	—	273
Net loss	—	—	—	—	(45,483)	(45,483)
Balances, March 31, 2024	40,132	$ 40	$ 377,367	$ (78)	$ (306,468)	$ 70,861
Nine Months Ended March 31, 2023:						
Balances, June 30, 2022	33,582	$ 34	$ 358,635	$ —	$ (209,198)	$ 149,471
Gross proceeds from issuance of common stock for cash in 2022 Private Placement	3,245	3	12,327	—	—	12,330
Underwriting commissions and other equity offering costs	—	—	(759)	—	—	(759)
Share-based compensation	—	—	5,465	—	—	5,465
Net change in accumulated other comprehensive loss	—	—	—	(132)	—	(132)
Net loss	—	—	—	—	(39,059)	(39,059)
Balances, March 31, 2023	36,827	$ 37	$ 375,668	$ (132)	$ (248,257)	$ 127,316

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

Rezolute, Inc.

Unaudited Condensed Consolidated Statements of Cash Flows
(In thousands)

	Nine Months Ended March 31,	
	2024	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (45,483)	$ (39,059)
Share-based compensation expense	5,589	5,465
Non-cash lease expense	399	233
Loss from change in fair value of embedded derivative liability	41	40
Loss from change in fair value of warrant derivative liability	1,950	—
Accretion of discounts and amortization of premiums on marketable debt securities, net	(2,100)	(708)
Depreciation and amortization expense	29	21
Changes in operating assets and liabilities:		
Increase in prepaid expenses and other assets	(558)	(770)
Increase in accounts payable	230	1,815
Increase (decrease) in accrued liabilities	1,057	(168)
Net Cash Used in Operating Activities	(38,846)	(33,131)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of marketable debt securities	(56,730)	(94,954)
Proceeds from maturities of marketable debt securities	85,766	—
Purchase of property and equipment	—	(153)
Total Cash Provided by (Used in) Investing Activities	29,036	(95,107)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash payment pursuant to Exchange Agreement	(3)	—
Gross proceeds from issuance of common stock for cash in 2022 Private Placement	—	12,330
Payment of commissions and other deferred offering costs	(293)	(759)
Net Cash Provided by (Used in) Financing Activities	(296)	11,571
Net decrease in cash and cash equivalents	(10,106)	(116,667)
Cash and cash equivalents at beginning of period	16,036	150,410
Cash and cash equivalents at end of period	$ 5,930	$ 33,743
SUPPLEMENTARY CASH FLOW INFORMATION:		
Cash paid for interest	$ —	$ —
Cash paid for income taxes	—	—
Cash paid for amounts included in the measurement of operating lease liabilities	544	87
Operating lease liabilities incurred in exchange for right-of-use-assets	352	2,204
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Acquisition of treasury shares in exchange for issuing pre-funded warrant liability	$ 5,697	$ —
Receivable from exercise of stock options	$ 10	$ —

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

Rezolute, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements

NOTE 1 — NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Rezolute, Inc. (the "Company") is a clinical stage biopharmaceutical business developing transformative therapies for metabolic diseases related to chronic glucose imbalance. The Company's primary clinical assets consist of (i) RZ358, which is a potential treatment for all forms of hyperinsulinism, including congenital hyperinsulinism, an ultra-rare pediatric genetic disorder characterized by excessive production of insulin by the pancreas, and (ii) RZ402, which is an oral plasma kallikrein inhibitor ("PKI") being developed as a potential therapy for the chronic treatment of diabetic macular edema.

Basis of Presentation

The accompanying unaudited interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), the rules and regulations of the SEC for interim financial information, and the instructions to Form 10-Q and Article 8 of Regulation S-X.

The condensed consolidated balance sheet as of June 30, 2023, has been derived from the Company's audited consolidated financial statements. The unaudited interim financial statements should be read in conjunction with the Company's 2023 Form 10-K, which contains the Company's audited financial statements and notes thereto, together with Management's Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended June 30, 2023.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted, pursuant to the rules and regulations of the SEC for interim financial reporting. Accordingly, they do not include all information and footnote disclosures necessary for a comprehensive presentation of financial position, results of operations, and cash flows. It is management's opinion, however, that all material adjustments (consisting of normal recurring adjustments) that are necessary for a fair financial statement presentation have been made. The interim results for the three and nine months ended March 31, 2024, are not necessarily indicative of the financial condition and results of operations that may be expected for any future interim period or for the fiscal year ending June 30, 2024.

Consolidation

The Company has two wholly owned subsidiaries consisting of Rezolute (Bio) Ireland Limited, and Rezolute Bio UK, Ltd. The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts in the unaudited condensed consolidated financial statements and the accompanying notes. The Company bases its estimates and assumptions on current facts, historical experience, and various other factors that it believes are reasonable under the circumstances, to determine the carrying values of assets and liabilities that are not readily apparent from other sources. The Company's significant accounting estimates include, but are not necessarily limited to, determination if an allowance for credit losses is required or if other than temporary impairment exists for marketable debt securities, the fair value of an embedded derivative liability, fair value of share-based payments, management's assessment of going concern, and estimates related to clinical trial accrued liabilities. Actual results could differ from those estimates.

Risks and Uncertainties

The Company's operations may be subject to significant risks and uncertainties including financial, operational, regulatory, international conflicts and wars, pandemics and other risks associated with a clinical stage business.

Rezolute, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements

Significant Accounting Policies

The Company's significant accounting policies are described in Note 1 to the financial statements in Item 8 of the 2023 Form 10-K.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.* ASU 2016-13 amends the guidance on the impairment of financial instruments. This update adds an impairment model (known as the current expected credit losses model) that is based on expected losses rather than incurred losses. Under the expected credit loss model, if declines in fair value below amortized costs are due to the deterioration of an issuer's credit quality, the Company is required to record an allowance for credit losses related to such investments with a corresponding loss recognized in the consolidated statements of operations. Allowances for credit losses may be reversed in subsequent periods if conditions improve and credit-related losses are no longer expected. For declines in fair value that are solely due to changes in interest rates, impairment is not recognized if the Company has the ability and intent to hold the investment until maturity. Effective as of July 1, 2023, the Company implemented the guidance in ASU 2016-13. The adoption of ASU 2016-13 did not have any impact on the accompanying unaudited condensed consolidated financial statements.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date are not currently expected to have a material impact on the Company's financial statements upon adoption.

NOTE 2 — LIQUIDITY

As a clinical stage business, the Company has not yet generated any revenues and had an accumulated deficit of $306.5 million as of March 31, 2024. For the nine months ended March 31, 2024, the Company incurred a net loss of $45.5 million and net cash used in operating activities amounted to $38.8 million. For the fiscal year ended June 30, 2023, the Company incurred a net loss of $51.8 million and net cash used in operating activities amounted to $44.5 million. As of March 31, 2024, the Company's capital resources consist of cash and cash equivalents of $5.9 million, short-term investments in marketable debt securities of $74.1 million and long-term investments in marketable debt securities of $1.6 million.

As discussed in Note 7, in November 2023 the Company entered into an agreement for an "at-the-market" offering for the sale of up to $50.0 million in shares of common stock. The net proceeds from the "at-the-market" offering, if any, will be used to fund a portion of the Company's liquidity requirements. However, even if the entire $50.0 million is obtained in the "at-the-market" offering, the Company will need to obtain additional equity or debt financing in order to fund all of its long-term capital requirements.

As of March 31, 2024, the Company has total liabilities of $16.9 million, including current liabilities of $7.0 million. As discussed in Note 5, the Company is subject to license agreements that provide for future contractual payments upon achievement of various milestone events. Pursuant to the XOMA License Agreement (as defined below), a $5.0 million milestone payment will be due upon dosing of the first patient in a Phase 3 clinical trial for RZ358. An additional $5.0 million milestone payment will be due upon the dosing of the last patient in a Phase 3 clinical trial for RZ358, which is expected to occur within the next 12 months.

Management believes the Company's existing cash and cash equivalents and investments in marketable debt securities will be adequate to meet the Company's contractual obligations and carry out ongoing clinical trials and other planned activities through May 2025, at a minimum.

Rezolute, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements

NOTE 3 —INVESTMENTS IN MARKETABLE DEBT SECURITIES

Investments in marketable debt securities, are accounted for as available-for-sale investments and consist of the following (in thousands):

	March 31, 2024	June 30, 2023
Short-term investments	$ 74,092	$ 85,860
Long-term investments	1,573	16,470
Total investments	$ 75,665	$ 102,330

The Company's investments in debt securities are subject to interest rate risk and credit risk that results in differences between the amortized cost basis and the fair value of investments. To minimize the exposure to reductions in fair value if long-term interest rates rise, the Company generally invests in securities with expected maturities of two years or less and maintains a weighted average maturity of one year or less. As of March 31, 2024, investments in marketable debt securities with an aggregate fair value of $74.1 million are scheduled to mature during the 12-month period ending March 31, 2025. Substantially all remaining investments, with an aggregate fair value of $1.6 million, are scheduled to mature during the 12-month period ending March 31, 2026.

During the nine months ended March 31, 2024, marketable debt securities for $85.8 million matured and approximately $56.7 million of the proceeds were reinvested in additional marketable debt securities. The Company did not sell any marketable debt securities prior to the scheduled maturity dates for the nine months ended March 31, 2024.

Accrued interest receivable on all marketable debt securities amounted to $0.5 million and $0.3 million as of March 31, 2024 and June 30, 2023, respectively. Accrued interest receivable is included in other current assets in the accompanying condensed consolidated balance sheets.

For the three and nine months ended March 31, 2024, the Company did not recognize any allowance for credit losses or other than temporary impairment related to investments in marketable debt securities. The following table summarizes the cumulative unrealized gains and losses that result in differences between the amortized cost basis and fair value of the Company's marketable debt securities held as of March 31, 2024 (in thousands):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Corporate commercial paper	$ 22,573	$ 1	$ (9)	$ 22,565
Obligations of U.S. government agencies	11,324	—	(11)	11,313
U.S. Treasury obligations	1,001	—	(6)	995
Corporate notes and bonds	38,507	1	(69)	38,439
Asset-backed securities	2,338	16	(1)	2,353
Total	$ 75,743	$ 18	$ (96)	$ 75,665

NOTE 4 — OPERATING LEASES

In October 2023, the Company entered into an addendum to the lease agreement for its office in Bend, Oregon. The addendum provided for a 36-month extension, which extends the lease through February 2027. The average base rent payable over the remaining lease term

Rezolute, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements

is approximately $9,000. Upon execution of the addendum, the Company re-measured the Bend, Oregon operating lease liability at approximately $345,000 using a discount rate of 10.0%, and the related right-of-use asset was recognized for approximately $351,000.

The carrying values of all right-of-use assets and operating lease liabilities is as follows (in thousands):

	March 31, 2024	June 30, 2023
Right-of-use assets	$ 2,006	$ 2,054
Operating lease liabilities:		
Current	$ 552	$ 541
Long-term	1,819	1,937
Total	$ 2,371	$ 2,478

For the three and nine months ended March 31, 2024 and 2023, operating lease expense is included under the following captions in the accompanying condensed consolidated statements of operations and comprehensive loss (in thousands):

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
Research and development	$ 97	$ 139	$ 358	$ 331
General and administrative	74	34	155	105
Total	$ 171	$ 173	$ 513	$ 436

As of March 31, 2024, the weighted average remaining lease term under operating leases was 3.5 years, and the weighted average discount rate for operating lease liabilities was 7.2%. Future cash payments under all operating lease agreements as of March 31, 2024 are as follows (in thousands):

Fiscal year ending June 30,	
Remainder of fiscal year 2024	$ 184
2025	748
2026	770
2027	750
Thereafter	224
Total lease payments	2,676
Less imputed interest	(305)
Present value of operating lease liabilities	$ 2,371

NOTE 5 — LICENSE AGREEMENTS

XOMA License Agreement

In December 2017, the Company entered into a license agreement (the "XOMA License Agreement") with XOMA Corporation ("XOMA"), through its wholly-owned subsidiary, XOMA (US) LLC, pursuant to which XOMA granted an exclusive global license to the Company to develop and commercialize XOMA 358 (formerly X358, now RZ358) for all indications.

Rezolute, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements

In January 2022, the Company was required to make a milestone payment under the XOMA License Agreement of $2.0 million that became due upon the dosing of the last patient in the Company's Phase 2b Clinical Trial for RZ358. Upon the achievement of certain clinical and regulatory events under the XOMA License Agreement, the Company will be required to make additional milestone payments to XOMA up to $35.0 million. After the clinical and regulatory milestones, the Company will be required, upon the future commercialization of RZ358, to pay royalties to XOMA based on the net sales of the related products and additional milestone payments to XOMA up to $185.0 million related to annual net sales amounts. There have been no events that would result in any royalty payments owed under the XOMA License Agreement to date.

ActiveSite License Agreement

In August 2017, the Company entered into a Development and License Agreement (the "ActiveSite License Agreement") with ActiveSite Pharmaceuticals, Inc. ("ActiveSite") pursuant to which the Company acquired the rights to ActiveSite's Plasma Kallikrein Inhibitor program ("PKI Portfolio"). The Company is initially using the PKI Portfolio to develop an oral PKI therapeutic for diabetic macular edema (RZ402) and may use the PKI Portfolio to develop other therapeutics for different indications. The ActiveSite License Agreement requires various milestone payments up to $46.5 million, if all milestones are achieved. The first milestone payment for $1.0 million was paid in December 2020 after clearance was received for an Initial Drug Application, or IND, filed with the U.S. Food and Drug Administration ("FDA"). The second milestone payment of $3.0 million was paid in February 2023 after dosing of the first patient in a Phase 2 clinical trial for RZ402. The next milestone payment of $5.0 million will be due upon dosing of the first patient in a Phase 3 clinical trial. The Company is also required to pay royalties equal to 2.0% of any sales of products that use the PKI Portfolio. There have been no events that would result in any royalty payments owed under the ActiveSite License Agreement to date.

NOTE 6 — EMBEDDED DERIVATIVE LIABILITY

On April 14, 2021, the Company entered into a $30.0 million Loan and Security Agreement (the "Loan Agreement") with SLR Investment Corp. and certain other lenders (collectively, the "Lenders"). The Lenders agreed to loan up to $30.0 million but the actual amount borrowed by the Company amounted to $15.0 million. The maturity date of the outstanding borrowings was April 1, 2026 (the "Maturity Date"), but the Company elected to repay the entire amount and terminated the Loan Agreement on June 30, 2022.

Concurrently with the execution of the Loan Agreement, the Company entered into an exit fee agreement (the "Exit Fee Agreement") that provides for a fee of 4.00% of the funded principal balance for a total of $0.6 million in the event certain transactions (defined as "Exit Events") occur prior to April 13, 2031. The Exit Fee Agreement was not impacted by the termination of the Loan Agreement discussed above. The Company is accounting for the Exit Fee Agreement as an embedded derivative liability with an estimated fair value of $0.5 million and $0.4 million as of March 31, 2024 and June 30, 2023. Exit Events include, but are not limited to, sales of substantially all assets, certain mergers, change of control transactions, and issuances of common stock that result in new investors owning more than 35% of the Company's shares. Fair value of this embedded derivative liability is reassessed at the end of each reporting period with changes in fair value recognized as a non-operating gain or loss.

Rezolute, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements

NOTE 7 — SHAREHOLDERS' EQUITY

Changes in Shareholders' Equity for the Three Months Ended March 31, 2024 and 2023

The following table presents changes in shareholders' equity for the three months ended March 31, 2024 and 2023:

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount				
Three Months Ended March 31, 2024:						
Balances, December 31, 2023	39,625	$ 40	$ 381,154	$ (48)	$ (289,418)	$ 91,728
Issuance of common stock upon exercise of stock options	5	—	10	—	—	10
Share-based compensation	—	—	1,903	—	—	1,903
Exercise of pre-funded warrants	3,502	3	(3)	—	—	—
Acquisition and retirement of treasury shares pursuant to Exchange Agreement	(3,000)	(3)	(5,697)	—	—	(5,700)
Net change in accumulated other comprehensive loss	—	—	—	(30)	—	(30)
Net loss	—	—	—	—	(17,050)	(17,050)
Balances, March 31, 2024	40,132	$ 40	$ 377,367	$ (78)	$ (306,468)	$ 70,861
Three Months Ended March 31, 2023:						
Balances, December 31, 2022	36,827	$ 37	$ 373,813	$ —	$ (232,585)	$ 141,265
Share-based compensation	—	—	1,855	—	—	1,855
Net change in accumulated other comprehensive loss	—	—	—	(132)	—	(132)
Net loss	—	—	—	—	(15,672)	(15,672)
Balances, March 31, 2023	36,827	$ 37	$ 375,668	$ (132)	$ (248,257)	$ 127,316

Exchange Agreement

On March 8, 2024 (the "Closing Date"), the Company entered into a securities exchange agreement (the "Exchange Agreement") with certain of its stockholders (the "Exchanging Shareholders"), whereby the Company purchased 3,000,000 shares of common stock representing approximately 7% of outstanding shares with an aggregate fair value of $5,700,000 (the "Retired Shares") from the Exchanging Shareholders. The Retired Shares were immediately cancelled whereby they will remain as authorized shares for future issuance in accordance with Nevada law. Consideration for the acquisition of the Retired Shares consisted of (i) a cash payment to the Exchanging Shareholders of $3,000, and (ii) the issuance of pre-funded warrants (the "Exchange PFWs") to the Exchanging Shareholders with an estimated fair value of $5,697,000. The Exchange PFWs do not expire and are exercisable to purchase an aggregate of 3,000,000 shares, or approximately 7%, of the Company's outstanding common stock (subject to adjustment in the event of stock splits, recapitalizations and other similar events) at an exercise price of $0.001 per share.

Unlike the Company's shares of common stock, the holders of Exchange PFWs do not have voting rights except to the extent required by Nevada law. No later than six months after the Closing Date, the Company agreed to file a registration statement covering the resale of the shares issuable upon the exercise of the Exchange PFWs.

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Notes to Unaudited Condensed Consolidated Financial Statements

The Exchange PFWs are exercisable at any time, subject to the then effective ownership blocker percentage (the "OBP") as elected by each of the Exchanging Shareholders. The OBP is a percentage designated by the holders whereby the Exchange PFWs cannot be exercised if, after giving effect thereto, the Exchanging Shareholders would beneficially own more than the designated OBP. The terms of the Exchange PFWs initially provide for an OBP of 9.99%. However, upon at least 61 days' prior notice to the Company, any holder of Exchange PFWs may elect to increase or decrease the OBP to any other percentage not to exceed 19.99%.

The Exchange PFWs required approval by the Company's shareholders if the exercise of the Exchange PFWs resulted in aggregate beneficial ownership by the holders in excess of 19.99%. Even though the Exchange PFWs only entitled the holders to purchase 7% of the Company's outstanding shares of common stock, the requirement to obtain shareholder approval for ownership in excess of 19.99% resulted in the treatment of the exchange PFWs as a derivative liability of $5.7 million as of the issuance date. The fair value of this derivative liability increased by $1,950,000 for a total of $7.6 million as of March 31, 2024. The increase in fair value of $1,950,000 is included in non-operating loss in the accompanying unaudited condensed consolidated statement of operations for the three and nine months ended March 31, 2024. As discussed in Note 14, on May 13, 2024, the Exchange PFWs were amended to further support the equity classification, whereby the derivative liability will be reclassified to shareholders' equity for the fiscal quarter ending June 30, 2024. As a result of this amendment, there is no possibility that the Exchange PFWs will be settled with current assets whereby the liability is included in long-term liabilities as of March 31, 2024.

Jefferies Open Market Sales Agreement

On November 14, 2023, the Company and Jefferies LLC (the "Agent) entered into an open market sales agreement (the "Sales Agreement") that provides for an "at the market" offering for the sale of up to $50.0 million in shares of the Company's common stock (the "Placement Shares") through the Agent. The Agent is acting as sales agent and is required to use commercially reasonable efforts to sell all of the Placement Shares requested to be sold by the Company, consistent with the Agent's normal trading and sales practices, on mutually agreed terms between the Agent and the Company. The Sales Agreement will terminate when all of the Placement Shares have been sold, or earlier upon the election of either the Company or the Agent.

The Company has no obligation to sell any of the Placement Shares under the Sales Agreement. The Company intends to use the net proceeds, if any, from amounts sold under the Sales Agreement for general corporate purposes, including working capital. Under the terms of the Sales Agreement, the Company agreed to pay the Agent a commission equal to 3.0% of the gross sales price of the Placement Shares plus certain expenses incurred by the Agent in connection with the offering.

For the nine months ended March 31, 2024, the Company sold no shares of its common stock pursuant to the Sales Agreement. Accordingly, the maximum amount remaining for sale under the Sales Agreement amounts to $50.0 million as of March 31, 2024.

2022 PFW Exercises

As discussed in Note 8, certain holders of 2022 PFWs elected to exercise 4,773,684 shares for the nine months ended March 31, 2024. The holders elected to exercise their 2022 PFWs on a cashless basis, that resulted in the issuance of 4,770,190 shares of common stock.

2021 PFW Exercise

As discussed in Note 8, certain holders of 2021 PFWs elected to exercise an aggregate of 1,538,461 shares for the nine months ended March 31, 2024. The holders elected to exercise their 2021 PFWs on a cashless basis that resulted in the issuance of 1,529,890 shares of common stock.

2022 Private Placement

In May 2022, the Company entered into securities purchase agreements ("SPAs") with Handok, Inc. ("Handok") and certain of its affiliates. Handok is an affiliate of a member of the Company's Board of Directors. In July 2022, the Company entered into amended SPAs for a private placement of common stock (the "2022 Private Placement"). The 2022 Private Placement resulted in gross proceeds

of $12.3 million in exchange for the issuance of approximately 3.2 million shares of common stock. The Company incurred approximately $0.8 million for underwriting commissions and other offering costs, resulting in net proceeds of $11.5 million.

NOTE 8 — SHARE-BASED COMPENSATION AND WARRANTS

Inducement Grant

In connection with the hiring of the company's Chief Financial Officer in January 2024, the Board of Directors granted a stock option exercisable for the purchase of 275,000 shares of the Company's common stock at an exercise price of $1.02 per share. This stock option is considered an inducement grant (the "Inducement Grant") pursuant to Nasdaq Listing Rule 5635(c)(4) whereby the underlying shares were not authorized under any of the Company's stock option plans. The Inducement Grant is exercisable until January 2029 and vests for (i) one-fourth of the option shares on the one-year anniversary of the grant date, and (ii) one thirty-sixth of the remaining option shares shall vest on the same day of each month thereafter until the Inducement Grant is 100% vested. The fair value of the Inducement Grant of $0.2 million was computed using the Black-Scholes-Merton ("BSM") option pricing model.

Stock Option Plans

Presented below is a summary of the number of shares outstanding, authorized, and available for future grants under the Company's stock option plans and the Inducement Grant as of March 31, 2024 (in thousands):

Description	Number of Shares		
	Authorized	Outstanding	Available
2015 Plan	17	17	—
2016 Plan	123	123	—
2019 Plan	200	200	—
2021 Plan	10,695	10,293	402
Inducement Grant	275	275	—
Total	11,310	10,908	402

2022 Employee Stock Purchase Plan

On June 16, 2022, the Company's shareholders approved the adoption of the 2022 Employee Stock Purchase Plan (the "2022 ESPP"). The 2022 ESPP provides an opportunity for employees to purchase the Company's common stock through accumulated payroll deductions.

The 2022 ESPP has consecutive offering periods that begin approximately every 6 months commencing on the first trading day on or after July 1 and terminating on the last trading day of the offering period ending on December 31 and commencing on the first trading day on or after January 1 and terminating on the last trading day of the offering period ending on June 30. The 2022 ESPP reserves 0.5 million shares for purchases. There have been no offering periods under the 2022 ESPP through March 31, 2024.

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Notes to Unaudited Condensed Consolidated Financial Statements

Stock Options Outstanding

For the nine months ended March 31, 2024, the following table sets forth a summary of the activity with respect to all outstanding options (shares in thousands):

	Shares	Price [1]	Term [2]
Outstanding, June 30, 2023	8,745	$ 4.56	8.8
Grants to employees	2,482	1.18	
Exercises	(5)	1.92	
Expired	(43)	9.49	
Forfeited	(271)	2.66	
Outstanding, March 31, 2024	10,908 [3]	3.82	8.3
Vested, March 31, 2024	4,374 [4]	5.59	7.7

(1) Represents the weighted average exercise price.
(2) Represents the weighted average remaining contractual term for the number of years until the stock options expire.
(3) As of March 31, 2024, the intrinsic value of outstanding options was approximately $3.6 million.
(4) As of March 31, 2024, the aggregate intrinsic value of vested stock options was approximately $0.2 million.

For the nine months ended March 31, 2024, the aggregate fair value of stock options granted for approximately 2.5 million shares of common stock amounted to $2.3 million or approximately $0.92 per share as of the grant dates. Fair value was computed using the BSM option-pricing model and will result in the recognition of compensation cost ratably over the expected vesting period of the stock options.

For the nine months ended March 31, 2024, the fair value of stock options was estimated on the respective dates of grant, with the following weighted-average assumptions:

Market price of common stock on grant date	$ 1.18
Expected volatility	99 %
Risk free interest rate	4.1 %
Expected term (years)	5.6
Dividend yield	0 %

Share-based compensation expense for the three and nine months ended March 31, 2024 and 2023 is included under the following captions in the unaudited condensed consolidated statements of operations and comprehensive loss (in thousands):

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
Research and development	$ 863	$ 849	$ 2,544	$ 2,449
General and administrative	1,040	1,006	3,045	3,016
Total	$ 1,903	$ 1,855	$ 5,589	$ 5,465

Unrecognized share-based compensation expense is approximately $13.0 million as of March 31, 2024. This amount is expected to be recognized over a weighted average period of 2.4 years.

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Notes to Unaudited Condensed Consolidated Financial Statements

Pre-Funded Warrants

In connection with an underwritten offering in October 2021, the Company issued 1,661,461 pre-funded warrants ("PFWs") to purchase 1,661,461 shares of common stock at an issuance price of $6.49 per warrant for gross proceeds of $10.8 million (the "2021 PFWs"). The 2021 PFWs may be exercised at any time by paying the exercise price of $0.01 per share, subject to certain ownership restrictions. On March 7, 2024, a holder of 2021 PFWs provided notice of cashless exercise of their 1,538,461 2021 PFWs, resulting in the issuance of 1,529,890 shares of common stock on March 11, 2024. No cash proceeds were received by the Company as a result of this exercise.

As of March 31, 2024, there are 123,000 of the 2021 PFWs which may be exercised at any time by paying the exercise price of $0.01 per share, subject to certain ownership restrictions.

In connection with a registered direct offering in May 2022, the Company issued 1,973,684 Class A PFWs and 10,947,371 Class B PFWs to purchase an aggregate of 12,921,055 shares of common stock at an issuance price of $3.799 per warrant (collectively, the "2022 PFWs"). On October 4, 2023, a holder of Class B PFW's provided notice of cashless exercise of their 2,800,000 Class B PFW's, resulting in the issuance of 2,797,404 shares of common stock on October 6, 2023. Subsequently, on March 1, 2024, another investor provided notice of cashless exercise of 1,973,684 Class A PFW's, resulting in the issuance of 1,972,486 shares of common stock on March 5, 2024. No cash proceeds were received by the Company as a result of either of these exercises.

As of March 31, 2024, there are 8,147,371 of the 2022 PFWs which may be exercised at any time by paying the exercise price of $0.001 per share, subject to certain ownership restrictions.

As discussed in Note 7, the Company issued 3,000,000 Exchange PWFs on March 8, 2024. As of March 31, 2024, all Exchange PFWs remain outstanding and may be exercised at any time by paying the exercise price of $0.001 per share, subject to certain ownership restrictions.

Other Warrants

In connection with an equity financing in October 2020, the Company issued warrants entitling the holders to purchase approximately 0.8 million shares of common stock. The warrants are exercisable at $19.50 per share for a period of seven years, may be exercised on a cash or cashless basis at the election of the holders, and the holders are entitled to share in any dividends or distributions payable to holders of common stock on an as-converted basis. In addition, the Company has issued warrants in conjunction with various debt and equity financings and for services. As of March 31, 2024, all of the warrants were vested. These warrants are collectively referred to as the "Other Warrants."

For the nine months ended March 31, 2024, no Other Warrants were granted or exercised. The following table sets forth a summary of all Other Warrants for the nine months ended March 31, 2024 (shares in thousands):

	Shares	Price [1]	Term [2]
Outstanding, June 30, 2023	888	$ 22.10	4.1
Expirations	(27)	78.60	
Outstanding, March 31, 2024	861	20.28	3.5

(1) Represents the weighted average exercise price.

(2) Represents the weighted average remaining contractual term for the number of years until the warrants expire.

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Notes to Unaudited Condensed Consolidated Financial Statements

NOTE 9 — COMMITMENTS AND CONTINGENCIES

Licensing Commitments

Please refer to Note 5 for further discussion of commitments to make milestone payments and to pay royalties under license agreements with XOMA and ActiveSite.

Legal Matters

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of March 31, 2024, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the Company's results of operations. At each reporting period, the Company evaluates known claims to determine whether a potential loss amount or a potential range of loss is probable and reasonably estimable under ASC 450, *Contingencies*. Legal fees are expensed as incurred.

NOTE 10 — RELATED PARTY TRANSACTIONS

Related Party Licensing Agreement

On September 15, 2020, the Company and Handok entered into an exclusive license agreement (the "Handok License") for the territory of the Republic of Korea. The Handok License relates to pharmaceutical products in final dosage form containing the pharmaceutical compounds developed or to be developed by the Company, including those related to RZ358 and RZ402. The Handok License is in effect for a period of 20 years after the first commercial sale of each product and requires (i) milestone payments to the Company of $0.5 million upon approval of a New Drug Application ("NDA") for each product in the territory, and (ii) the Company will sell products ordered by Handok at a transfer price equal to 70% of the net selling price of the products. To date, no milestone payments have been earned by the Company.

Investors in 2022 Private Placement

Handok and certain of its affiliates were the sole investors in the 2022 Private Placement and the Registered Direct Offering discussed in Note 7.

NOTE 11 — INCOME TAXES

Income tax expense during interim periods is based on applying an estimated annualized effective income tax rate applied to the respective quarterly periods, adjusted for discrete tax items in the period in which they occur. The computation of the annualized estimated effective tax rate for each interim period requires certain estimates and significant judgment including, but not limited to, the expected operating results for the year, projections of the proportion of income earned and taxed in various jurisdictions, permanent and temporary differences, and the likelihood of recovering deferred income tax assets generated in the current year. The accounting estimates used to compute the provision for income taxes may change as new events occur, more experience is obtained, additional information becomes known or as the tax environment changes.

For the three and nine months ended March 31, 2024 and 2023, the Company did not recognize any income tax benefit due to a full valuation allowance on its deferred income tax assets. The Company did not have any material changes to its conclusions regarding valuation allowances for deferred income tax assets or uncertain tax positions for the three and nine months ended March 31, 2024 and 2023.

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Notes to Unaudited Condensed Consolidated Financial Statements

NOTE 12 — NET LOSS PER SHARE

Basic net loss per share is computed by dividing net loss by the weighted average number of common shares, 2021 PFWs, and 2022 PFWs outstanding during the period, without consideration for other potentially dilutive securities. The 2021 PFWs and the 2022 PFWs are included in the computation of basic and diluted net loss per share since the exercise price is negligible and all of the PFWs are fully vested and immediately exercisable. The Exchange PFWs are excluded from the computation of basic and diluted net loss per shares since they are considered contingently issuable shares and will not be included until they meet the conditions for equity classification. Accordingly, the weighted average number of shares outstanding is computed as follows for the three and nine months ended March 31, 2024 and 2023 (in thousands):

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
Common Stock	39,910	36,827	38,723	36,531
2021 PFWs	1,323	1,661	1,550	1,661
2022 PFWs:				
Class A PFWs	1,431	1,974	1,794	1,974
Class B PFWs	8,147	10,947	9,145	10,947
Total	50,811	51,409	51,212	51,113

For the three and nine months ended March 31, 2024 and 2023, basic and diluted net loss per share were the same since all other common stock equivalents were anti-dilutive.

As of March 31, 2024 and 2023, the following outstanding potential common stock equivalents were excluded from the computation of diluted net loss per share since the impact of inclusion was anti-dilutive (in thousands):

	2024	2023
Stock options	10,908	8,779
Exchange Warrants	3,000	—
Other warrants	861	1,122
Total	14,769	9,901

NOTE 13 — FINANCIAL INSTRUMENTS AND SIGNIFICANT CONCENTRATIONS

Fair Value Measurements

Fair value is defined as the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. When determining fair value, the Company considers the principal or most advantageous market in which it transacts and considers assumptions that market participants would use when pricing the asset or liability. The Company applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1—Quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.

Level 2—Other than quoted prices included in Level 1 that are observable for the asset and liability, either directly or indirectly through market corroboration, for substantially the full term of the asset or liability.

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Notes to Unaudited Condensed Consolidated Financial Statements

Level 3—Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any market activity for the asset or liability at the measurement date.

The following table presents information about the Company's financial assets measured at fair value on a recurring basis and indicates the fair value hierarchy classification as of March 31, 2024 and June 30, 2023 (in thousands):

	Fair Value Measurement of Assets as of March 31, 2024			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents:				
Money market funds	$ 3,451	$ 3,451	$ —	$ —
Marketable debt securities:				
Corporate commercial paper	22,565	—	22,565	—
U.S. Government agencies	11,313	—	11,313	—
U.S. Government treasuries	995	—	995	—
Corporate notes and bonds	38,439	—	38,439	—
Asset-backed securities	2,353	—	2,353	—
Total	$ 79,116	$ 3,451	$ 75,665	$ —

	Fair Value Measurement of Assets as of June 30, 2023			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents:				
Money market funds	$ 5,464	$ 5,464	$ —	$ —
Corporate commercial paper	4,481	4,481	—	—
Marketable debt securities:				
Corporate commercial paper	41,597	—	41,597	—
U.S. Government agencies	26,394	—	26,394	—
U.S. Government treasuries	10,404	10,404	—	—
Corporate notes and bonds	19,240	—	19,240	—
Asset-backed securities	4,694	—	4,694	—
Total	$ 112,274	$ 20,349	$ 91,925	$ -

Marketable debt securities classified as Level 2 within the valuation hierarchy generally consist of U.S. government agency securities, corporate bonds, and commercial paper. The Company determines the fair value of marketable debt securities based upon valuations obtained from third-party pricing sources. Except for the amounts shown in the table above, the Company did not have any other assets measured at fair value on a recurring basis as of March 31, 2024 and June 30, 2023.

The Company's liabilities that are required to be measured and recorded fair value on a recurring basis consist of the embedded derivative liability discussed in Note 6 and the warrant derivative liability discussed in Note 7. The warrant derivative liability is classified under Level 2 of the fair value hierarchy and the embedded derivative liability is classified under Level 3 of the fair value hierarchy. Fair value of the warrant liability is predominantly based on the market price of the Company's shares of common stock. Fair value of the embedded derivative liability is determined based on management's assessment of the probability and timing of occurrence for the Exit Events discussed in Note 6 using a discount rate equal to the effective interest rate under the Loan Agreement prior to termination. On the issuance date and as of March 31, 2024, the fair value of the Exchange PFWs was computed using the BSM option-pricing model. Key inputs to this valuation model as of March 31, 2024 included the exercise price of $0.001 per share, the market price of the Company's common stock of $2.55 per share, the risk-free interest rate of 4.1%, an expected term of 1-day, and historical volatility of 100%. Key

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Notes to Unaudited Condensed Consolidated Financial Statements

inputs to this valuation model as of March 8, 2024 included the exercise price of $0.001 per share, the market price of the Company's common stock of $1.90 per share, the risk-free interest rate of 4.1%, an expected term of 1-day, and historical volatility of 100%.

The following table sets forth changes in the fair value of the Company's liabilities measured at fair value liability for the nine months ended March 31, 2024 and 2023 (in thousands):

	Nine Months Ended March 31, 2024		Nine Months Ended March 31, 2023	
	Warrant	Embedded	Warrant	Embedded
Fair value, beginning of period	$ —	$ 412	$ —	$ 407
Warrant liability incurred on March 8, 2024	5,697	—	—	—
Changes in fair value	1,950	41	—	40
Fair value, end of period	$ 7,647	$ 453	$ —	$ 447

Except for the embedded derivative liability and warrant derivative liability, the Company did not have any other liabilities measured at fair value on a recurring basis as of March 31, 2024 and June 30, 2023.

Due to the relatively short maturity of the respective instruments, the fair value of cash, accounts payable, and accrued liabilities approximated their carrying values as of March 31, 2024 and June 30, 2023.

The Company's policy is to recognize asset or liability transfers among Level 1, Level 2 and Level 3 as of the actual date of the events or change in circumstances that caused the transfer. During the three and nine months ended March 31, 2024 and 2023, the Company did not have any transfers of its assets or liabilities between levels of the fair value hierarchy.

Significant Concentrations

Financial instruments that subject the Company to concentrations of credit risk consist primarily of cash, cash equivalents and investments in marketable debt securities. The Company maintains cash in demand deposit accounts at a high-quality financial institution. As of and for the nine months ended March 31, 2024 and 2023, cash deposits have exceeded the amount of insurance provided on such deposits by the Federal Deposit Insurance Corporation.

As of March 31, 2024, the Company has an aggregate of $27.6 million invested in the debt securities of issuers in the banking and financial services industries, and an aggregate of $11.3 million invested in the debt securities of a single agency of the U.S. government. While the Company's investment policy requires investments in highly rated securities, a wide variety of broad economic factors and issuer-specific factors could result in credit agency downgrades below the Company's minimum credit rating requirements that could result in losses regardless of whether the Company elects to sell the securities or hold them until maturity. To date, the Company has not experienced any credit losses or impairments of marketable debt securities due to credit rating agency downgrades.

NOTE 14 — SUBSEQUENT EVENTS

XOMA Milestone Payment

Pursuant to the XOMA License agreement discussed in Note 6, after the fiscal quarter ended March 31, 2024, we paid a $5.0 million which was incurred upon the dosing of the first patient in a Phase 3 clinical study for RZ358. The Company will recognize the related licensing expense for the fiscal quarter ending June 30, 2024.

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Notes to Unaudited Condensed Consolidated Financial Statements

Exchange Warrant Amendment

On May 13, 2024, the Company entered into an amendment to the Exchange PFWs discussed in Note 7. This amendment was to further clarify equity classification so that the Company is not required to obtain shareholder approval if the exercise of the Exchange PFWs would result in aggregate beneficial ownership by the holders in excess of 19.99%. The holders of the Exchange PFWs agreed to the amendment since their warrants were only exercisable for 7% of the Company's outstanding shares and they were already prohibited from exercising the Exchange PFWs to obtain beneficial ownership in excess of 19.99%. As a result of the amendment, the Exchange PFWs will no longer be accounted for as a derivative liability beginning on May 13, 2024. The fair value of this derivative liability increased by $0.9 million between April 1, 2024 and May 13, 2024 whereby the Company will recognize an additional non-operating loss of $0.9 million for the fiscal quarter ending June 30, 2024. The fair value of this warrant derivative liability amounted to $8.6 million as of May 13, 2024 whereby this amount will be reclassified from long-term liabilities to additional paid-in capital for the fiscal quarter ending June 30, 2024.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Certain figures, such as interest rates and other percentages included in this section have been rounded for ease of presentation. Percentage figures included in this section have not in all cases been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding. For this reason, percentage amounts in this section may vary slightly from those obtained by performing the same calculations using the figures in our unaudited condensed consolidated financial statements or in the associated text. Certain other amounts that appear in this section may similarly not sum due to rounding. As used in the discussion below, "we," "our," "us," and the "Company" refers to Rezolute, Inc.

Rezolute is developing transformative therapies for devastating rare and chronic metabolic diseases. Our lead compound, RZ358, is a fully human monoclonal antibody for the treatment of hypoglycemia resulting from excessive secretion of insulin or insulin-like substances such as IGF-2 ("hyperinsulinism" or "HI"). The antibody counteracts excess insulin receptor activation thereby improving hypoglycemia. We have commenced a global Phase 3 study ("sunRIZE") for congenital HI, an ultra-rare pediatric and genetic form of HI. In addition, through our expanded access program ("EAP"), U.S. physician-investigators have been administering RZ358 on a compassionate use basis for the management of hypoglycemia resulting from hyperinsulinism associated with tumors ("tumor HI"). We are also developing RZ402, a small molecule selective and potent plasma kallikrein inhibitor (PKI), as a potential oral therapy for the chronic treatment of diabetic macular edema (DME), which is currently in a Phase 2 study.

Our primary objectives for the first half of 2024 are to complete the Phase 2 study for RZ402 to enable announcement of topline results in May 2024, as well as to continue site activation and increase patient enrollment for sunRIZE to enable completion of enrollment by the end of this calendar year.

RZ358 for congenital hyperinsulinism (cHI)

cHI

cHI is the most common cause of recurrent and persistent hypoglycemia in children. Individuals with cHI typically present with signs or symptoms of hypoglycemia shortly after birth. Hypoglycemia can result in significant brain injury and death if not recognized and managed appropriately. Additionally, recurrent, or cumulative, hypoglycemia can lead to progressive and irreversible damage over time, including serious and devastating brain injury, seizures, neuro-developmental problems, feeding difficulties, and significant impact on patient and family quality of life. In cases that are unresponsive to medical management, surgical removal of the pancreas may be required. In those with diffuse disease where the whole pancreas is affected, a near-total pancreatectomy can be undertaken, although ongoing medical treatment of hypoglycemia is generally required for several years after surgery, before eventual insulin-dependent diabetes ensues. We estimate that in the U.S. alone the addressable market for cHI is more than 1,500 individuals.

sunRIZE Phase 3 Study

In December 2023, we initiated sunRIZE, a randomized, double-blind, placebo-controlled, parallel arm evaluation of RZ358 in participants with cHI who are not adequately responding to standard-of-care medical therapies. We plan to enroll approximately 56 participants ages three months and above from up to approximately 20 clinical trial sites in more than 15 countries in Europe, the Middle East, Asia and North America, and to complete enrollment by the end of calendar year 2024, to enable announcement of topline results in mid-2025. In our Phase 2 RIZE study in patients with cHI ages two and older, nearly all participants achieved significant improvement in hypoglycemia across multiple endpoints, including the primary and key secondary endpoints planned for the sunRIZE study. At doses and exposures planned for sunRIZE, RZ358 was generally safe and well-tolerated, and resulted in median improvements in hypoglycemia of up to ~90% at top doses.

sunRIZE is currently not being studied in the U.S. because of partial clinical holds ("PCHs") imposed by the FDA's Office of Cardiology, Hematology, Endocrinology and Nephrology – Division of Diabetes, Lipid Disorders, and Obesity ("Division"). As part of the preclinical program for RZ358, Sprague Dawley rats ("SD rats") demonstrated a microvascular injury in liver sinusoidal endothelial cells ("LSECs") at potentially clinically relevant doses and exposures ("rat findings"). Consequently, the Division mandated PCHs that prevent us from dosing participants under the age of 12 and restrict us from dosing participants above the lowest dose studied to date, 3mg/kg.

We do not believe that the rat findings are relevant to humans particularly since no liver findings were observed in monkey toxicology studies at significantly higher RZ358 dose levels (up to 90 mg/kg tested), with drug levels that were more than 8 times higher than those that showed toxicity in SD rats and more than 5 times higher than the top human doses. Moreover, in clinical studies conducted to date there have been no liver findings, including at the highest human doses. While the precise mechanism of liver microvascular injury in SD rats remains unknown, we believe that the SD rat may be hypersensitive to exaggerated pharmacology and severely impaired insulin signaling with RZ358, due to its baseline predisposition to obesity, metabolic syndrome, insulin resistance, and over-dependence on the liver for insulin signaling and glucose handling. Notably, individuals who suffer with cHI are the opposite of insulin resistant – they have excessive insulin activity.

As part of our effort to investigate the mechanism of toxicity in SD rats, we have retained advisement from a former senior FDA pharmacology-toxicology official and we have partnered with a research group with LSEC expertise. In the second half of 2023, we conducted additional in-vivo and in-vitro non-clinical studies to enhance our understanding of the mechanism of toxicity in SD rats and its potential relevance to humans, including experiments in SD rat LSECs and another toxicology study in an additional rodent species. We have been unable to reproduce or characterize the toxicity observed in SD rat toxicology studies in our LSEC experiments and we therefore believe that the mechanism of toxicity cannot be characterized in vitro. Importantly, we conducted a CD-1 mice toxicology study to determine if we could reproduce rat findings in a different rodent species. CD-1 mice were administered significantly higher dose levels of RZ358 (up to 120 mg/kg tested) with drug levels that were more than 20 times higher than those that caused the SD rat findings and substantially higher than human doses. No adverse liver findings were observed in this study at any dose level.

To continue along these lines of evaluating and demonstrating the likelihood that liver findings are specific to SD rats and irrelevant to human patients, we then undertook another toxicology study in a different strain of rat. In the first half of 2024, we conducted and recently completed an in-vivo toxicology study in brown Norway rats, using SD rats as a positive control. Early results show that at the highest tested dose of 40 mg/kg, there were no observed liver abnormalities in the brown Norway rat strain. Notably, the 40 mg/kg dose is more than four times the dose that causes liver injury in SD rats. We expect to have final data tabulations and a report for this study completed in the coming weeks and believe that the Norway rat study adds to the body of evidence that the rat findings are specific to the SD rat and not relevant otherwise, based on the absence of findings in other rat strains, other rodent species (CD-1 mice), primates, or human studies to date. We are conducting some additional in-vitro studies and plan to incorporate those studies along with the Norway rat tox study into a complete response to the PCHs to be submitted to the Division this summer with the goal of achieving liberalization of the PCHs. Nonetheless, there can be no assurance that the Division will agree to modify or remove the PCHs.

Regardless of U.S. participation in our current Phase 3 study, we believe data from sunRIZE will be sufficient for a potential submission to FDA for approval for RZ358 for cHI should the study meet its efficacy objectives, with a good safety profile.

RZ358 has received Orphan Drug Designation in the U.S. and European Union for the treatment of c HI, as well as Pediatric Rare Disease Designation in the U.S., a prerequisite for a request for a Rare Pediatric Disease Priority Review Voucher upon Biologics License Application (“BLA”) submission. Based on the RIZE clinical trial outcomes and the evidence of benefit in this serious condition with substantial unmet medical need, RZ358 was subsequently granted a priority medicines (“PRIME”) designation by the European Medicines Agency (“EMA”) and an Innovation Passport designation by the UK Innovative Licensing and Access Pathway (“ILAP”) Steering Group for the treatment of cHI.

RZ358 for tumor hyperinsulinism (HI)

Tumor HI

Tumor HI may be caused by two distinct types of tumors: islet cell tumors (“ICTs”) and non-islet cell tumors (“NICTs”), both of which lead to hypoglycemia due to excessive activation of the insulin receptor. Insulinomas are the most common type of functional ICT and mediate hypoglycemia through excessive insulin production. NICTs are generally associated with relatively large, solid tumors such as hepatocellular carcinoma, fibrosarcoma and mesothelioma, and can cause hypoglycemia by producing and secreting insulin-like paraneoplastic substances such as IGF-2 or related variants that bind to and activate the insulin receptor. This form of hypoglycemia can occur in more than 15 different tumor types, 60 percent of which are malignant, including hepatocellular carcinoma.
Current therapies for insulinomas and NICTs can be grouped into two main categories: (a) tumor directed de-bulking therapies (e.g. surgery, chemotherapy, radiotherapy), which may indirectly and/or eventually lead to decreased levels of circulating insulin and/or insulin-like substances, and therefore control HI and related hypoglycemia; and/or (b) medical therapies that directly treat HI and the

associated hypoglycemia. Tumor-directed therapies do not directly treat hypoglycemia caused by insulinomas or NICTs. In many cases, tumor-directed therapies are administered concurrently with medical therapies for hypoglycemia and in other cases successful treatment of hypoglycemia often enables the initiation and/or continuation of tumor-directed therapies, as indicated. During the period from diagnosis to surgical treatment, or if surgery is contraindicated or refused, medical treatments are often necessary to directly manage the HI and hypoglycemia induced by the tumor. Additionally, chronic medical management of refractory hypoglycemia is often necessary for patients who cannot be cured by surgery, such as those with extensive disease of the pancreas, multi-focal insulinomas, inoperable or unresectable benign or malignant insulinomas, metastatic insulinomas, non-pancreatic insulinomas, or NICT hypoglycemia resulting from a variety of other tumors.

A significant unmet need exists for treatment options with improved efficacy and tolerability as normalization of glucose levels is crucial to ensure patients are fit to receive cancer treatment and to reduce mortality. Unfortunately, some patients are unresponsive to the current standard of care medical therapies for tumor HI and experience debilitating hypoglycemia that is otherwise untreatable. Currently available medical therapies are directed at reducing or eliminating insulin production and/or secretion from tumors, which may be challenging when the tumor is differentiated or dysregulated, and therefore not responding to usual control mechanisms for suppressing insulin production. In some cases, commonly utilized somatostatin analog therapies may even worsen hypoglycemia due to suppression of glucagon. Therefore, currently available medical therapies directed at suppressing insulin production may have limited effectiveness in tumor HI.

The total addressable market for the combined indications causing tumor HI is estimated to be approximately 4,500 patients in the U.S. alone, including approximately 1,500 with islet cell tumor hypoglycemia (“ICTH”) and approximately 3,000 with non-islet cell tumor hypoglycemia (“NICTH”).

Expanded Access Program

RZ358 has been shown to counteract excessive insulin action downstream, at the insulin-receptor on target organs. The unique mechanism of action of RZ358 makes the therapy a potential universal treatment for any form of hyperinsulinism, including tumor HI.

We maintain an EAP for a variety of HI indications for the purpose of making RZ358 available on a compassionate use basis when available therapeutic options have failed, and an individual’s hypoglycemia is unmanageable. In the fourth quarter of 2022, we received and approved an EAP request from Dr. Mary Elizabeth Patti, Director of the Hypoglycemia Clinic at the Harvard Medical School and Beth Israel Medical Center-affiliated Joslin Diabetes Center, for a patient with intractable hypoglycemia caused by a metastatic insulinoma. Dr. Patti received a single patient IND approval from the Division to treat the patient with RZ358. Dr. Patti reported that the patient safely achieved correction of hypoglycemia with RZ358, enabling the patient to wean off continuous intravenous dextrose and several other medications for hypoglycemia, leave the hospital after a prolonged stay, and resume receiving concurrent treatment for his cancer with tumor-directed therapies. The patient remained on RZ358 for more than a year until he eventually passed away due to progression of his underlying malignant/metastatic insulinoma.

We have received and approved four additional requests to date for use of RZ358 in patients with tumor HI caused by metastatic insulinomas and other insulin secreting metastatic cancer (cervical). In the U.S., these requests have all been approved by the Division. These patients have been refractory to usual standard of care therapies for chronic management of hypoglycemia and required continuous high volume/concentration intravenous dextrose or nutritional infusion and were hospitalized and in life-threatening or hospice-bound condition because of uncontrollable hypoglycemia. Further treatment with tumor-directed therapies (e.g., embolization, radiotherapy, chemotherapy) was often deferred as a result of the debilitating hypoglycemia.

Generally, dosing for tumor HI patients has been either 6 mg/kg or 9 mg/kg every 1-2 weeks. In all cases to date, RZ358 has led to substantial improvement in hypoglycemia and has been well tolerated. Within a relatively short period of time after administration of RZ358, continuous intravenous dextrose was discontinued and hospitalized patients were able to be discharged and receive maintenance RZ358 doses on an outpatient basis, with durable benefit. In most cases, other background medical therapies for hypoglycemia were able to be weaned or stopped, and patients were able to resume tumor-directed therapies for treatment of their underlying cancer. Patients with metastatic tumor HI often have underlying hepatic injury (abnormal enzymes) at baseline due to hepatic metastases or previous tumor-directed treatments (e.g., partial liver resection or embolization). The patients with hepatic injury that have been treated under the EAP have not exhibited any indication of hepatic toxicity with the use of RZ358.

Evaluation of a Clinical and Regulatory Development Path

In January 2024, we had a Type B pre-IND meeting with the Division to discuss a potential IND application and a clinical and regulatory development strategy for tumor HI. The Division acknowledged the unmet need as well as the potential therapeutic benefit of RZ358 as demonstrated by the cases under the EAP as well as the efficacy demonstrated in previous clinical experience in cHI. The Division is aligned with us that it would be warranted to study RZ358 in an IND-opening late-stage (registrational) clinical trial, which we are currently evaluating as a development program and second rare disease indication for RZ358. This study could simultaneously include both ICT and NICT patients with tumor HI.

To further validate the utility of RZ358 in treating hyperinsulinism and hypoglycemia resulting from NICT, we also conducted in-vitro experiments which demonstrated that RZ358 can blunt signaling of IGF-2 at the insulin receptor. This is additional proof of mechanism and concept for RZ358 as a potential universal treatment for hyperinsulinism, due to its novel mechanism of action at the insulin receptor.

In addition to other factors that impact a decision and timing of initiation of a new development program, we are not resourced to support an additional late stage registrational study. While we are optimistic about the positive impact RZ358 is already having on the lives of tumor HI patients, there can be no assurance that we will expand its pipeline to include tumor HI as a new indication for RZ358 nor can there be any assurance that such a program will be successful in a registrational study to support commercial approval for use of RZ358 in tumor HI by FDA or other regulatory authorities worldwide.

RZ402 for diabetic macular edema (DME)

DME

Diabetic retinopathy ("DR") affects approximately one third of adults with diabetes and is the leading cause of vision loss in the working age population. DME is a severe, systemic, vision-threatening complication of DR characterized by swelling of the retina and thickening of the macula, the part of the eye that is responsible for high-resolution vision. Anti-vascular growth factor ("anti-VEGF") injections into the eye are the current standard of care for DME, requiring continued administration over long periods of time to preserve vision. Due to their invasive route of administration and occasional serious side effects, there is a tendency to delay treatment until later in the disease course, and long-term compliance with eye injection regimens can be difficult for patients. Coupled with inadequate responsiveness in some patients, this leads to overall undertreatment and suboptimal vision outcomes in DME patients.

The contact-activation kallikrein-kinin system promotes increased vascular permeability and inflammation via key downstream mediators, including bradykinin, and activation of the intrinsic pathway of coagulation. Pathophysiologic upregulation of this system has been linked to a variety of diseases which are characterized by vascular dysfunction, including DME.

We believe that an oral PKI therapy is the ideal approach for targeting a systemic vascular disease such as DME. An oral PKI would be a non-invasive approach that allows for earlier disease intervention, directly impacts the site of disease and therapeutic target, and could be used alone or in tandem with anti-VEGF injections, which could potentially lead to better clinical outcomes overall.

Phase 2 Study

In December 2022, we initiated a Phase 2 U.S. multi-center, randomized, double-masked, placebo-controlled, parallel-arm study to evaluate the safety, efficacy, and pharmacokinetics of RZ402 administered as a monotherapy over a 12-week treatment period in participants with DME who are naïve to, or have received limited anti-VEGF injections. The study population is comprised of DME patients with mild to moderate non-proliferative DR, experiencing compromised vision. Eligible participants were randomized equally, to one of three RZ402 active treatment arms at doses of 50, 200, and 400 mg, or a placebo control arm, to receive study drug once daily for 12 weeks, before completing a four-week follow-up. We have completed dosing of 94 participants in the study, and the study is in its concluding phases. The principal endpoints of the trial include (i) stabilization of disease and/or change in study eye macular central subfield thickness, as measured by Spectral Domain Ocular Coherence Tomography, (ii) change in study eye visual acuity as measured by the early treatment diabetic retinopathy scale, (iii) the repeat dose pharmacokinetics of RZ402 in patients with DME, and (iv) the safety and tolerability of RZ402. Since RZ402 is an oral therapy and achieves systemic exposure to the retinal blood vessels in both eyes, key endpoints will also incorporate the non-study eye. We are on track to announce topline results in May of 2024.

Recent Developments

Securities Exchange Agreement

On March 8, 2024 (the "Closing Date"), we entered into a securities exchange agreement (the "Exchange Agreement") with certain of our stockholders (the "Exchanging Shareholders"), whereby we purchased 3,000,000 shares of common stock with an aggregate fair value of $5,700,000 (the "Retired Shares") from the Exchanging Shareholders. The Retired Shares were immediately cancelled whereby they will remain as authorized shares for future issuance in accordance with Nevada law. Consideration for the acquisition of the Retired Shares consisted of (i) a cash payment to the Exchanging Shareholders of $3,000, and (ii) the issuance of pre-funded warrants (the "Exchange PFWs") to the Exchanging Shareholders with an estimated fair value of $5,697,000. The Exchange PFWs do not expire and are exercisable to purchase an aggregate of 3,000,000 shares of our common stock (subject to adjustment in the event of stock splits, recapitalizations and other similar events) at an exercise price of $0.001 per share. The Exchange PFWs are exercisable at any time, subject to the then effective ownership blocker percentage (the "OBP") as elected by the Exchanging Shareholders. The OBP is a percentage designated by the holders whereby the Exchange PFWs cannot be exercised if, after giving effect thereto, the Exchanging Shareholders would beneficially own more than the designated OBP. The terms of the Exchange PFWs initially provide for an OBP of 9.99%. However, upon at least 61 days' prior notice to us, any holder of Exchange PFWs may elect to increase or decrease the OBP to any other percentage not to exceed 19.99%.

Unlike our shares of common stock, the holders of Exchange PFWs do not have voting rights except to the extent required by Nevada law. No later than six months after the Closing Date, we agreed to file a registration statement covering the resale of the shares issuable upon the exercise of the Exchange PFWs**.**

Open Market Sales Agreement

On November 14, 2023, we entered into an open market sale agreement (the "Sales Agreement") with Jefferies LLC (the "Agent) that provides for an "at the market" offering for the sale of up to $50.0 million in shares of our common stock (the "Placement Shares") through the Agent. The Agent is acting as sales agent and is required to use commercially reasonable efforts to sell all of the Placement Shares requested to be sold by us, consistent with the Agent's normal trading and sales practices, on mutually agreed terms between us and the Agent. The Sales Agreement will terminate when all of the Placement Shares have been sold, or earlier upon the election of either us or the Agent.

We have no obligation to sell any of the Placement Shares under the Sales Agreement. We intend to use the net proceeds, if any, from amounts sold under the Sales Agreement for general corporate purposes, including working capital. Under the terms of the Sales Agreement, we agreed to pay the Agent a commission equal to 3.0% of the gross sales price of the Placement Shares plus certain expenses incurred by the Agent in connection with the offering**.** No shares were sold under the Sales Agreement as of March 31, 2024.

Prefunded Warrant Exercises

On October 4, 2023, an investor from our May 2022 registered direct offering provided notice of cashless exercise of their Class B PFWs. We issued 2,797,704 shares of our common stock on October 6, 2023, and we did not receive any cash proceeds from the exercise.

On March 1, 2024, an investor provided notice of cashless exercise for 1,973,684 Class A PFW's, resulting in the issuance of 1,972,486 shares of common stock. On March 7, 2024, certain holders of 2021 PFWs provided notice of cashless exercise for 1,538,461 shares resulting in the issuance of 1,529,890 shares of common stock.

Milestone Payment

Pursuant to the XOMA License agreement discussed below under the caption Liquidity and Capital Resources, subsequent to March 31, 2024, a $5.0 million milestone payment was incurred and paid to XOMA upon the dosing of the first patient in our Phase 3 clinical study for RZ358. Accordingly, we expect to recognize the related license expense for the fiscal quarter ending June 30, 2024.

Factors Impacting our Results of Operations

We have not generated any meaningful revenues since our inception in March 2010. Over the last several years, we have conducted private placements and public offerings to raise additional capital, adopted a licensing model to pursue development of product candidates, conducted pre-clinical and clinical trials, and conducted other research and development activities on our pipeline of product candidates.

Due to the time required to conduct clinical trials and obtain regulatory approval for our product candidates, we anticipate it will be several years before we generate substantial revenues, if ever. We expect to incur operating losses for the foreseeable future; therefore, we expect to continue efforts to raise additional capital to maintain our current operating plans over the next several years. We cannot assure you that we will secure such financing or that it will be adequate for the long-term execution of our business strategy. Even if we obtain additional financing, it may be costly and may require us to agree to covenants or other provisions that will favor new investors over our existing shareholders.

Key Components of Consolidated Statements of Operations and Comprehensive Loss

Research and development expenses. Research and development ("R&D") expenses consist primarily of compensation and benefits for our personnel engaged in R&D activities, clinical trial costs, licensing costs, and consulting and outside services. Our R&D compensation costs include an allocable portion of our cash and share-based compensation, employee benefits, and consulting costs related to personnel engaged in the design and development of product candidates and other scientific research projects. We also allocate a portion of our facilities and overhead costs based on the personnel and other resources devoted to R&D activities.

General and administrative expenses. General and administrative ("G&A") expenses consist primarily of (i) an allocable portion of our cash and share-based compensation and employee benefits related to personnel engaged in our administrative, finance, accounting, and executive functions, and (ii) an allocable portion of our facilities and overhead costs related to such personnel. G&A expenses also include travel, legal, auditing, consulting, investor relations and other costs primarily related to our status as a public company.

Interest and other income. Interest and other income consist primarily of interest income earned on marketable debt securities and temporary cash investments, amortization of investment premiums and accretion of investment discounts.

Loss from change in fair value of derivative liability. We recognize liabilities for financial instruments that are required to be accounted for as derivatives, as well as embedded derivatives in our debt agreements. Derivative liabilities are adjusted to fair value at the end of each reporting period until the contracts are settled, expire, or otherwise meet the conditions for equity classification. Changes in fair value are reflected as a gain or loss in our unaudited condensed consolidated statements of operations and comprehensive loss.

Critical Accounting Policies and Significant Judgments and Estimates

Overview

The discussion herein is based on our unaudited condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these unaudited condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported revenue and expenses during the reporting periods. These items are monitored and analyzed for changes in facts and circumstances, and material changes in these estimates could occur in the future. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Changes in estimates are reflected in reported results for the period in which they become known. Actual results may differ from these estimates under different assumptions or conditions.

With respect to our significant accounting policies that are described in Note 1 to our consolidated financial statements included in Item 8 of our 2023 Form 10-K, we believe that the following accounting policies involve a greater degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of operations.

Investments in Marketable Debt Securities

We account for investments in marketable debt securities as available-for-sale securities whereby they are recorded in our consolidated balance sheets at fair value. Interest income consists of accrued interest earned based on the coupon rate of the security, plus the impact of accreting discounts and amortizing premiums to maturity using the straight-line method which approximates the interest method. Unrealized gains and losses due to subsequent changes in fair value of the investments are reported in shareholders' equity as a component of accumulated other comprehensive income (loss). The individual debt securities in our portfolio are subject to credit risk in the event of default by the issuers. We review the components of our portfolio of available-for-sale debt securities, using both quantitative and qualitative factors, to determine if declines in fair value below amortized cost have resulted from a credit-related loss or other factors. To the extent that declines in fair value are due to a deterioration of credit quality of the issuer, we will recognize an allowance for credit losses related to such investments with a corresponding loss in the consolidated statements of operations. Allowances for credit losses may be reversed in subsequent periods if conditions improve and credit-related losses are no longer expected. For a decline in fair value that is solely due to changes in interest rates, impairment is not recognized if we have the ability and intent to hold the investment until maturity. The cost basis of any securities sold prior to maturity will be determined using the specific identification method.

Research and Development

R&D costs are expensed as incurred. Intangible assets related to in-licensing costs under license agreements with third parties are charged to expense unless we are able to determine that the licensing rights have an alternative future use in other R&D projects or otherwise.

Clinical Trial Accruals

Clinical trial costs are a component of R&D expenses. We accrue and recognize expenses for clinical trial activities performed by third parties based upon estimates of the percentage of work completed over the life of the individual study in accordance with agreements established with clinical research organizations and clinical trial sites. We determine the estimates through discussions with internal clinical personnel and external service providers as to the progress or stage of completion of trials or services and the agreed-upon fee to be paid for such services. Nonrefundable advance payments for goods and services that will be used or rendered in future R&D activities, are deferred and recognized as expense in the period that the related goods are delivered, or services are performed.

Share-Based Compensation Expense

We measure the fair value of services received in exchange for grants of stock options based on the fair value of the award as of the grant date. We compute the fair value of stock options with time-based vesting using the BSM option-pricing model and recognize the cost of the equity awards over the period that services are provided to earn the award. For awards that contain a graded vesting schedule, and the only condition for vesting is a service condition, compensation cost is recognized on a straight-line basis over the requisite service period as if the award was, in substance, a single award. We recognize the impact of forfeitures in the period that the forfeiture occurs, rather than estimating the number of awards that are not expected to vest in accounting for share-based compensation. For stock options that are voluntarily surrendered by employees, all unrecognized compensation is immediately recognized in the period the options are cancelled.

Results of Operations

Three months ended March 31, 2024 and 2023

Revenue. As a clinical stage company, we did not generate any revenue for the three months ended March 31, 2024 and 2023. We are at an early stage of development and do not currently have any commercial products. Our existing product candidates will require extensive additional clinical evaluation, regulatory review, significant marketing efforts and substantial investment before they generate any revenues. We do not expect to be able to generate revenue from any of our product candidates for several years.

Research and development expenses. R&D expenses for the three months ended March 31, 2024 and 2023 were as follows (in thousands, except percentages):

	2024	2023	Decrease Amount	Decrease Percent
Total R&D expenses	$ 12,401	$ 14,231	$ (1,830)	(13)%

The decrease in R&D expenses of $1.8 million for the three months ended March 31, 2024 was attributable to a decrease in license agreement milestone expenses of $3.0 million, as we triggered the Phase 2 dosing milestone due to ActiveSite in the three months ended March 31, 2023. No license agreement milestone expenses were incurred during the three months ended March 31, 2024. This decrease was partially offset by: (i) increase of $1.2 million in R&D related compensation and benefits, (ii) increase in RZ402 related program costs of $0.6 million, and (iii) decrease of $0.6 million in RZ358 related program costs.

Compensation and benefits for our R&D workforce increased by approximately $1.2 million. Cash-based compensation and benefits increased by approximately $1.1 million that was primarily attributable to an increase in the average number of R&D employees from an average of 35 employees for the three months ended March 31, 2023, to an average of 39 employees for the three months ended March 31, 2024.

RZ402 program costs increased by $0.6 million in the three months ended March 31, 2024, compared to the three months ended March 31, 2023 due to an increase of clinical study expenses, driven by our Phase 2 study, which completed enrollment in December 2023. RZ358 related program costs decreased by $0.6 million due to lower clinical development activities related to the planning of the Phase 3 sunRIZE study having been incurred in the three months ended March 31, 2024, compared to the three months ended March 31, 2023. As of March 31, 2024, no patients were enrolled in the sunRIZE study.

General and administrative expenses. G&A expenses for the three months ended March 31, 2024 and 2023 were as follows (in thousands, except percentages):

	2024	2023	Increase Amount	Increase Percent
Total G&A expenses	$ 3,812	$ 2,911	$ 901	31 %

The increase in G&A expenses of $0.9 million for the three months ended March 31, 2024, was primarily attributable to an increase in cash-based compensation expense related to reduced performance bonuses. This cash-based compensation increase is due to an increase in the average number of G&A employees from an average of 12 employees for the three months ended March 31, 2023, to an average of 16 employees for the three months ended March 31, 2024.

Interest and Other Income. Interest and other income amounted to $1.1 million for the three months ended March 31, 2024, compared to $1.5 million for the three months ended March 31, 2023. This decrease of $0.4 million was primarily due to a decrease in the aggregate value of interest-bearing cash accounts and investments in marketable debt securities from $129.3 million at March 31, 2023 to $81.6 million as of March 31, 2024 as investment maturities were utilized to fund operating activities. Investments in marketable debt securities are our primary source of liquidity to fund clinical expenditures and other operating expenses.

Change in Fair Value of Derivative Liabilities. For the three months ended March 31, 2024, we recognized an expense of approximately $2.0 million, primarily due to the increase of $0.65 per share in our stock price, resulting in changes in the fair value of the warrant derivative liability related to the Exchange PFWs issued on March 8, 2024. For the three months ended March 31, 2023, there were no warrant liabilities recognized.

Income Taxes. For the three months ended March 31, 2024 and 2023, we did not recognize any income tax benefit due to our net losses, and our determination that a valuation allowance was required for all of our deferred tax assets.

Nine months ended March 31, 2024 and 2023

Revenue. As a clinical stage company, we did not generate any revenue for the nine months ended March 31, 2024 and 2023. We are at an early stage of development and do not currently have any commercial products. Our existing product candidates will require extensive additional clinical evaluation, regulatory review, significant marketing efforts and substantial investment before they generate any revenues. We do not expect to be able to generate revenue from any of our product candidates for several years.

Research and development expenses. R&D expenses for the nine months ended March 31, 2024 and 2023 were as follows (in thousands, except percentages):

			Increase	
	2024	2023	Amount	Percent
Total R&D expenses	$ 36,654	$ 32,880	$ 3,774	11 %

The increase in R&D expenses of $3.8 million for the nine months ended March 31, 2024, was primarily attributable to an increase in RZ358 related program costs of approximately $3.4 million. This increase consisted of: (i) an increase in manufacturing and preclinical costs of $1.8 million, (ii) increase of clinical trial study expenses of $0.9 million and (iii) toxicology and other related costs of $0.7 million. RZ358 clinical and manufacturing costs increased due to Phase 3 clinical readiness activities, which were initiated in December 2023. RZ358 related toxicology costs increased due to ongoing preclinical studies being conducted in efforts to lift the partial clinical hold discussed above.

Costs related to RZ402 and other R&D costs increased by approximately $1.1 million for the nine months ended March 31, 2024, which was primarily attributable to an increase in clinical costs related to the ongoing Phase 2 study, which completed enrollment in December 2023. The RZ402 Phase 2 study is ongoing with topline results expected to be available by June 2024.

Additionally, compensation and benefits for our R&D workforce increased by approximately $2.2 million. Cash-based compensation and benefits increased by approximately $2.1 million that was primarily attributable to an increase in the average number of R&D employees from 33 employees for the nine months ended March 31, 2023, to 41 employees for the nine months ended March 31, 2024. Share-based compensation also increased by $0.1 million for our R&D workforce for the nine months ended March 31, 2024.

General and administrative expenses. G&A expenses for the nine months ended March 31, 2024 and 2023 were as follows (in thousands, except percentages):

			Increase	
	2024	2023	Amount	Percent
Total G&A expenses	$ 10,667	$ 8,872	$ 1,795	20 %

G&A expenses increased by approximately $1.8 million for the nine months ended March 31, 2024. This increase was primarily attributable to increases of (i) professional fees of $0.8 million due to market research costs and investor relations expenses, and (ii) compensation and benefits for our G&A workforce of approximately $0.8 million due to an increase in the average number of G&A employees from 12 employees for the nine months ended March 31, 2023, to 14 employees for the nine months ended March 31, 2024.

Interest and Other Income. Interest and other income amounted to $3.8 million for the nine months ended March 31, 2024, compared to $2.7 million for the nine months ended March 31, 2023. This increase of $1.1 million was primarily due to our decision in January 2023 to invest an aggregate of approximately $115.0 million in marketable debt securities and an overnight money market mutual fund that bear interest at a weighted average effective rate of approximately 5.0%, whereas our temporary cash investments for the nine months ended March 31, 2023, resulted in an effective interest rate that was less than 3.0%. The impact of higher interest rates for the nine months ended March 31, 2024, was partially offset by a reduction in the average funds that were invested. Investments in marketable debt securities are our primary source of liquidity to fund clinical expenditures and other operating expenses.

Change in Fair Value of Derivative Liabilities. For the nine months ended March 31, 2024, we recognized an expense of approximately $2.0 million, primarily due to the increase of $0.65 per share in our stock price, resulting in changes in the fair value of the warrant derivative liability related to the Exchange PFWs issued on March 8, 2024. For the nine months ended March 31, 2023, there were no warrant liabilities recognized.

Income Taxes. For the nine months ended March 31, 2024 and 2023, we did not recognize any income tax benefit due to our net losses, and our determination that a valuation allowance was required for all of our deferred tax assets.

Liquidity and Capital Resources

Short-term Liquidity Requirements

As of March 31, 2024, we had cash and cash equivalents of $5.9 million, short-term marketable debt securities of $74.1 million and working capital was approximately $75.3 million. We have incurred cumulative net losses of $306.5 million since our inception and as a clinical stage company we have not generated any meaningful revenue to date. Our most significant contractual obligations consist of milestone payments pursuant to licensing agreements with XOMA Corporation ("XOMA") and ActiveSite Pharmaceuticals, Inc. ("ActiveSite") discussed below.

Our primary source of liquidity has historically been from the completion of private and public offerings of our debt and equity securities. For the nine months ended March 31, 2024, we did not receive any proceeds from financing activities. For the fiscal year ended June 30, 2023, we received net proceeds from the issuance of equity securities of $11.6 million. During the fiscal year ended June 30, 2022, we completed several equity financings that generated aggregate net proceeds of approximately $149.0 million after repayment of our Loan Agreement. The proceeds from these equity financings were invested in money market funds and marketable debt securities. As these investments mature, the proceeds have been our primary source of liquidity to enable our funding of ongoing clinical expenditures and other operating expenses.

In April 2022 we entered into a lease agreement for a new corporate headquarters facility in Redwood City, California. This lease, which commenced in October 2022, provides for total base rent payments of approximately $2.9 million through the expected expiration of the lease in July 2027. Additionally, in October 2023 we extended the lease agreement for our office facility in Bend, Oregon. This lease extension provides for additional base rent payment of approximately $0.4 million through the expiration date of the lease in February 2027.

Remaining cash payments related to existing contractual obligations for the 12-months ending March 31, 2025 include approximately (i) $0.7 million under all of our operating lease agreements, (ii) a milestone payment to XOMA of $5.0 million that was incurred subsequent to March 31, 2024 upon dosing of the first patient in our planned Phase 3 clinical trial for RZ358 and (iii) and an additional payment to XOMA of $5.0 million due upon dosing of the last patient in our planned Phase 3 clinical trial for RZ358. Due to uncertainties in the timing associated with clinical trial activities, it is possible that the milestone payment due upon dosing of the last patient could be delayed beyond March 31, 2025.

Based on our cash and cash equivalents balance of $5.9 million and investments in short-term marketable debt securities balance of $74.1 million as of March 31, 2024, we believe we have adequate capital resources to meet all of our contractual obligations and conduct all planned activities to advance our clinical trials at least through the next 12 months.

Long-term Liquidity Requirements

Our most significant long-term contractual obligations consist of additional clinical and regulatory milestone payments up to $35.0 million payable to XOMA and additional milestone payments up to $25.0 million payable to ActiveSite. Of these amounts, we expect that $10.0 million will be payable to XOMA during the 12-month period ending March 31, 2025 as discussed above under the caption Short-term Liquidity Requirements. Up to $50.0 million of the remaining milestone payments that may become payable are considered a long-term liquidity requirement. Due to uncertainties in the timing associated with clinical trial activities and regulatory approvals, there is even greater uncertainty in forecasting the timing of future clinical and regulatory milestone payments to XOMA and ActiveSite that may extend beyond the next 12 months.

In addition to the clinical and regulatory milestone payments discussed above, upon the future commercialization of RZ358 and RZ402 we will be obligated to pay additional milestone payments and royalties based on the net sales of the related products and alternative indication regulatory approvals to XOMA and ActiveSite for an aggregate up to $202.5 million. These future milestones include $185.0 million in potential payments to XOMA and $17.5 million to ActiveSite for various sales-based milestones and alternative indication regulatory approvals. No assurance can be provided that commercialization will ever be achieved for RZ358 and RZ402, whereby none of these future payments may ever be required.

In addition to our licensing obligations, we also have long-term contractual obligations under existing operating lease agreements ranging between approximately $0.7 million to $0.8 million for each of the fiscal years ending June 30, 2025 through 2027. Based on our current forecast, we expect that our existing cash, cash equivalents and investments in marketable debt securities will be sufficient to fund our long-term contractual obligations and conduct all planned activities to advance our clinical trials at least through the third quarter of calendar year 2025.

As discussed above under the caption Recent Developments, in November 2023 we entered into the Sales Agreement that provides for an "at-the-market" offering for the sale of up to $50.0 million in shares of our common stock. The net proceeds under the Sales Agreement, if any, will be used to fund a portion of our long-term liquidity requirements including payments for general corporate purposes and to meet our working capital requirements. To date, we have not elected to sell any shares of our common stock pursuant to the Sales Agreement. Even if we elect to sell the entire $50.0 million of shares under the Sales Agreement, we will need to obtain additional equity or debt financing in order to fund all of our long-term liquidity requirements. Accordingly, no assurance can be given that we will be able to obtain sufficient sources of equity and debt financing on terms that are acceptable to our Board of Directors and stockholders.

Presented below is an additional discussion about the ongoing requirements pursuant to our license agreements with XOMA and ActiveSite, along with additional information about our ongoing financing activities that impacted our liquidity and capital resources through March 31, 2024.

XOMA License Agreement

In December 2017, we entered into a license agreement (the "XOMA License Agreement") with XOMA through its wholly-owned subsidiary, XOMA (US) LLC, pursuant to which XOMA granted an exclusive global license to develop and commercialize XOMA 358 (formerly X358, now RZ358) for all indications. In January 2019, the XOMA License Agreement was amended with an updated payment schedule, as well as revised the amount we were required to expend on development of RZ358 and related licensed products, and revised provisions with respect to our diligence efforts in conducting clinical studies.

Upon the achievement of certain clinical and regulatory events, we will be required to make up to $37.0 million in aggregate milestone payments to XOMA. The first such milestone payment of $2.0 million was triggered upon enrollment of the last patient in our ongoing phase 2 clinical study in January 2022. The next milestone payment of $5.0 million was incurred subsequent to March 31, 2024 upon the enrollment of the first patient in a Phase 3 study. A milestone payment of $5.0 million, will be due upon the dosing of the last patient in a Phase 3 study, which we believe will occur in the next twelve months. Additionally, upon the future commercialization of RZ358, we will be required to pay royalties to XOMA based on the net sales of the related products, and milestone payments up to an additional $185.0 million if future annual sales related to RZ358 exceed targets ranging from $100.0 million to $1.0 billion. Through March 31, 2024, no events have occurred that would result in the requirement to make additional milestone payments and no royalties have been incurred.

ActiveSite License Agreement

In August 2017, we entered into a Development and License Agreement with ActiveSite ("ActiveSite License Agreement") pursuant to which we acquired the rights to ActiveSite's PKI portfolio. We are planning to use the PKI Program to develop, file, manufacture, market and sell products for diabetic macular edema and other therapeutic indications. The ActiveSite License Agreement requires various milestone payments ranging from $1.0 million to $10.0 million when milestone events occur, up to an aggregate of $46.5 million of aggregate milestone payments. The first milestone payment for $1.0 million was paid in December 2020 after completion of preclinical work and submission of an IND to the FDA for RZ402. The second milestone payment for $3.0 million became due upon dosing of the first patient in a Phase 2 study in February 2023. Remaining milestone payments under the ActiveSite License Agreement for various clinical and regulatory milestones amount to $25.0 million and milestones after commercial success or alternative indication

approvals amount to $17.5 million. We will also be required to pay royalties equal to 2.0% of any sales of products that use the PKI Program. Through March 31, 2024, no events have occurred that would result in the requirement to make additional milestone payments and no royalties have been incurred.

Cash Flows Summary

Presented below is a summary of our operating, investing, and financing cash flows for the nine months ended March 31, 2024 and 2023 (in thousands):

	2024	2023	Change
Net cash provided by (used in):			
Operating activities	$ (38,846)	$ (33,131)	$ (5,715)
Investing activities	29,036	(95,107)	124,143
Financing activities	(296)	11,571	(11,867)

Cash Used in Operating Activities

For the nine months ended March 31, 2024 and 2023, cash used in operating activities amounted to $38.8 million and $33.1 million, respectively. The key components in the calculation of our cash used in operating activities are as follows (in thousands):

	2024	2023	Change
Net loss	$ (45,483)	$ (39,059)	$ (6,424)
Non-cash expenses	8,008	5,759	2,249
Accretion of discounts and amortization of premiums on marketable debt securities, net	(2,100)	(708)	(1,392)
Changes in operating assets and liabilities, net	729	877	(148)
Total	$ (38,846)	$ (33,131)	$ (5,715)

For the nine months ended March 31, 2024, our net loss was $45.5 million compared to $39.1 million for the nine months ended March 31, 2023. For further discussion about changes in our operating results for the nine months ended March 31, 2024 and 2023, please refer to *Results of Operations* above.

For the nine months ended March 31, 2024 and 2023, our non-cash expenses of $8.0 million and $5.8 million, respectively. For the Nine months ended March 31, 2024, non-cash expenses were primarily attributable to share-based compensation expense and loss in change of fair value of a warrant liability. For the nine months ended March 31, 2023, non-cash expenses were primarily attributable to share-based compensation expense. For the nine months ended March 31, 2024, accretion of discounts and amortization of premiums on marketable debt securities amounted to $2.1 million and $0.7 million, respectively, and were due to interest income as a result of investing in marketable debt securities. For the nine months ended March 31, 2024, net changes in operating assets and liabilities increased operating cash flow by $0.7 million, primarily driven by an increase of $1.3 million in accounts payable and other accrued liabilities. This amount was partially offset by cash outflows resulting from an increase in prepaid expenses and other assets of $0.6 million. For the nine months ended March 31, 2023, net changes in operating assets and liabilities increased operating cash flow by $0.9 million, primarily driven by an increase of $1.7 million in accounts payable and other accrued liabilities. This amount was partially offset by reduced cash flows resulting from an increase in prepaid expenses and other assets of $0.8 million for the nine months ended March 31, 2023.

Cash Provided by or Used in Investing Activities

For the nine months ended March 31, 2024, our net cash provided by investing activities amounted to $29.0 million, primarily related to the maturity of marketable debt securities of $85.8 million partially offset by cash outflows of $56.7 million to reinvest in additional marketable debt securities.

For the nine months ended March 31, 2023, our net cash utilized in investing activities amounted to $95.1 million, related to the purchase of marketable debt securities of $95.0 million and the purchase of $0.2 million of furniture and equipment primarily for use in our new office location in Redwood City, California.

Cash Provided by or Used in Financing Activities

For the nine months ended March 31, 2024, our net cash utilized in financing activities was $0.3 million and was primarily attributable to deferred offering costs to put the Sales Agreement in place and register the underlying shares of common stock that may be issued.

Net cash provided by financing activities for the nine months ended March 31, 2023 amounted to $11.6 million. This amount consisted of total proceeds of $12.3 million from the 2022 Private Placement partially offset by payments of $0.8 million for underwriting commissions and other costs related to this offering.

Recent Accounting Pronouncements

Please refer to Note 1 to our unaudited condensed consolidated financial statements in Part I, Item 1 of this Report regarding the impact of recent accounting pronouncements.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet transactions for the periods covered by this Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer (our principal executive and financial officer), of the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended ("Exchange Act"). Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute assurance of achieving the desired objectives. Also, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Based on that assessment under those criteria, our management has concluded that our disclosure controls and procedures are not effective at the reasonable assurance level as of March 31, 2024, due to a material weakness. Management has concluded that our procedures for determining the accounting treatment of pre-funded warrants issued in March 2024 are insufficient, which rises to a material weakness in internal control over financial reporting.

The material weakness identified by management relates to our controls over the accounting for pre-funded warrants whereby we failed to initially recognize these pre-funded warrants as liabilities, along with the subsequent changes in fair value as non-cash expenses. As a result of this material weakness, we failed to timely identify material adjustments to our financial statements that were detected shortly before the filing of this Quarterly Report on Form 10-Q. Our legacy processes included the timely identification of the relevant

accounting technical pronouncements, other literature, consultation with third-party experts, and the preparation of a memorandum outlining our assessment of the factual background and our interpretation of the accounting requirements. With respect to pre-funded warrants issued on March 8, 2024, we improperly concluded that equity classification was permitted based on the facts that (i) the pre-funded warrants were only exercisable for 7% of our outstanding shares, (ii) the pre-funded warrants explicitly prohibit the holders from exercising if beneficial ownership would exceed 19.99%, and (iii) shareholder approval was only required if beneficial ownership exceeded 19.99%. Despite these terms, we determined that equity classification was not permitted, whereby we performed additional analysis as deemed necessary to ensure that the accompanying financial statements were revised and prepared in accordance with U.S. generally accepted accounting principles. Accordingly, management believes that the accompanying financial statements present fairly in all material respects our financial position, results of operations and cash flows for the periods presented.

On May 13, 2024, we entered into an amendment with the holders of the pre-funded warrants to further support the equity classification. As a result of this amendment, the pre-funded warrants will no longer be accounted for as a derivative liability beginning on May 13, 2024.

To the extent reasonably possible, we intend to engage additional third-party specialists to determine the accounting treatment of our warrants to ensure that our warrant accounting policies and procedures are consistent across the organization and that we have adequate control over our Exchange Act reporting disclosures. Due to the complexity of the accounting rules for equity-linked financial instruments, we cannot provide assurance that our existing processes and planned remediation will eventually result in the elimination of the material weakness described above.

Changes in internal controls over financial reporting

During the period covered by this Quarterly Report on Form 10-Q, we determined the existence of a material weakness in our internal control over financial reporting (as defined in Rule 13(a)-15(f) or 15(d)-15(f)) related to the complex pre-funded warrant accounting discussed above, that occurred during the period covered by this quarterly report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

Our Legacy Risk Factor Disclosures are set forth in (i) Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended June 30, 2023 filed with the Securities and Exchange Commission ("SEC") on September 14, 2023, and (ii) in Part II, Item 1A of each of our Quarterly Reports on Form 10-Q for the fiscal quarters ended September 30, 2023 and December 31, 2023 filed with the SEC on November 13, 2023 and February 13, 2024, respectively. As of the date of this Report, there have been no material changes with respect to the Legacy Risk Factor Disclosures.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

On March 8, 2024, we entered into a securities exchange agreement (the "Exchange Agreement") with certain Company stockholders (the "Exchanging Stockholders"), pursuant to which we exchanged an aggregate of 3,000,000 shares of our common stock, par value $0.001 per share (the "Retired Shares"), owned by the Exchanging Stockholders for pre-funded warrants (the "Exchange Warrants") to purchase an aggregate of 3,000,000 shares of common stock (subject to adjustment in the event of stock splits, recapitalizations and other similar events affecting common stock), with an exercise price of $0.001 per share. The Exchange Warrants will not expire prior to exercise. We paid the Exchanging Stockholders an aggregate purchase price of $3,000 for the Retired Shares. Under Nevada law, the Retired Shares were cancelled and no longer considered outstanding, as a result, the number of issued and outstanding shares of the Company's common stock was reduced by 3,000,000 shares of the Company's common stock. The Exchange Warrants are exercisable at any time except that the Exchange Warrants cannot be exercised by the Exchanging Stockholders if, after giving effect thereto, the Exchanging Stockholders would beneficially own more than 9.99% of the Company's common stock, subject to certain exceptions. The holders of the Exchange Warrants will not have the right to vote on any matter except to the extent required by Nevada law. The Exchange Warrants were issued without registration under the Securities Act of 1933, as amended (the "Securities Act"), in reliance on the exemption from registration contained in Section 3(a)(9) of the Securities Act. The Exchange Warrants contain a provision that restrict the exercisability of the Exchange Warrants above 19.99% without obtaining stockholder approval as required by Nasdaq Listing Rules 5635(b) and 5635(d). We also agreed to file a registration statement no later than six months from the closing of the transaction contemplated by the Exchange Agreement covering the resale of the shares issuable upon the exercise of the Exchange Warrants.

On May 13, 2024, the Company entered into an amendment to the Exchange Warrants (the "Amended Exchange Warrants"), clarifying the accounting treatment of such warrants. The Company has issued the Amended Exchange Warrants and will issue the shares issuable upon exercise of the Amended Exchange Warrants, in reliance upon the exemption from registration contained in Section 4(2) and Rule 506 under the Securities Act.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

The following exhibits are incorporated by reference or filed as part of this Quarterly Report on Form 10-Q:

Exhibit Number	Description of Exhibits
4.1	Amended and Restated Form of Exchange Warrant
10.1	Form of Securities Exchange Agreement (*included as Exhibit 10.1 to the Current Report on Form 8-K filed on March 14, 2024 and incorporated herein by reference*).
31.1*	Certification of Chief Executive and Principal Financial Officer as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1*	Certification of Chief Executive and Principal Financial Officer as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
101.INS*	Inline XBRL Instance Document
101.SC*	Inline XBRL Taxonomy Extension Schema
101.CA*	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase
101.LA*	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File, formatted in Inline XBRL (included as Exhibit 101)

* Filed herewith.

SIGNATURES

In accordance with Section 12 of the Securities Exchange Act of 1934, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

REZOLUTE, INC.

Date: May 15, 2024

By: /s/ Nevan Charles Elam
Nevan Charles Elam
Chief Executive Officer
(Principal Executive and Financial Officer)

NEITHER THIS SECURITY NOR THE SECURITIES FOR WHICH THIS SECURITY IS EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

AMENDED AND RESTATED PREFUNDED COMMON STOCK PURCHASE WARRANT

REZOLUTE, INC.

Warrant Shares: _____ Issue Date: March 8, 2024

Initial Exercise Date: March 8, 2024

THIS AMENDED AND RESTATED PREFUNDED COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received, _____or its assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date set forth above (the "Initial Exercise Date") and until this Warrant is exercised in full (the "Termination Date") but not thereafter, to subscribe for and purchase from Rezolute, Inc., a Delaware corporation (the "Company"), up to _____ shares (as subject to adjustment hereunder, the "Warrant Shares") of the Company's Common Stock. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

Section 1. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in that certain Securities Exchange Agreement (the "Securities Exchange Agreement"), dated March 8, 2024, among the Company and the purchasers signatory thereto.

"Stockholder Approval" means the approvals by the holders of Common Stock that are required under the listing standards of The Nasdaq Stock Market (and any successor thereto and any other trading market on which the Common Stock is listed), including Nasdaq Stock Market Rule 5635(b) and Rule 5635(d), to permit the issuance of shares of Common Stock above relevant thresholds included in such rules, upon exercise of this Warrant and the other warrants issued pursuant to the Securities Exchange Agreement that would result in the holders hereof and thereof

(together with their respective affiliates) beneficially owning in excess of 19.99% of the shares of Common Stock outstanding immediately after giving effect to such exercise(s).

Section 2. Exercise.

a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company of a duly executed PDF copy submitted by e-mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto (the "Notice of Exercise"). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(d)(i) herein) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the Warrant Shares specified in the applicable Notice of Exercise by wire transfer or cashier's check drawn on a United States bank unless the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation as soon as reasonably practicable following the date on which the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Trading Day of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

b) Exercise Price. The aggregate exercise price of this Warrant, except for a nominal exercise price of $0.001 per Warrant Share, was pre-funded to the Company on or prior to the Initial Exercise Date and, consequently, no additional consideration (other than the nominal exercise price of $0.001 per Warrant Share) shall be required to be paid by the Holder to any Person to effect any exercise of this Warrant. The Holder shall not be entitled to the return or refund of all, or any portion, of such pre-paid aggregate exercise price under any circumstance or for any reason whatsoever, including in the event this Warrant shall not have been exercised prior to the Termination Date. The remaining unpaid exercise price per share of Common Stock under this Warrant shall be $0.001, subject to adjustment hereunder (such remaining unpaid exercise price, the "Exercise Price").

c) Cashless Exercise. This Warrant may also be exercised, in whole or in part, at such time by means of a "cashless exercise" in which the Holder shall be entitled to

receive a number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

(A) = as applicable: (i) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise if such Notice of Exercise is (1) both executed and delivered pursuant to Section 2(a) hereof on a day that is not a Trading Day or (2) both executed and delivered pursuant to Section 2(a) hereof on a Trading Day prior to the opening of "regular trading hours" (as defined in Rule 600(b) of Regulation NMS promulgated under the federal securities laws) on such Trading Day, (ii) at the option of the Holder, either (y) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise or (z) the Bid Price of the Common Stock on the principal Trading Market as reported by Bloomberg L.P. as of the time of the Holder's execution of the applicable Notice of Exercise if such Notice of Exercise is executed during "regular trading hours" on a Trading Day and is delivered within two (2) hours thereafter (including until two (2) hours after the close of "regular trading hours" on a Trading Day) pursuant to Section 2(a) hereof or (iii) the VWAP on the date of the applicable Notice of Exercise if the date of such Notice of Exercise is a Trading Day and such Notice of Exercise is both executed and delivered pursuant to Section 2(a) hereof after the close of "regular trading hours" on such Trading Day;

(B) = the Exercise Price of this Warrant, as adjusted hereunder; and

(X) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

"Bid Price" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the bid price of the Common Stock for the time in question (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported on The Pink Open Market (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Holders of a majority in interest of the Securities then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest

preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if the OTCQB Venture Market ("OTCQB") or the OTCQX Best Market ("OTCQX") is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported on the Pink Open Market ("Pink Market") operated by the OTC Markets, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Holders of a majority in interest of the Securities then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

If Warrant Shares are issued in such a cashless exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the holding period of the Warrant Shares being issued may be tacked on to the holding period of this Warrant. The Company agrees not to take any position contrary to this Section 2(c).

d) Mechanics of Exercise.

i. Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by crediting the account of the Holder's or its designee's balance account with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("DWAC") if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the Holder or (B) the Warrant Shares are eligible for resale by the Holder without volume or manner-of-sale limitations pursuant to Rule 144 (assuming cashless exercise of the Warrants), and otherwise by physical delivery of a certificate, registered in the Company's share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the address specified by the Holder in the Notice of Exercise by the date that is the earliest of (i) two (2) Trading Days after the delivery to the Company of the Notice of Exercise, (ii) one (1) Trading Day after delivery of the aggregate Exercise Price to the Company and (iii) the number of Trading Days comprising the Standard Settlement Period after the delivery to the Company of the Notice of Exercise (such date, the "Warrant Share Delivery Date"). Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, provided that payment of the aggregate Exercise Price (other than in the case of a cashless exercise) is received by the Warrant Share Delivery

Date. If the Company fails for any reason to deliver to the Holder the Warrant Shares subject to a Notice of Exercise by the Warrant Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each $1,000 of Warrant Shares subject to such exercise (based on the VWAP of the Common Stock on the date of the applicable Notice of Exercise), $10 per Trading Day (increasing to $20 per Trading Day on the third (3rd) Trading Day after the Warrant Share Delivery Date) for each Trading Day after such Warrant Share Delivery Date until such Warrant Shares are delivered or Holder rescinds such exercise. The Company agrees to maintain a transfer agent that is a participant in the FAST program so long as this Warrant remains outstanding and exercisable. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary Trading Market with respect to the Common Stock as in effect on the date of delivery of the Notice of Exercise.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

iv. Compensation for Buy-In on Failure to Timely Deliver Warrant Shares Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares in accordance with the provisions of Section 2(d)(i) above pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for

which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Stock having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted exercise of shares of Common Stock with an aggregate sale price giving rise to such purchase obligation of $10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder $1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver shares of Common Stock upon exercise of the Warrant as required pursuant to the terms hereof.

v. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

vi. Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

vii. Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

e) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates (such Persons, "Attribution Parties")), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates and Attribution Parties shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (i) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Common Stock Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within one (1) Trading Day confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates or Attribution Parties since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be

9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise of this Warrant. The Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that the Beneficial Ownership Limitation in no event exceeds 19.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon exercise of this Warrant held by the Holder and the provisions of this Section 2(e) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. Notwithstanding the foregoing, the maximum number of shares of Common Stock that is issuable pursuant to the exercise of this Warrant shall be 19.99% of the Company's issued and outstanding shares of Common Stock on March 7, 2024.

Section 3. Certain Adjustments.

a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iv) issues by reclassification of shares of the Common Stock any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or reclassification.

b) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Common Stock Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of shares of Common Stock (the "Purchase Rights"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the

Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, that to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such shares of Common Stock as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

c) Pro Rata Distributions. During such time as this Warrant is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "Distribution"), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the participation in such Distribution (provided, however, that to the extent that the Holder's right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any shares of Common Stock as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

d) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company or (any Subsidiary), directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of the Company's assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding shares of Common Stock or 50% or more of the voting power of the common equity of the Company, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock

is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off, merger or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires 50% or more of the outstanding shares of Common Stock or 50% or more of the voting power of the common equity of the Company (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3(d) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall be added to the term "Company" under this Warrant (so that from and after the occurrence or consummation of such Fundamental Transaction, each and every provision of this Warrant

and the other Transaction Documents referring to the "Company" shall refer instead to each of the Company and the Successor Entity or Successor Entities, jointly and severally), and the Successor Entity or Successor Entities, jointly and severally with the Company, may exercise every right and power of the Company prior thereto and the Successor Entity or Successor Entities shall assume all of the obligations of the Company prior thereto under this Warrant and the other Transaction Documents with the same effect as if the Company and such Successor Entity or Successor Entities, jointly and severally, had been named as the Company herein. For the avoidance of doubt, the Holder shall be entitled to the benefits of the provisions of this Section 3(d) regardless of (i) whether the Company has sufficient authorized shares of Common Stock for the issuance of Warrant Shares and/or (ii) whether a Fundamental Transaction occurs prior to the Initial Exercise Date.

e) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

f) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company (or any of its Subsidiaries) is a party, any sale or transfer of all or substantially all of its assets, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by email to the Holder at its last email address as it shall appear upon the Warrant Register of the Company, at least 20 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be

entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided in this Warrant constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

a) Transferability. Subject to compliance with any applicable securities laws, this Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three (3) Trading Days of the date on which the Holder delivers an assignment form to the Company assigning this Warrant in full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued

on transfers or exchanges shall be dated the Issue Date of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

d) Transfer Restrictions. If, at the time of the surrender of this Warrant in connection with any transfer of this Warrant, the transfer of this Warrant shall not be either (i) registered pursuant to an effective registration statement under the Securities Act and under applicable state securities or blue sky laws or (ii) eligible for resale without volume or manner-of-sale restrictions or current public information requirements pursuant to Rule 144.

e) Representation by the Holder. The Holder, by the acceptance hereof, represents and warrants that it is acquiring this Warrant and, upon any exercise hereof, will acquire the Warrant Shares issuable upon such exercise, for its own account and not with a view to or for distributing or reselling such Warrant Shares or any part thereof in violation of the Securities Act or any applicable state securities law, except pursuant to sales registered or exempted under the Securities Act.

Section 5. Miscellaneous.

a) No Rights as Stockholder Until Exercise; No Settlement in Cash. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i), except as expressly set forth in Section 3. Without limiting any rights of a Holder to receive Warrant Shares on a "cashless exercise" pursuant to Section 2(c) or to receive cash payments pursuant to Section 2(d)(i) and Section 2(d)(iv) herein, in no event shall the Company be required to net cash settle an exercise of this Warrant.

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Trading Day, then, such action may be taken or such right may be exercised on the next succeeding Trading Day.

d) Authorized Shares.

The Company covenants that, at all times during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e) Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be determined in accordance with the provisions of the Securities Exchange Agreement.

f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, and the Holder does not utilize cashless exercise, will have restrictions upon resale imposed by state and federal securities laws.

g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies, notwithstanding the fact that the right to exercise this Warrant terminates on the Termination Date. Without limiting any other provision of this Warrant, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h) Notices. Any notice, request or other document required or permitted to be given or delivered to the Holder by the Company shall be delivered in accordance with the notice provisions of the Securities Exchange Agreement.

i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company, on the one hand, and the Holder of this Warrant, on the other hand.

m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such

provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

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(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

REZOLUTE, INC.

By:_____
Name: Daron Evans
Title: Chief Financial Officer

NOTICE OF EXERCISE

TO: **REZOLUTE, INC.**

(1) The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

[ ] in lawful money of the United States; or

[ ] if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

_____

The Warrant Shares shall be delivered to the following DWAC Account Number:

_____

_____

_____

(4) Accredited Investor. The undersigned is an "accredited investor" as defined in Regulation D promulgated under the Securities Act of 1933, as amended.

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____
Signature of Authorized Signatory of Investing Entity: _____
Name of Authorized Signatory: _____
Title of Authorized Signatory: _____
Date: _____

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to exercise the Warrant to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: _____
(Please Print)

Address: _____
(Please Print)

Phone Number: _____

Email Address: _____

Dated: _____ __, _____

Holder's Signature: _____

Holder's Address: _____

EXHIBIT 31.1

CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Nevan Charles Elam, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rezolute, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects, the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report.

4. As the Registrant's certifying officer, I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. As the Registrant's certifying officer, I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors:

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: May 15, 2024

By: /s/ Nevan Charles Elam
Nevan Charles Elam
Chief Executive Officer
(Principal Executive and Financial Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Rezolute, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Nevan Elam, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 15, 2024

By: /s/ Nevan Charles Elam
Nevan Charles Elam
Chief Executive Officer
(Principal Executive and Financial Officer)

A signed original of this written statement required by Section 906 has been provided to Rezolute, Inc. and will be retained by Rezolute, Inc. to be furnished to the Securities and Exchange Commission or its staff upon request.