

RESOLUTE RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2024, AND 2023

This Management's Discussion and Analysis ("MD&A") of Resolute Resources Ltd. ("Resolute" or the "Company"), should be read in conjunction with the unaudited condensed interim financial statements as at and for the three and six months ended December 31, 2024 and the audited financial statements as at and for the years ended June 30, 2024, and 2023.

This MD&A contains non-generally accepted accounting principles ("GAAP") measures and forward -looking statements. Readers are cautioned that the MD&A should be read in conjunction with Resolute's disclosures under the headings "Non-IFRS Financial Measures" and "Forward-looking statements" include in the "Advisories" section at the end of this MD&A.

The MD&A has been prepared and approved by the Board of Directors as of February 27, 2025.

Description of the Company

Resolute Resources Ltd. a publicly traded shell organization that is in the process of looking for acquisition/merger opportunities to maximize shareholder value.

	Three months ended Dec 31,		Six months ended Dec 31	
HIGHLIGHTS (Unaudited)	2024	2023	2024	2023
Financial (\$, except per share amounts)				
Total revenue	-	-	-	-
Cash used in operating activities	(111,863)	(374,573)	(61,712)	1,518,617
Per share - basic and diluted	(0.00)	0.00	0.00	0.00
Adjusted funds flow ⁽¹⁾	(23,256)	(344,445)	(190,715)	724,366
Per share - basic and diluted	(0.00)	0.00	0.00	0.00
Net loss – continuing operations	(33,409)	(262,877)	(52,206)	(401,400)
Net income (loss) – discontinued operations	154,463	(247,885)	4	(1,401,540)
Net income (loss) – total	121,054	(510,762)	(52,202)	(1,802,940)
Per share - basic and diluted	0.00	(0.01)	(0.00)	0.00
Exploration & evaluation expenditures ⁽²⁾	-	2,193,953	-	4,683,006
Total assets	60,128	7,667,367	60,128	7,667,367
Working capital	28,913	273,033	28,912	273,033
Decommissioning liabilities	-	97,552	-	97,522
Shareholders' equity	28,913	6,048,410	28,912	6,048,410

(1) Adjusted funds flow represents cash from operating activities prior to changes in non-cash working capital. Refer to "Non-IFRS Financial Measures" within this MD&A..

(2) Exploration and evaluation expenditures includes cash and non-cash transactions.

Common shares outstanding (millions)	69.3	42.0	69.3	42.0
Weighted Average (millions)	69.3	42.0	69.3	42.0

OUTLOOK

Pursuant to a purchase and sale agreement dated July 25, 2024 (the "Sale Agreement") between the Corporation and a private purchaser (the "Purchaser"), the Corporation agreed to sell all issued and outstanding shares of Corporation's sole direct wholly-owned subsidiary, Resolute Resources Limited (the "Subsidiary"). The Subsidiary owns all oil and gas assets of the Corporation (the "Properties") and all issued and outstanding shares of an indirect subsidiary of the Corporation, Resolute Resources Corp. (the "BC Subsidiary"), which, together, represent all of the operating assets of the Corporation (the "Sale").

Pursuant to the Sale Agreement the Company agreed to sell all issued and outstanding shares of the Subsidiary to the Purchaser for cash consideration of \$75,000. All abandonment and reclamation obligations and other environmental liabilities relating to the Properties, and all corporate, tax and British Columbia exploration liabilities of the BC Subsidiary, shall remain with the Subsidiary and, by virtue of the Sale, be assumed by the Purchaser.

The Sale transaction was closed on October 4, 2024. Upon closing of the Sale, the Company will focus its efforts on identifying and evaluating suitable assets or businesses to acquire or merge with, with a view to maximizing value for shareholders.

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SALE OF SUBSIDIARIES

On October 4, 2024 Resolute Resources Ltd. ("the Company" or "the Parent Company") completed the sale of its 100% interest in Resolute Resources Limited and Resolute Resources Corp, to an arms length purchaser for total consideration of \$75,000 in cash. As a result, the Company no longer consolidates the financial results of these subsidiaries after that date.

The carrying amounts of assets and liabilities derecognized upon disposal were:

Net Assets Derecognized in Consolidation	Amount
Assets:	
Cash	\$226,742
GST receivable	5,137
Prepayments	103,713
Exploration and Evaluation assets	370,624
Total Assets	706,219
Liabilities:	
Accounts payable and accrued liabilities	(564,392)
Decommissioning liability	(211,454)
Total Liabilities	(775,846)
Net Liabilities Derecognized (Deficit Disposed)	\$ (69,627)

As the parent Company no longer hold an interest in these subsidiaries, the carrying amount of the investment was written off as follows:

Item	Amount
Cash consideration received	\$ 75,000
Less:	
Carrying amount of net liabilities disposed	(69,627)
Gain on disposal of subsidiaries	\$144,627

	Three months ended Dec 31,		Six months ended Dec 31,	
General and administrative (\$)	2024	2023	2024	2023
General and administrative – continuing operations	33,091	269,985	46,091	394,289
General and administrative – discontinued operations	(9,836)	94,828	144,623	392,167
Total	23,255	364,813	190,714	786,456

Gross general and administrative costs decreased significantly in the three and six months ended December 31, 2024, compared to the comparative period due to reduced corporate activity. The primary components of general and administrative expenses are insurance, professional fees, wages, and software fees.

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	Three months ended Dec 31,		Six months ended Dec 31,	
Listing expense (\$)	2024	2023	2024	2023
Listing expense	-	-	-	898,037

In August 2023, the Company completed an RTO of Crossover, a TSXV listed company to create the resulting issuer continuing under the name of Resolute. The acquisition of Crossover did not meet the definition of a business acquisition for accounting purposes under IFRS. Therefore, the value of the Common Shares issued less the fair value of net assets acquired was recorded as a public company listing expense. Costs directly associated with the RTO were recorded in General and Administrative expense. See note 3 Acquisitions of the Interim Condensed Consolidated Financial Statements for further details. This expense is part of discontinued operations.

	Three months ended Dec 31,		Six months ended Dec 31,	
Stock based compensation (\$)	2024	2023	2024	2023
Stock based compensation	318	(7,109)	6,115	7,109

Stock based compensation expense increased for the three months ended December 31, 2024, compared to the corresponding period due to a recovery of stock based compensation expenses in the comparable period related to the reversal of previously recognized expense for options which were subsequently forfeited. The reduction in stock based compensation in the three months ended December 31 compared to the previous quarter also is as a result of the reversal of an expense due to options forfeited in the current period. Stock options were granted for the first time in February of 2022 and the graded method of expensing the fair value over the vesting period results in larger expenses in earlier periods.

	Three months ended Dec 31,		Six months ended Dec 31,	
Impairment (\$)	2024	2023	2024	2023
Impairment	-	172,238	-	172,238

E&E assets are tested for impairment when internal or external indicators of impairment exist as well as upon their eventual reclassification to oil interests in PP&E. At December 31, 2023 the Company conducted an assessment of indicators of impairment for the Company's E&E assets. In performing the assessment, management determined that it should impair the E&E assets related to its exploration project located in British Columbia. During the three months ending December 31, 2023, Management made the decision not to pursue this project. As a result the costs related to this project were written off to impairment of E&E assets. This expense is part of discontinued operations.

	Three months ended Dec 31,		Six months ended Dec 31,	
Accretion (\$)	2024	2023	2024	2023
Accretion	-	548	-	548

Accretion expense represents change in the the expected cash that will be need to settle the estimated decommsiioning liability. This expense is part of discontinued operations, so there is no comparable expense for the current period.

	Three months ended Dec 31,		Six months ended Dec 31,	
Amortization (\$)	2024	2023	2024	2023
Amortization	-	639	-	639

The Company's office equipment was placed into service in the six month period ended December 31, 2023. There is no comparable expense for the current period as the amount is part of discontinued operations

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	Three months ended Dec 31,		Six months ended Dec 31,	
Interest and other income (\$)	2023	2023	2024	2023
Interest and other income	-	20,367	-	62,087

Interest and other income decreased in the three and six months ended December 31, 2024 compared to the corresponding period due to the reduction of cash on deposit earning interest.

Income Taxes

The Company did not record a deferred income tax provision for the three months and six month periods ended December 31, 2024, or for the corresponding period. Deferred tax assets created during the period were not recognized due to the uncertainty of whether the assets would be realized from future taxable earnings. The Company is not currently taxable; therefore, there is no current tax expense.

	Three months ended Dec 31,		Six months ended Dec 31,	
Net loss (\$)	2024	2023	2024	2023
Net (loss) – continuing operations	(33,409)	(262,877)	(52,206)	(401,400)
Net income (loss) – discontinued operations	154,463	(247,885)	4	(1,401,540)
Total	121,054	(510,762)	(52,202)	(1,802,940)
Net loss per share – basic and diluted	0.00	0.01	0.00	0.03

The significant increase in the net loss for the three and six months ending December 31, 2024, are largely attributable to the loss on sale of subsidiary. The expenses for continuing operations are largely general and administrative activities and listing expense related to maintaining the public company.

Decommissioning Obligations

Decommissioning obligations were derecognized as they were disposed of as part of the sale of subsidiary.

Exploration & Evaluation Expenditures

Exploration & Evaluation Expenditures were derecognized as they were disposed of as part of the sale of subsidiary.

Shareholders' Equity

As of December 31, 2024, Resolute had 69,289,532 common shares outstanding. In addition, Resolute has 3,375,000 common share options outstanding as of December 31, 2024, with an average exercise price of \$0.10 per common share. Resolute also has 10,559,416 common share purchase warrants outstanding at a weighed average exercise price of \$0.46 and 87,600 compensation options outstanding with an exercise price of \$0.25.

Each Compensation Option entitles the holder thereof to acquire one ("Resolute unit") at an exercise price equal to \$0.25 for a period of 24 months following the date the Escrow Release Conditions are satisfied. Each Resolute unit consists of one Resolute common share and one-half Resolute warrant. Each full warrant will entitle the holder to purchase one Resolute common share at an exercise price equal to \$0.50 until a date that is 60 months following the date of the RTO Closing.

As of the effective date of this MD&A, Resolute had 69,289,532 common shares outstanding. In addition, Resolute has 3,375,000 common share options outstanding, with an average exercise price of \$0.10 per common share. Resolute also has 10,559,416 common share purchase warrants outstanding at a weighted average exercise price of \$0.46 and 87,600 compensation options outstanding with an exercise price of \$0.25.

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Summary of Quarterly Results

(\$, except per share amounts)

(Unaudited)

Quarter Ended	Dec 31 2024	Sep 30 2024	Jun 30 2024	Mar 31 2024
Cash generated from (used in) operating activities	(111,863)	50,151	6,288	(74,742)
Per share - basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)
Adjusted funds flow ⁽¹⁾	(23,256)	(167,459)	(108,481)	(172,400)
Per share - basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)
Net (loss) from continuing operations	(33,409)	(18,797)	(41,504)	(91,314)
Net income (loss) from discontinued operations	154,463	(154,459)	(5,658,056)	(86,181)
Total Net income (loss)	121,054	(173,256)	(5,699,560)	(177,495)
Per share - basic and diluted	(0.00)	(0.00)	(0.08)	(0.00)
Exploration and evaluation expenditures	-	-	68,922	17,411
Total assets	60,128	706,707	997,529	6,803,115
Working capital (deficiency)	28,913	(92,458)	75,001	83,221
Shareholders' equity (deficiency)	28,9123	(92,458)	75,001	5,874,529

Quarter Ended	Dec 31 2023	Sep 30 2023	Jun 30 2023	Mar 31 2023
Cash provided by (used) in operating activities	(374,573)	(1,144,043)	(547,613)	(156,366)
Per share - basic and diluted	(0.00)	(0.02)	(0.01)	(0.01)
Adjusted funds flow ⁽¹⁾	(344,445)	(379,921)	(563,468)	(276,738)
Per share - basic and diluted	(0.00)	(0.01)	(0.01)	(0.01)
Net (loss) from continuing operations	(262,877)	(138,522)	-	-
Net (loss) from discontinued operations	(247,885)	(1,153,654)	(577,687)	(300,322)
Total Net loss	(510,762)	(1,292,176)	(577,687)	(300,322)
Per share - basic and diluted	(0.01)	(0.01)	(0.01)	0.00
Exploration and evaluation expenditures	2,193,953	2,489,053	274,464	375,358
Total assets	7,667,367	8,024,110	6,340,366	2,401,345
Working capital	273,033	2,615,176	499,701	1,261,289
Shareholders' equity	6,048,410	6,370,025	1,757,824	2,244,948

(1) Adjusted funds flow represents cash from operating activities prior to changes in non-cash working capital. Refer to "Non-IFRS Financial Measures" within this MD&A..

(2) Exploration and evaluation expenditures includes cash and non-cash transactions.

The significant loss for the quarter ended June 30, 2024 is due to the significant impairment of exploration and evaluation assets. The most recent two quarters represents the ongoing costs to maintain corporate activity for the public listing.

Capital expenditures largely represent expenditures for the drilling program executed in fiscal 2024 and related expenditures to acquire land, and seismic data. These assets were disposed of as part of the sale of subsidiary.

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Contractual Obligations and Commitments

Resolute has contractual obligations in the normal course of operations, including operating agreements, land lease rentals and employee agreements. These obligations are of a recurring, consistent nature, and impact Resolute's cash flows in an ongoing manner.

Off Balance Sheet Arrangements

Resolute has not entered any off-balance sheet transactions.

Changes in Accounting Policies

As at and for the three and six months ended December 31, 2024, there were no change in accounting policies, other than the adoption of a policy for decommissioning liabilities. Please refer to note 2 in the Unaudited Interim Condensed Consolidated Financial Statements.

Liquidity, Capital Resources, and Going Concern

On December 31, 2024, the Company had working capital totaling \$28,913 (June 30 - \$75,001), incurred a net loss for the six month period ended of \$8,276,461 (2023 - \$1,802,940), and used cash in operations of \$61,712 (2023 - \$1,518,617).

Resolute's major source of liquidity has been the issuance of equity capital. The Company obtains equity capital financings from private placement offerings of shares and share purchase warrants. The Company conducts private placement equity financings from time to time based on cash flow needs and subject to investor interest.

The Company will require capital to pursue future acquisition/merger opportunities. As a result, the Company will be required to raise additional capital or seek alternatives such as debt financing to develop the properties. There can be no assurance that such funding will be available to the Company when needed, or if available that it will be on acceptable terms. If adequate funds are not available, the Company may not be able to advance any merger/acquisition opportunities or discharge its liabilities in the normal course of operations.

As a result of these conditions there is a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Management believes the use of the going concern assumption is appropriate based upon the assumption the Company will have sufficient cash resources to meet ongoing obligations as they become due in the normal course of activities. The Company has successfully raised financing in the past and will continue on a best efforts basis to raise the necessary financing in the future.

Accounting Standards and Pronouncements

A summary of significant accounting policies can be found in Note 3 to the annual consolidated financial statements for the year ended June 30, 2024. Please refer to note 2 in the Unaudited Interim Condensed Consolidated Financial Statements.

Future Accounting Pronouncements

Resolute has adopted the following amendments to accounting standards issued by the IASB, which are effective for annual periods beginning on or after January 1, 2023. The pronouncements have been adopted on their respective effective dates; however, they have not had a material impact on the Financial Statements.

Amendments to IAS 12 Income Taxes

In May 2021, the IASB issued amendments to IAS 12 Income Taxes, which require entities to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This was effective on January 1, 2023.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued the new insurance contracts standard IFRS 17 Insurance Contracts, introducing a single measurement model based on a current fulfillment value and revenue recognition principle to reflect services provided. This was effective on January 1, 2023.

Amendments to IAS 1 Presentation of Financial Statements

In January 2020, the IASB issued amendments to IAS 1 Presentation of Financial Statements ("IAS 1") to clarify its requirements for the presentation of liabilities as current or non-current in the statement of financial position. This was effective on January 1, 2024.

In October 2022, the IASB issued amendments to IAS 1, which specify the classification and disclosure of liability with covenants. This was effective on January 1, 2024.

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Business Environment and Risk

Resolute faces business risks, both known and unknown, with respect to its oil and gas exploration, development, and production activities that could cause actual results or events to differ materially from those forecasts. Most of these risks (financial, operational, or regulatory) are not within the Company's control. The following is a summary of such risk factors, which should not be construed as exhaustive.

- Volatility in the market conditions for the oil and natural gas industry may affect the Company's cash flow and restrict its cash flow and ability to access capital to fund the development of its properties and pay dividends;
- Risks related to the Alberta wildfires including safety of personnel, asset integrity and potential disruption of operations which could affect the Company's results, business, financial conditions or liquidity;
- Various factors may adversely impact the marketability of oil and natural gas, affecting net production revenue, production volumes and development and exploration activities;
- The impact of the Russian Ukrainian conflict on commodity prices and the world economy could affect the Company's results, business, financial conditions or liquidity;
- Natural disasters, terrorist acts, civil unrest, war, pandemics (including any continuing impacts of the COVID-19 pandemic) and other disruptions and dislocations may affect the Company's results, business, financial conditions or liquidity;
- The Company's business may be adversely affected by political and social events and decisions made in Canada;
- Lack of capacity and/or regulatory constraints on gathering and processing facilities and pipeline systems may have a negative impact on the Company's ability to produce and sell its oil and natural gas;
- The Company competes with other oil and natural gas companies, some of which have greater financial and operational resources;
- The Company's ability to successfully implement new technologies into its operations in a timely and efficient manner will affect its ability to compete;
- Changes to the demand for oil and natural gas products and the rise of petroleum alternatives may negatively affect the Company's financial condition, results of operations and cash flow;
- Modification to current, or implementation of additional, regulations (including environmental regimes) or royalty regimes may reduce the demand for oil and natural gas, impact the Company's cash flows and/or increase the Company's costs and/or delay planned operations;
- Taxes on carbon emissions affect the demand for oil and natural gas, the Company's operating expenses and may impair the Company's ability to compete;
- Liability management programs enacted by regulators in the western provinces may prevent or interfere with the Company's ability to acquire properties or require a substantial cash deposit with the regulator;
- The Company may require additional financing, from time to time, to fund the acquisition, exploration and development of properties and its ability to obtain such financing in a timely fashion and on acceptable terms may be negatively impacted by the current economic and global market volatility;
- Changing investor sentiment towards the oil and natural gas industry may impact the Company's access to, and cost of, capital;
- Oil and natural gas operations are subject to seasonal weather conditions and, if applicable to the Company's operations in the future, the Company may experience significant operational delays as a result;
- Regulatory water uses restrictions and/or limited access to water or other fluids may impact the Company's future production volumes from any future waterflood of the Company;
- Credit risk related to non-payment for sales contracts or other counterparties;
- Foreign exchange risk as commodity sales is based on US dollar denominated benchmarks; and
- The risk of significant interruption or failure of the Company's information technology systems and related data and control systems or a significant breach that could adversely affect the Company's operations.

The Company uses a variety of means to help mitigate or minimize these risks, including the following:

- Attracting and retaining a team of highly qualified and motivated professionals who have a vested interest in the success of the Company;
- Maintaining strict environmental, safety and health practices;
- Maintaining a comprehensive insurance program;
- Implementation of cyber security protocols and procedures to reduce to risk of failure of breach of data.

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Inflation Risk

The Company's operating costs could escalate and become uncompetitive due to supply chain disruptions, inflationary cost pressures, equipment limitations, escalating supply costs, commodity prices and additional government intervention through stimulus spending or additional regulations. Resolute's ability to manage costs may impact future development decisions, which could have a material adverse effect on the Company's financial performance and funds from operations. Many central banks including the Bank of Canada and U.S. Federal Reserve have taken steps to raise interest rates in an attempt to combat recent inflation. The increase in borrowing costs may impact project returns and future development decisions, which could have a material adverse effect on Resolute's financial performance and cash flows. Rising interest rates could also result in a recession in Canada, the United States or other countries. A recession may have a negative impact on demand for crude oil and natural gas, causing a decrease in commodity prices

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company.

On December 31, 2024, the Company had working capital totaling \$28,913 (June 30 - \$75,001), had net loss for the six month period ended of \$8,276,461 (2023 - \$1,802,940), and used cash in operations of \$61,712 (2023 - \$1,518,617).

Environmental and Climate Change Risk

As a result of growing international concern with respect to climate change, Resolute has seen a significant increase in focus on the transition to alternative, lower-carbon energy sources. Governments, financial institutions, insurance companies, environmental and governance organizations, institutional investors, social and environmental activists, and individuals are increasingly seeking to develop and implement, among other things, regulatory and policy changes, changes in investment strategies and habits, and a restructuring of energy consumption profiles, which, individually and collectively are intended to or have the effect of accelerating the transition to less carbon-intensive energy sources and the reduction in global consumption of fossil fuels. Overall, Resolute is not able to estimate at this time the degree to which climate change related consumer behavior, regulatory, climatic conditions, and climate-related transition risks could impact the Company's business, financial condition, and results of operations. Climate change may have actual or perceived adverse impacts on the Company's operations, business, and financial results, including an increase in the frequency of extreme climatic conditions. Weather and climate affect demand for crude oil and gas; therefore, the predictability of weather and climate affects the Company's ability to accurately forecast supply and demand. In addition, the Company's operations, including exploration, production and construction operations, and the operations of major customers, suppliers, and service providers, can be affected by acute and chronic physical climate risks, such as floods, forest fires, earthquakes, hurricanes, landslides, mudslides, and other extreme weather events, natural disasters, or long-term shifts in weather patterns. This may result in cessation or diminishment of production, delay of exploration and development activities or delay in executing the Company's capital expenditure plans, which may require the Company to adopt increased or additional mitigation requirements. Growing concerns over climate change have also led to an increase in climate and environment-centric disputes and litigation in various jurisdictions, including at a Federal and Provincial level, alleging various claims, and registering complaints, including that energy producers, contribute to climate change, that such entities are not reasonably managing business risks associated with climate change, and that such entities have not adequately disclosed business risks of climate change. While many such climate change related actions are in the preliminary stages of litigation and, in some cases, raise novel or untested issues and causes of action, the risk that legal, societal, scientific, and political developments will increase the likelihood of successful climate change related litigation against energy producers remains uncertain. The outcome and ramifications of any such litigation are uncertain and may materially impact the Company's business, financial condition, or results of operations. The Company may also be subject to negative or damaging publicity associated with such matters, which may adversely affect the public sentiment and the Company's reputation, regardless of whether the Company is ultimately found responsible for the claims alleged. We may be required to incur significant expenses or devote significant resources in defense against any such litigation.

Financial Risks

Financial risks include commodity pricing, exchange and interest rates and volatile markets. Commodity price fluctuations result from market forces completely out of the Company's control and can significantly affect the Company's financial results. In addition, fluctuations between the Canadian dollar and the US dollar can also have a significant impact. Expenses are all incurred in Canadian dollars, while oil and, to some extent, natural gas prices are based on reference prices denominated in US dollars.

Regulatory Risks

Regulatory risks include the possibility of changes to royalty, tax, environmental, safety, and public disclosure and reporting legislation. Resolute endeavors to sensibly anticipate the costs related to compliance and budget. Environmental and safety legislation changes may also cause delays to Resolute's drilling plans and production efficiencies and may adversely affect its future earnings. The Company's exploration and production activities emit greenhouse gases ("GHG"), which may require Resolute to comply with federal and/or provincial GHG emissions legislation. Climate change policy is evolving at regional, national, and international levels, and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place to prevent climate change or mitigate its effects. The direct or indirect costs of compliance with GHG-related regulations may have a material adverse effect on Resolute's business, financial condition, results of operations and prospects.

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Restrictive new legislation is a risk the Company cannot control.

The International Sustainability Standards Board ("ISSB") is expected to develop globally consistent, comparable, and reliable standards for disclosing and reporting ESG and climate-related metrics. On March 31, 2022, the ISSB issued exposure drafts IFRS S1, "General Requirements for Disclosure of Sustainability-related Financial Information," and IFRS S2, "Climate related Disclosures," and the exposure drafts are open for comment until July 29, 2022. IFRS S1 "sets out the overall requirements for disclosing sustainability-related financial information in order to provide primary users with a complete set of sustainability related financial disclosures." IFRS S2 "sets out the requirements for identifying, measuring and disclosing climate related risks and opportunities as part of an entity's general purpose financial reporting." The exposure drafts do not currently disclose an effective date for the application of any future sustainability standards, and accordingly, the Company is not able at this time to determine the impact on future financial statements or the cost of adopting any future standards that may result from these exposure drafts. In addition, the Canadian Securities Administrators have issued a proposed NI 51-107 Disclosure of Climate-related Matters. The cost to implement and comply with these standards, and others that may be developed or evolved over time, has not yet been quantified.

Forward-Looking Statements

In the interest of providing Resolute's shareholders and potential investors with information regarding the Company, including management's assessment of the future and operations of Resolute, certain statements contained in this MD&A constitute forward-looking statements or information (collectively forward-looking statements) within the meaning of applicable securities legislation. Forward-looking statements are typically identified by words such as anticipate, continue, estimate, expect, forecast, may, will, project, could, plan, intend, should, believe, outlook, potential, target, and similar words suggesting future events or future performance. But without limiting the foregoing, this document contains forward-looking statements pertaining to the following: plans for continued growth in from merger/acquisition opportunities.

Although Resolute believes that the expectations reflected in the forward-looking statements contained in this MD&A and the assumptions on which such forward-looking statements are made are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking statements included in this MD&A, as there can be no assurance that the plans, intentions, or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause Resolute's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements.

The forward-looking statements contained in this MD&A speak only as of the date of this document. Except as expressly required by applicable securities laws, Resolute does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

Non-IFRS Financial Measures

The terms "adjusted funds flow" and "adjusted funds flow per share" used in this MD&A are not recognized measures under IFRS and do not have standardized meaning under IFRS or applicable securities legislation. As these non-IFRS measures are commonly used in the oil and gas industry, the Company believes their inclusion is useful to shareholders. The reader is cautioned that these amounts may not be directly comparable to other entities' calculation of similar measures.

Adjusted funds flow represents cash from operating activities prior to changes in non-cash working capital as detailed below:

	Three months ended Dec 31,		Six months ended Dec 31,	
(\$)	2024	2023	2024	2023
Cash used in operating activities	(111,863)	(374,573)	(61,712)	(1,518,616)
Decommissioning expenditures	-	-	-	-
Change in non-cash working capital	88,607	30,128	(129,003)	794,250
Adjusted funds flow	(23,256)	(344,445)	(190,715)	(724,366)

Adjusted funds flow per share is calculated based on the weighted average number of common shares outstanding consistent with the calculation of net loss per share.