# FORM 5

## QUARTERLY LISTING STATEMENT

Name of Listed Issuer: RANGE ENERGY RESOURCES INC. (the "Issuer").

Trading Symbol: RGO

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

**General Instructions**

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

**SCHEDULE A: FINANCIAL STATEMENTS**

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

**Third** Quarter (**nine** month period) **September 30, 2018**

Unaudited condensed interim consolidated financial statements of the Issuer for the **nine** month period ended **September 30, 2018**, as filed with securities regulatory authorities, are attached to this Form 5 - Quarterly Listing Statement as Appendix A.

## SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

### 1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
(b) A description of the transaction(s), including those for which no amount has been recorded.
(c) The recorded amount of the transactions classified by financial statement category.
(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
(e) Contractual obligations with Related Persons, separate from other contractual obligations.
(f) Contingencies involving Related Persons, separate from other contingencies.

With respect to related party transactions for information supplementary to that contained in the notes to the unaudited condensed interim consolidated financial statements, which are attached hereto, please refer to Management's Discussion & Analysis for the **nine** month period ended **September 30, 2018**, as filed with securities regulatory authorities and attached to this Form 5 - Quarterly Listing Statement as Appendix B.

## 2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

As at **December 31, 2017**, the Issuer's last Annual Updated Form 2A - Listing Statement, **856,225,977** common shares in the capital of the Issuer were issued and outstanding.

(a) summary of securities issued during the period,

The following securities were issued during this period:

| Date of Issue | Type of Security (common shares, convertible debentures, etc.) | Type of Issue (private placement, public offering, exercise of warrants, etc.) | Number | Price | Total Proceeds | Type of Consideration (cash, property, etc.) | Describe relationship of Person with Issuer (indicate if Related Person) | Commission Paid |
|---|---|---|---|---|---|---|---|---|
| Please refer to *Section 3 (c) – Convertible Securities* for the Securities issued during the **Third** Quarter Ended **September 30, 2018.** | | | | | | | | |

(b) summary of options granted during the period,

| Date | Number | Name of Optionee if Related Person and relationship | Generic description of other Optionees | Exercise Price | Expiry Date | Market Price on date of Grant |
|---|---|---|---|---|---|---|
| No Options Were Granted During The **Third** Quarter Ended **September 30, 2018** | | | | | | |

## 3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions, As at **September 30, 2018**, the authorized capital of the Issuer consisted of an unlimited number of common shares without par value, and without any special rights or restrictions, of which **856,225,977** common shares were issued and outstanding; and an unlimited number of preferred shares, issuable in series with special rights or restrictions attached, none of which were issued.

The holders of common shares are entitled to receive notice of and to attend all meetings of the shareholders of the Issuer and are entitled to one vote in respect of each common share held at such meetings. Subject to the rights, if any at the time, of shareholders holding shares with special rights as to dividends (none of which are authorized or outstanding at the date of this Quarterly Listing Statement), holders of common shares of the Issuer are entitled to dividends as and when declared by the directors. Subject to the rights of holders of any shares ranking in priority to or on a parity with the common shares, the holders of common shares are entitled to participate ratably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Issuer.

The preferred shares may be issued from time to time in one or more series and the directors of the Issuer may, by resolution, fix the number of shares in, and determine the designation of the shares of, each series and create, define and attach special rights and restrictions to the shares of each series. Upon the liquidation, dissolution or winding-up of the affairs of the Issuer, holders of preferred shares shall be entitled to receive, before any distribution shall be made to holders of common shares or other shares of the Issuer then ranking junior to the preferred shares, repayment of capital and, if applicable, premiums and dividends.

(b) number and recorded value for shares issued and outstanding,

| Date | Number of common shares | Recorded value of common shares |
|---|---|---|
| As at **September 30, 2018** | **856,225,977** | **$49,791,768** |

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

**Options:**

Options to purchase common shares in the capital of the Issuer are granted by the Issuer's Board of Directors to eligible persons pursuant to the Issuer's 2015 Stock Option Incentive Plan. There were no options granted during the **nine** month period ended **September 30, 2018**.

As at **September 30, 2018**, options were outstanding entitling holders to purchase an aggregate **10,250,000** common shares in the capital of the Issuer as summarized below:

| Date of Grant | Number of Options | Exercise Price | Expiry Date |
|---|---|---|---|
| September 11, 2015 | 10,250,000 | $0.10 | September 11, 2020 |
| TOTAL | 10,250,000 | | |

**Warrants:**

122,000,000 Share Purchase Warrants were issued pursuant to a November 1, 2013 private placement of Units of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share for $0.05 on or before November 1, 2018.

29,791,726 Share Purchase Warrants were issued pursuant to a May 21, 2014 private placement of Units of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share for $0.07 on or before May 21, 2019.

25,000,000 Share Purchase Warrants were issued pursuant to a June 19, 2014 private placement of Units of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share for $0.07 on or before June 19, 2019.

20,000,000 Share Purchase Warrants were issued pursuant to a July 17, 2014 private placement of Units of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share for $0.055 on or before July 17, 2019.

20,000,000 Share Purchase Warrants were issued pursuant to an October 20, 2014 private placement of Units of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share for $0.05 on or before October 20, 2019.

30,000,000 Share Purchase Warrants were issued pursuant to a November 14, 2014 private placement of Units of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share for $0.05 on or before November 14, 2019.

17,800,000 Share Purchase Warrants were issued pursuant to a July 14, 2015 private placement of Units of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share for $0.05 on or before July 14, 2020.

6,545,500 Share Purchase Warrants were issued pursuant to an August 20, 2015 private placement of Units of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share for $0.05 on or before August 20, 2020.

29,750,000 Share Purchase Warrants were issued pursuant to a September 2015 private placement of Units of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share for $0.05 on or before October 7, 2020.

16,403,750 Share Purchase Warrants were issued pursuant to a September 2015 private placement of Units of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share for $0.05 on or before October 30, 2020.

10,727,500 Share Purchase Warrants were issued pursuant to a September 2015 private placement of Units of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share for $0.05 on or before November 6, 2020.

14,840,375 Share Purchase Warrants were issued pursuant to a December 2015 private placement of Units of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share for $0.05 on or before December 18, 2020.

5,180,950 Share Purchase Warrants were issued pursuant to a December 2015 private placement of Units of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share for $0.05 on or before December 29, 2020.

41,375,000 Share Purchase Warrants were issued pursuant to a December 2015 private placement of Units of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share for $0.05 on or before January 15, 2021.

29,700,000 Share Purchase Warrants were issued pursuant to a February 2016 private placement of Units of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share for $0.05 on or before February 19, 2021.

6,247,908 Share Purchase Warrants were issued pursuant to a February 2016 private placement of Units of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share for $0.05 on or before March 1, 2021.

42,029,428 Share Purchase Warrants were issued pursuant to a February 2016 private placement of Units of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share for $0.05 on or before March 14, 2021.

18,836,000 Share Purchase Warrants were issued pursuant to an April 2016 private placement of Units of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share for $0.05 on or before April 15, 2021.

36,820,000 Share Purchase Warrants were issued pursuant to an April 2016 private placement of Units of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share for $0.05 on or before May 20, 2021.

| Date of Issue | Number of Warrants | Exercise Price | Expiry Date |
|---|---|---|---|
| November 1, 2013 | 122,000,000 | $0.05 | November 1, 2018 |
| May 21, 2014 | 29,791,726 | $0.07 | May 21, 2019 |
| June 19, 2014 | 25,000,000 | $0.07 | June 19, 2019 |
| July 17, 2014 | 20,000,000 | $0.055 | July 17, 2019 |
| October 20, 2014 | 20,000,000 | $0.05 | October 20, 2019 |
| November 14, 2014 | 30,000,000 | $0.05 | November 14, 2019 |
| July 14, 2015 | 17,800,000 | $0.05 | July 14, 2020 |
| August 20, 2015 | 6,545,500 | $0.05 | August 20, 2020 |
| October 7, 2015 | 29,750,000 | $0.05 | October 7, 2020 |
| October 30, 2015 | 16,403,750 | $0.05 | October 30, 2020 |
| November 6, 2015 | 10,727,500 | $0.05 | November 6, 2020 |
| December 18, 2015 | 14,840,375 | $0.05 | December 18, 2020 |
| December 29, 2015 | 5,180,950 | $0.05 | December 29, 2020 |
| January 15, 2016 | 41,375,000 | $0.05 | January 15, 2021 |
| February 19, 2016 | 29,700,000 | $0.05 | February 19, 2021 |
| March 1, 2016 | 6,247,908 | $0.05 | March 1, 2021 |
| March 14, 2016 | 42,029,428 | $0.05 | March 14, 2021 |
| April 15, 2016 | 18,836,000 | $0.05 | April 15, 2021 |
| May 20, 2016 | 36,820,000 | $0.05 | May 20, 2021 |
| **TOTAL** | **523,048,137** | | |

## Convertible Securities:

### Re: Gulf LNG America LLC

During the year ended December 31, 2016, the Company received four unsecured loans in the aggregate principal amount of $4,257,218 from a related party Gulf LNG America LLC, which holds 71.02% of the Company's issued and outstanding common shares ("Gulf"). Each of the four loans was interest bearing at a rate of 7% per annum. Per the amended agreements, the first three loans, together with all accrued and unpaid interest, were due on September 26, 2016. Per the original agreement, the fourth loan, together with all accrued and unpaid interest, was due on December 23, 2016. The Company was unable to repay any of the loans by their respective due dates. As a result, the Company was in default on each loan and the overdue amount of each loan accrued interest at 9% per annum from the date of such non-payment.

On January 11, 2017, the Company received an additional unsecured loan in the amount of $1,175,512 from Gulf. The loan was interest bearing at a rate of 7% per annum and was due on February 11, 2017.

On February 14, 2017, the Company and Gulf entered into a new loan agreement under which Gulf will purchase from time to time secured convertible loans (the "Gulf Secured Convertible Loan Agreement") from the Company. Also on that date, the Company entered into an amendment and restatement agreement with Gulf pursuant to which all existing short-term loans and accrued interest from Gulf described above, in an aggregate amount of $5,603,371, was converted into secured convertible loans under the Gulf Secured Convertible Loan Agreement, and the existing short-term loan agreements were terminated. The promissory note evidencing this loan matures on February 14, 2018 with interest at the rate of 10% per annum, and is convertible at the option of Gulf into common shares of the Company at $0.02 per share. On February 12, 2018, the maturity date was extended to May 15, 2018 and on May 9, 2018, it was further extended to August 13, 2018.

On February 15, 2017, the Company received a secured convertible loan of $1,319,749 from Gulf made under the Gulf Secured Convertible Loan Agreement. The loan is evidenced by a secured promissory note in favour of Gulf for the principal amount of $1,319,749. The maturity date of the principal amount, interest and any fees of the loan is February 15, 2018, the rate of interest on the loan is 10% per annum, and the loan is convertible into common shares of the Company at $0.02 per share. On February 12, 2018, the maturity date was extended to May 16, 2018 and on May 9, 2018, it was further extended to August 14, 2018.

On March 3, 2017, the Company received a secured convertible loan of $2,007,600 from Gulf made under the Gulf Secured Convertible Loan Agreement. The loan is evidenced by a secured promissory note in favour of Gulf for the principal amount of $2,007,600. The maturity date of the principal amount, interest and any fees of the loan is March 5, 2018, the rate of interest on the loan is 10% per annum, and the loan is convertible into common shares of the Company at $0.02 per share. On March 19, 2018, the maturity date was extended to May 16, 2018 and on May 9, 2018, it was further extended to August 14, 2018.

On May 25, 2017, the Company received a secured convertible loan of $2,031,500 from Gulf made under the Gulf Secured Convertible Loan Agreement. The loan is evidenced by a secured promissory note in favour of Gulf for the principal amount of $2,031,500. The maturity date of the principal amount, interest and any fees of the loan is May 25, 2018, the rate of interest on the loan is 10% per annum, and the loan is convertible into common shares of the Company at $0.02 per share.

On June 28, 2017, the Company received a secured convertible loan of $1,175,826 from Gulf made under the Gulf Secured Convertible Loan Agreement. The loan is evidenced by a secured promissory note in favour of Gulf for the principal amount of $1,175,826. The maturity date of the principal amount, interest and any fees of the loan is June 28, 2018, the rate of interest on the loan is 10% per annum, and the loan is convertible into common shares of the Company at $0.02 per share.

On August 2, 2017, the Company received a secured convertible loan of $1,251,400 from Gulf made under the Gulf Secured Convertible Loan Agreement. The loan is evidenced by a secured promissory note in favour of Gulf for the principal amount of $1,251,400. The maturity date of the principal amount, interest and any fees of the loan is August 2, 2018, the rate of interest on the loan is 10% per annum, and the loan is convertible into common shares of the Company at $0.02 per share.

On September 11, 2017, the Company received a secured convertible loan of $605,386 from Gulf made under the Gulf Secured Convertible Loan Agreement. The loan is evidenced by a secured promissory note in favour of Gulf for the principal amount of $605,386. The maturity date of the principal amount, interest and any fees of the loan is September 11, 2018, the rate of interest on the loan is 10% per annum, and the loan is convertible into common shares of the Company at $0.02 per share.

On September 25, 2017, the Company received a secured convertible loan of $740,340 from Gulf made under the Gulf Secured Convertible Loan Agreement. The loan is evidenced by a secured promissory note in favour of Gulf for the principal amount of $740,340. The maturity date of the principal amount, interest and any fees of the loan is September 25, 2018, the rate of interest on the loan is 10% per annum, and the loan is convertible into common shares of the Company at $0.02 per share.

On October 13, 2017, the Company received a secured convertible loan of $1,247,300 from Gulf made under the Gulf Secured Convertible Loan Agreement. The loan is evidenced by a secured promissory note in favour of Gulf for the principal amount of $1,247,300. The maturity date of the principal amount, interest and any fees of the loan is October 13, 2018, the rate of interest on the loan is 10% per annum, and the loan is convertible into common shares of the Company at $0.02 per share.

All or any portion of the principal amount, accrued interest and fees outstanding under the notes is convertible by Gulf into common shares of the Company at any time before the maturity date, at a conversion price per share set out in the notes, subject to adjustment upon certain events occurring. The conversion price for the loans was approved by the Company's board and by the CSE.

The loans are secured by a general security agreement.

**Re: Harrington Global Fund S.A.R.L.**

On January 11, 2017, the Company received an unsecured loan in the amount of $140,000 from Harrington Global Opportunities Fund S.A.R.L., a significant shareholder of the Company ("Harrington"). The loan was interest bearing at a rate of 7% per annum and was due on February 11, 2017.

On February 14, 2017, the Company and Harrington entered into a new loan agreement under which Harrington will provide from time to time secured convertible loans (the "Harrington Secured Convertible Loan Agreement"). Also on that date, the Company entered into an amendment and restatement agreement with Harrington, pursuant to which all existing short-term loans from Harrington, in an aggregate amount of $140,936, were amended and restated into secured convertible loans under the Harrington Secured Convertible Loan Agreement, and the existing short-term loan agreement was terminated. The promissory note evidencing this loan matures on February 14, 2018, accrues interest at the rate of 10% per annum, and is convertible into common shares of the Company at $0.02 per share. On February 12, 2018, the maturity date was extended to May 15, 2018 and on May 9, 2018, it was further extended to August 13, 2018.

On February 15, 2017, the Company received a secured convertible loan of $160,000 from Harrington made under the Harrington Secured Convertible Loan

Agreement. The loan is evidenced by a secured promissory note in favour of Harrington for the principal amount of $160,000. The maturity date of the principal amount, interest and any fees of the loan is February 15, 2018, the rate of interest on the loan is 10% per annum, and the loan is convertible into common shares of the Company at $0.02 per share. On February 12, 2018, the maturity date was extended to May 16, 2018 and on May 9, 2018, it was further extended to August 14, 2018.

All or any portion of the principal amount, accrued interest and fees outstanding under the notes is convertible by Harrington into common shares of the Company at any time before the maturity date, at a conversion price per share set out in the notes, subject to adjustment upon certain events occurring. The conversion price for the loans was approved by the Company's board and by the CSE.

The loans are secured by a general security agreement.

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

As at **September 30, 2018**, **18,906** common shares of the Issuer were held in a performance escrow pursuant to an Escrow Agreement made as of May 19, 1994 among TML Foods Inc. (predecessor to TML Ventures Inc., the Issuer's pre-arrangement parent company – see section 11 of the Issuer's Form 2A – Annual Updated Listing Statement for the year ended December 31, 2015, which is posted on the CSE's Listings Disclosure Hall), Montreal Trust Company of Canada as Trustee, and certain security holders. Computershare Trust Company of Canada became party and Trustee on November 1, 2008. No securities are subject to a pooling agreement.

**4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.**

| Name of Director/Officer | Position with Issuer |
|---|---|
| Toufic Chahine | Director, Chairman, and CEO, Audit Committee Member |
| Allan Bezanson | Director and Interim President, Audit Committee Member |
| Roger Bethell | Director |
| Eric Stoerr | Director, Audit Committee Member |
| Michelle Upton | Director |
| Eugene Beukman | Chief Financial Officer and Corporate Secretary |

## SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Management's Discussion & Analysis for the **nine** month period ended **September 30, 2018**, as filed with securities regulatory authorities, is attached to this Form 5 - Quarterly Listing Statement as Appendix B .

**Certificate Of Compliance**

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated December 13, 2018.

Eugene Beukman
Name of Director or Senior Officer

Signed: *"Eugene Beukman"*
Signature

Chief Financial Officer
Official Capacity

| | | |
|---|---|---|
| ***Issuer Details***<br>Name of Issuer<br><br>RANGE ENERGY RESOURCES INC. | For Quarter Ended<br><br>September 30, 2018 | Date of Report YY/MM/D<br><br>2018/12/13 |
| Issuer Address<br><br>789 West Pender Street, Suite 810 | | |
| City/Province/Postal Code<br><br>Vancouver, British Columbia V6C 1H2 | Issuer Fax No.<br><br>(604) 687-3141 | Issuer Telephone No.<br><br>(604) 688-9600 |
| Contact Name<br><br>Eugene Beukman | Contact Position<br><br>CFO | Contact Telephone No.<br><br>(604) 687-2038 |
| Contact Email Address<br>range@rangeenergyresources.com | Web Site Address<br>www.rangeenergyresources.com | |

# APPENDIX A

## RANGE ENERGY RESOURCES INC.

Unaudited condensed interim consolidated financial statements
for the **nine** month period ended **September 30, 2018**

# Range Energy Resources Inc.

**Condensed Interim Consolidated Financial Statements**

As at and for the nine month period ended September 30, 2018

Expressed in Canadian dollars

(Unaudited – prepared by management)

**RANGE ENERGY RESOURCES INC.**

**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

**Range Energy Resources Inc.**
**Condensed Interim Consolidated Statements of Financial Position**
(Unaudited)

Expressed in Canadian Dollars

| | September 30, 2018 | December 31, 2017 |
|---|---|---|
| **Current assets** | | |
| Cash | $ 144,160 | $ 337,909 |
| Loan receivable (note 5) | 1 | 1 |
| Prepaid expenses | 5,991 | 41,936 |
| | 150,152 | 379,846 |
| **Non-current assets** | | |
| Property and equipment (note 6) | 139 | 180 |
| Long-term investment (note 7) | 42,177,000 | 42,177,000 |
| | 42,177,139 | 42,177,180 |
| **Total assets** | **$ 42,327,291** | **$ 42,557,026** |
| **Current liabilities** | | |
| Accounts payable and accrued liabilities | $ 103,771 | $ 142,370 |
| Convertible loans payable (note 9) | 18,595,328 | 16,866,935 |
| | 18,699,099 | 17,009,305 |
| **Equity** | | |
| Share capital (note 8(a)) | 49,791,768 | 49,791,768 |
| Reserves (note 8(b)) | 23,039,090 | 23,039,090 |
| Deficit | (49,202,666) | (47,283,137) |
| | 23,628,192 | 25,547,721 |
| **Total liabilities and shareholders' equity** | **$ 42,327,291** | **$ 42,557,026** |

Nature of operations and going concern (note 1)
Commitment (note 11)

Approved on Behalf of the Board of Directors:

(signed) *"Toufic Chahine"*

(signed) *"Allan Bezanson"*

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

**Range Energy Resources Inc.**
**Condensed Interim Consolidated Statements of Changes in Equity**
(Unaudited)

Expressed in Canadian Dollars

| | Share capital | | Reserves | | | Deficit | Total equity |
|---|---|---|---|---|---|---|---|
| | Number of shares | Amount | Warrants | Contributed surplus | Convertible loans | | |
| Balance - December 31, 2016 | 856,225,977 | $ 49,791,768 | $ 9,035,374 | $ 12,624,680 | $ - | $ (16,199,145) | $ 55,252,677 |
| Warrants expired (note 8(c)) | - | - | (2,450) | 2,450 | - | - | - |
| Equity component of convertible loans (note 9) | - | - | - | - | 268,502 | - | 268,502 |
| Net loss for the period | - | - | - | - | - | (941,493) | (941,493) |
| Balance – September 30, 2017 | 856,225,977 | $ 49,791,768 | $ 9,032,924 | $ 12,627,130 | $ 268,502 | $ (17,140,638) | $ 54,579,686 |
| Equity component of convertible loans (note 9) | - | - | - | - | 1,110,534 | - | 1,110,534 |
| Net loss for the period | - | - | - | - | - | (30,142,499) | (30,142,499) |
| Balance – December 31, 2017 | 856,225,977 | $ 49,791,768 | $ 9,032,924 | $ 12,627,130 | $ 1,379,036 | $ (47,283,137) | $ 25,547,721 |
| Net loss for the period | - | - | - | - | - | (1,919,529) | (1,919,529) |
| Balance – September 30, 2018 | 856,225,977 | $ 49,791,768 | $ 9,032,924 | $ 12,627,130 | $ 1,379,036 | $ (49,202,666) | $ 23,628,192 |

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

**Range Energy Resources Inc.**
**Condensed Interim Consolidated Statements of Comprehensive Loss**
(Unaudited)

Expressed in Canadian Dollars

| | For the three months ended September 30, 2018 | For the three months ended September 30, 2017 | For the nine months ended September 30, 2018 | For the nine months ended September 30, 2017 |
|---|---|---|---|---|
| **Expenses** | | | | |
| Audit and related fees | $ 10,500 | $ - | $ 30,405 | $ 5,900 |
| Consulting (note 10) | 10,915 | 10,628 | 33,753 | 32,003 |
| Depreciation (note 6) | 14 | 20 | 41 | 58 |
| General and administrative (note 10) | 17,533 | 18,494 | 55,558 | 61,540 |
| Interest on loan payable | 470,854 | 398,672 | 1,728,393 | 871,681 |
| Legal fees | - | 957 | 1,149 | 30,816 |
| Management fees (note 10) | 16,275 | 34,057 | 65,499 | 93,697 |
| Transfer agent and filing fees | 3,529 | 4,280 | 13,964 | 14,937 |
| Travel and promotion | - | 948 | - | 9,026 |
| Loss before other item | (529,620) | (468,056) | (1,928,762) | (1,119,658) |
| Foreign exchange gain (loss) | (2,150) | 68,713 | 9,233 | 178,165 |
| Net loss and comprehensive loss for period | $ (531,770) | $ (399,343) | $ (1,919,529) | $ (941,493) |
| Loss per share - basic and diluted | $ (0.00) | $ (0.00) | $ (0.00) | $ (0.00) |
| Weighted average number of common shares outstanding - basic and diluted | 856,225,977 | 856,225,977 | 856,225,977 | 856,225,977 |

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

**Range Energy Resources Inc.**
**Condensed Interim Consolidated Statements of Cash Flows**
(Unaudited)

Expressed in Canadian Dollars

| | For the nine months ended September 30, 2018 | 2017 |
|---|---|---|
| Operating activities | | |
| Net loss for the period | $ (1,919,529) | $ (941,493) |
| Depreciation | 41 | 58 |
| Accrued interest | 1,728,393 | 871,681 |
| | (191,095) | (69,754) |
| Changes in non-cash working capital items: | | |
| Prepaid expenses | 35,945 | 42,605 |
| Accounts payable and accrued liabilities | (38,599) | (69,362) |
| Cash used in operating activities | (193,749) | (96,511) |
| Investing activity | | |
| Cash call payments to New Age Al Zarooni 2 Limited (note 7) | - | (10,142,833) |
| Cash used in investing activity | - | (10,142,833) |
| Financing activity | | |
| Convertible loans received (note 9) | - | 10,607,313 |
| Cash provided by financing activity | - | 10,607,313 |
| Increase (decrease) in cash | (193,749) | 367,969 |
| Cash - beginning of period | 337,909 | 63,096 |
| Cash - end of period | $ 144,160 | $ 431,065 |

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

## 1. Nature of operations and going concern

Range Energy Resources Inc. (the "Company") was incorporated under the laws of British Columbia, Canada on March 1, 2005. On October 24, 2006, the Company's common shares were listed and called for trading on the Canadian Securities Exchange ("CSE") and its current symbol is RGO. On February 12, 2007, the Company listed on the Frankfurt Stock Exchange. The Company's corporate head office is located at Suite 810, 789 West Pender Street, Vancouver, BC V6C 1H2. The Company is a development stage company engaged in investing in entities involved in the acquisition, exploration and development of oil and gas properties. As at September 30, 2018, the Company's principal asset is an indirect investment in an oil and gas property referred to as the Khalakan Block, which is domiciled in the Kurdistan Region of Iraq.

These consolidated financial statements are prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. During the nine months ended September 30, 2018, the Company incurred a net loss totalling $1,919,529. As at September 30, 2018, the Company has a working capital deficiency of $18,548,947 (December 31, 2017 - deficiency of $16,629,459) and an accumulated deficit of $49,202,666. There is a material uncertainty related to these conditions that may cast significant doubt on the Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The ability of the Company to meet its commitments and ongoing operating expenses will depend upon the following:

- The ability to raise further funds through the issue of equity or debt financing; and,
- The sale of assets in the ordinary course of business.

Although the Company has been successful in obtaining the necessary financing to continue operations in the past, there can be no assurance that it will be able to continue to do so in the future.

If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments would be necessary in the carrying values of assets, liabilities, the reported income and expenses and the consolidated statement of financial position classifications used. Such adjustments could be material.

Based on the financial position at September 30, 2018, available funds are not considered adequate to meet requirements for fiscal 2018 based on budgeted expenditures for operations and project exploration and investigation. To meet working capital requirements, the Company will have to access financial resources through equity placements or by incurring debt. There can be no assurances that such funds will be available and/or on terms acceptable by the Company.

## 2. Basis of preparation

(a) Statement of Compliance

These condensed interim consolidated financial statements are prepared in accordance with International Financial Standard 34, Interim Financial Reporting, of the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Committee ("IFRIC"). Accordingly, these condensed interim consolidated financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting process.

These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the Company's audited financial statements for the year ended December 31, 2017. The policies applied in these condensed interim consolidated financial statements are based on IFRS issued as of the date the Board of Directors approved the financial statements. These condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2017.

These consolidated financial statements have been authorized for release by the Company's Board of Directors on November 21, 2018.

## 2. Basis of preparation – continued

(b) Basis of measurement

The condensed interim consolidated financial statements have been prepared on an accrual basis and are on a historical cost basis, except for certain financial instruments, which are measured at fair value.

These condensed interim consolidated financial statements are prepared in Canadian dollars. The functional currency of the Company and its subsidiaries is the Canadian dollar.

(c) Basis of consolidation

These condensed interim consolidated financial statements consolidate the accounts of the Company and its wholly-owned subsidiary, Faucon Hec Resources Ltd. (formerly Range Oil & Gas (North Iraq) Inc.). All intercompany transactions and balances are eliminated on consolidation. Faucon Hec Resources Ltd. had no transactions or activity for the nine months ended September 30, 2018 and 2017.

## 3. Significant accounting policies

The significant accounting policies that have been used in the preparation of these condensed interim consolidated financial statements are summarized in the Company's annual audited consolidated financial statements for the year ended December 31, 2017.

(a) Changes in accounting policies

<u>IFRS 9 – Financial Instruments</u>

The Company adopted IFRS 9, which replaced IAS 39 – Financial Instruments: Recognition and Measurement, in its financial statements beginning January 1, 2018. IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities, however it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

Under IFRS 9 there are three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit and lost ("FVTPL"). The classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model. The new impairment model applies to financial assets measure at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

The adoption of IFRS 9 did not have a material impact on the Company's financial statements.

<u>IFRS 15 – Revenue from contracts with customers</u>

On May 28, 2014 the IASB issued IFRS 15, Revenue from Contracts with Customers. IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the goods or services. The standard replaces IAS 18 Revenue and IAS 11 Construction contracts and related interpretations. IFRS15 is effective for reporting periods beginning on or after January 1, 2018 with early application permitted. Since the Company has no revenues, there was no material impact on the Company's financial statements upon adoption of this standard.

## 3. Significant accounting policies – continued

(b) Accounting standards and amendments issued but not yet adopted

The standard is effective for annual periods beginning on or after January 1, 2019:

IFRS 16 – Leases

In June 2016, the IASB issued IFRS 16 – Leases. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17. The standard is effective for annual periods beginning on or after January 1, 2019.

The extent of the impact of adoption of IFRS 16 on the consolidated financial statements of the Company has not been determined.

## 4. Significant accounting estimates and judgments

The preparation of the condensed interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

The Company has identified the following areas where significant judgments, estimates and assumptions are made, where actual results may differ from these estimates and this may materially affect the Company's financial results or consolidated statement of financial position in future periods.

Significant areas requiring the use of management estimates include the valuation of loan receivable, valuation of the long-term investment, carrying value of convertible loans given the requirement to determine an appropriate discount rate based on similar instruments with no conversion features, valuation of warrants and share-based payments, recognition of deferred income tax assets, and deferred income tax rates.

Significant areas requiring management judgement include:

*Going concern*

Assessment of the Company's ability to continue as a going concern requires estimates of future cash flows and includes the consideration of other factors, the outcomes of which are uncertain.

*Impairment assessment of loan receivable*

Application of the factors of impairment to the facts and circumstances pertaining to the loan receivable requires a significant amount of management judgement.

*Utilization of deferred income tax assets*

Deferred tax assets require management judgement in order to determine the amounts to be recognized and the likelihood that there will be future taxable income for which the deferred tax assets can be utilized. This includes assessing the timing of the reversal of temporary differences to which deferred income tax rates are applied.

## 4. Significant accounting estimates and judgments – continued

*Impairment assessment of long-term investment*

Application of the factors of impairment to the facts and circumstances pertaining to the long-term investment requires a significant amount of management judgement. At each reporting date, in making its assessment as to whether there is any objective evidence of impairment in accordance with IAS 39 Financial Instruments: Recognition and Measurement, management obtains financial information of the entity underlying its long-term investment including financial information of entities in which this entity has itself invested in, to determine if there has been a material adverse change in the financial condition of such based on operational results, forecasts, and other developments.

The Company has an indirect interest in an entity (GPK – note 7), whose principal activity is exploration, development, and production of oil and gas, the primary assets of which are comprised of property, plant, and equipment in accordance with IAS 36 Impairment of Assets. An assessment of recoverable amount is required when indicators of impairment are identified for property, plant, and equipment. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use.

An asset's value in use is determined based on discounted cash flow models (and other valuation techniques) using assumptions considered to be reasonable and consistent with those that would be applied by a market participant. The determination of assumptions used in assessing the fair value of assets is subjective and the use of different valuation assumptions could have a significant impact on financial results. Expected future cash flows, which are used in discounted cash flow models, are inherently uncertain and could change materially over time. They are affected by a number of factors including estimates of oil and gas reserves and resources, together with economic factors such as commodity prices, discount rates, exchange rates, estimates of production costs and future capital expenditure.

*Accounting for long-term investment*

Management applies judgment in determining whether the Company has significant influence over an investee in which it holds, directly or indirectly, 20 per cent or more of the voting power of the investee. Management does not consider the Company to have significant influence over the entity underlying its long-term investment (note 7).

*Convertible loans*

In accordance with the substance of the contractual arrangement, convertible loans are compound financial instruments that are accounted for separately by their financial liability and equity instrument components. The identification of convertible loan components is based on interpretations of the substance of the underlying contractual arrangement and therefore requires management's judgment. The separation of the components affects the initial recognition of the convertible loans at issuance and the subsequent recognition of interest on the liability component. The determination of the fair value of the liability is also based on a number of assumptions, including contractual future cash flows, discount factors, and the presence of any derivative financial instruments.

*Modification versus extinguishment of financial liability*

Management's judgment is required in applying IAS 39 Financial Instruments: Recognition and Measurement, in determining whether the amended and/or restated terms of existing loan agreements are a substantial modification of an existing financial liability and whether such should be accounted for as an extinguishment of the original financial liability.

*Share-based payments*

The fair value of stock options granted is calculated using the Black-Scholes Option Pricing Model and requires the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates.

**(Expressed in Canadian Dollars)**

## 5. Loan receivable

On March 3, 2012, the Company entered into a Letter of Intent ("LOI") with Blackstairs Energy PLC ("Blackstairs") whereby the Company proposed to acquire 100% of the issued share capital of Blackstairs subject to a number of conditions set out in the LOI, including, satisfactory completion by the Company of its due diligence review of Blackstairs on or before April 30, 2012, entering into a Definitive Agreement and obtaining requisite regulatory and shareholders' approvals, if required. Under the terms of the LOI, the Company loaned Blackstairs US$500,000 for working capital purposes. As security for this loan, certain shares in Blackstairs were pledged to the Company. As the structure of a Definitive Agreement could not be agreed upon, the LOI was terminated on March 29, 2012 and as such, the loan became repayable within 180 days from April 30, 2012, bearing interest at the rate of US prime plus 1.5% per annum compounded monthly until repayment.

Blackstairs failed to repay the loan when due. The Company subsequently took the steps necessary to cause the pledged shares to be transferred to the Company and registered in the name of the Company on Blackstairs' share register.

By letter dated December 22, 2014, the Company was informed that Deloitte & Touche was appointed liquidator of Blackstairs.

On December 21, 2015, the annual general meeting of Blackstairs's creditors was held. The Blackstairs liquidator disclosed at that meeting that the liquidation process is continuing. On December 20, 2016, the liquidator's lawyer wrote a letter to the Company's lawyer stating that the liquidator concluded that Blackstairs's sale of its only asset—a production sharing contract with the government of Senegal—to New Horizon Oil and Gas Limited (trading a T5 Oil and Gas) and the consideration received for that sale represented the best price achievable for this asset. The letter also said that the liquidator has sought court relief under applicable law from its duties as liquidator.

The Company continues to consider what, if any, actions it may take to obtain recovery out of Blackstairs's assets of all or some portion of the outstanding principal of, and accrued and unpaid interest on, the loan.

As the fair value of the pledged shares is indeterminable, the loan receivable was written down by $575,347 to a nominal amount during the year ended December 31, 2013. As at September 30, 2018, total principal of US$500,000 and accrued interest of US$40,944, is due to the Company.

## 6. Property and equipment

| | Computer hardware and software | | |
|---|---|---|---|
| | Cost | Accumulated depreciation | Net book value |
| Balance – December 31, 2016 | $ 4,639 | $ (4,382) | $ 257 |
| Depreciation | - | (77) | (77) |
| Balance – December 31, 2017 | $ 4,639 | $ (4,459) | $ 180 |
| Depreciation | - | (41) | (41) |
| Balance – September 30, 2018 | $ 4,639 | $ (4,500) | $ 139 |

## 7. Long-term investment

On November 6, 2009, the Company entered into a share acquisition agreement with a privately held company (the "Vendor") under which the Company purchased 49.9% of the common shares of New Age Al Zarooni 2 Limited ("NAAZ2"), a company domiciled in Jersey, Channel Islands. The consideration paid for the shares was as follows:

(a) $16,862,774 (US$16,367,000) cash;
(b) 2,000,000 common shares of the Company with an estimated fair value of $400,000 measured on the date of issuance;
(c) 1,500,000 warrants to purchase 1,500,000 common shares of the Company exercisable for a term of five years at a price of $0.30 per share, valued at $509,293 measured on the date of issuance using the Black-Scholes Option-Pricing Model. These warrants expired unexercised; and,
(d) $46,728 (US$44,000) of expenses reimbursed to the Vendor.

The transaction closed on November 17, 2009. In connection with the transaction, the Company issued 3,250,000 common shares of the Company for corporate advisory services to unrelated third parties. The estimated fair value of these shares was $650,000 measured on the date of issuance and recorded as transaction costs in the consolidated statement of operations and comprehensive loss during the year ended December 31, 2009.

NAAZ2 owns 49.52% of the common shares of Gas Plus Khalakan Limited ("GPK"), a company domiciled in Jersey, Channel Islands. GPK holds an 80% interest in the Khalakan production sharing contract ("PSC") for an oil and gas resource property ("Khalakan Block") and the Kurdistan Regional Government of Iraq holds the remaining 20% interest. The Khalakan Block consists of two concessions, Blocks 28 and 29 (sometimes referred to as Blocks 6 and 7) and originally comprised 624 square kilometres located in the central part of the Kurdistan Region of Iraq.

Under the GPK shareholders agreement, a company beneficially owned by a third party is entitled to a 40% interest in the net profits ("NPI") of the project. At any time, the 40% NPI may be exchanged for 40% of the issued common shares of GPK for a price equal to US$1 per common share. In addition, a 3.5% interest in the net profits is payable to the current operator under a management services agreement.

The NAAZ2 shareholders agreement requires each shareholder to fund its cash calls based on its ownership interest. If a shareholder fails to fund its portion of these cash calls, the non-defaulting shareholder has the option to fund any shortfalls and thereby increase its relative interest in NAAZ2, and in turn its indirect interest in GPK. Should the non-defaulting shareholder decline to fund any shortfalls, a buy-out event may be triggered under which the defaulting party's interest may be purchased by the non-defaulting party for a price pre-determined by a formula in the shareholders agreement. During the nine months ended September 30, 2018, the Company funded cash calls made by NAAZ2 totalling $Nil (US $Nil) (December 31, 2017 - $11,388,936 (US $8,767,430)). The Company did not participate in certain requested cash calls towards the end of fiscal 2017. As a result, the Company's interest has been reduced to 48.95% as at September 30, 2018 and December 31, 2017. Management does not currently intend to fund any additional cash calls in the foreseeable future, and consequently the Company's interest is expected to be further reduced. Refer to *Impairment*, below.

The GPK shareholders agreement requires each shareholder to fund its proportional share of cash calls based on its shareholdings. If a shareholder fails to fund its portion of these cash calls, the non-defaulting shareholder will have the option to fund any shortfalls and thereby increase its relative interest in GPK. Should the non-defaulting shareholder decline to fund any shortfalls, a buy-out event may be triggered under which the defaulting party's interest may be purchased by the non-defaulting party for a price pre-determined by a formula in the shareholders agreement.

**(Expressed in Canadian Dollars)**

## 7. Long-term investment – continued

*Impairment*

As at December 31, 2017, the Company determined there was objective evidence of impairment in the carrying value of its long-term investment. Upon review of GPK's financial information management concluded that there had been a material adverse change in the financial condition of such based on operational results, forecasts, and other developments. Specifically, GPK had recorded what management of the Company considers a significant impairment charge in the current year in relation to its Shewashan asset in the Kurdistan Region of Iraq. Within GPK, the impairment trigger was a reduction in expected production in the field, and the impairment charge was calculated by comparing the future discounted pre-tax cash flows expected to be derived from production of commercial reserves (the value-in-use) with the carrying value of the asset. Within the Company, management determined that the carrying value of the long-term investment exceeded the recoverable value thereof, and recognized an impairment loss of $28,907,723 in 2017.

## 8. Equity

(a) Authorized

The authorized share capital of the Company consists of an unlimited number of shares without par value and an unlimited number of preferred shares, issuable in series. The preferred share rights and restrictions may be set by the Company's directors upon issue.

(b) Reserves

Reserves consist of share purchase warrants, the accumulated fair value of common share stock options recognized as share-based compensation and the equity component of convertible loans.

(c) Warrants

| | September 30, 2018 | | | December 31, 2017 | | |
|---|---|---|---|---|---|---|
| | Number of warrants | | Amount | Number of warrants | | Amount |
| Opening balance | 523,048,137 | $ | 9,032,924 | 523,523,137 | $ | 9,035,374 |
| Warrants expired | - | | - | (475,000) | | (2,450) |
| Closing balance | 523,048,137 | $ | 9,032,924 | 523,048,137 | $ | 9,032,924 |

During the year ended December 31, 2017, 475,000 finders' warrants expired and $2,450 was transferred from warrants to contributed surplus on the consolidated statement of changes in equity.

**(Expressed in Canadian Dollars)**

## 8. Equity – continued

(c) Warrants - continued

At September 30, 2018, warrants outstanding are as follows:

| Number of warrants outstanding and exercisable | Exercise price | Fair value of warrants | Expiry dates |
|---:|---:|---:|---:|
| 122,000,000 | $0.05 | $ 3,653,849 | November 1, 2018 |
| 29,791,726 | $0.07 | 816,889 | May 21, 2019 |
| 25,000,000 | $0.07 | 623,215 | June 19, 2019 |
| 20,000,000 | $0.055 | 497,823 | July 17, 2019 |
| 20,000,000 | $0.05 | 497,882 | October 20, 2019 |
| 30,000,000 | $0.05 | 746,500 | November 14, 2019 |
| 17,800,000 | $0.05 | 145,935 | July 14, 2020 |
| 6,545,500 | $0.05 | 73,977 | August 20, 2020 |
| 29,750,000 | $0.05 | 322,757 | October 7, 2020 |
| 16,403,750 | $0.05 | 149,318 | October 30, 2020 |
| 10,727,500 | $0.05 | 98,166 | November 6, 2020 |
| 14,840,375 | $0.05 | 101,656 | December 18, 2020 |
| 5,180,950 | $0.05 | 35,493 | December 29, 2020 |
| 41,375,000 | $0.05 | 371,735 | January 15, 2021 |
| 29,700,000 | $0.05 | 169,046 | February 19, 2021 |
| 6,247,908 | $0.05 | 35,562 | March 1, 2021 |
| 42,029,428 | $0.05 | 331,748 | March 14, 2021 |
| 18,836,000 | $0.05 | 149,367 | April 15, 2021 |
| 36,820,000 | $0.05 | 212,006 | May 20, 2021 |
| 523,048,137 | | $ 9,032,924 | |

As at September 30, 2018, the weighted average exercise price of warrants exercisable was $0.05 and the weighted average remaining contractual life was 1.44 years.

**(Expressed in Canadian Dollars)**

## 8. Equity – continued

(d) Stock options

The Company adopted the 2015 Stock Option Incentive Plan (the "Plan") that was approved by the shareholders on July 3, 2015. The aggregate number of shares of the Company's share capital issuable pursuant to options granted under the Plan may not exceed 86,995,435 common shares. Options granted under the Plan may have a maximum term of 10 years. The exercise price of options granted under the Plan shall be determined by the Company's directors, provided that such price shall not be lower than the closing share price on the day before the grant date less the applicable discount permitted under CSE policies. Stock options granted under the Plan may be subject to vesting terms that are set at the discretion of the directors at the time of grant.

The following table summarizes stock option activity during the period ended September 30, 2018 and the year ended December 31, 2017:

| | September 30, 2018 | | December 31, 2017 | |
|---|---|---|---|---|
| | **Number of options** | **Weighted average exercise price of options exercisable** | **Number of options** | **Weighted average exercise price of options exercisable** |
| Opening balance | 10,250,000 | $0.10 | 12,250,000 | $0.12 |
| Options expired | - | - | (2,000,000) | $0.20 |
| Closing balance | 10,250,000 | $0.10 | 10,250,000 | $0.10 |

At September 30, 2018, stock options outstanding are as follows:

| Number of options outstanding and exercisable | Exercise prices | Expiry date |
|---|---|---|
| 10,250,000 | $0.10 | September 11, 2020 |
| 10,250,000 | | |

## 9. Loans and convertible loans

(a) Gulf LNG America LLC

During the year ended December 31, 2016, the Company received four unsecured loans in the aggregate principal amount of $4,257,218 from a related party Gulf LNG America LLC, which holds 71.02% of the Company's issued and outstanding common shares ("Gulf"). Each of the four loans was interest bearing at a rate of 7% per annum. Per the amended agreements, the first three loans, together with all accrued and unpaid interest, were due on September 26, 2016. Per the original agreement, the fourth loan, together with all accrued and unpaid interest, was due on December 23, 2016. The Company was unable to repay any of the loans by their respective due dates. As a result, the Company was in default on each loan and the overdue amount of each loan accrued interest at 9% per annum from the date of such non-payment.

On January 11, 2017, the Company received an additional unsecured loan in the amount of $1,175,512 from Gulf. The loan was interest bearing at a rate of 7% per annum and was due on February 11, 2017.

On February 14, 2017, the Company and Gulf entered into a new loan agreement under which Gulf will purchase from time to time secured convertible loans (the "Gulf Secured Convertible Loan Agreement") from the Company. Also on that date, the Company entered into an amendment and restatement agreement with Gulf pursuant to which all existing short-term loans and accrued interest from Gulf described above, in an aggregate amount of $5,603,371, was converted into secured convertible loans under the Gulf Secured Convertible Loan Agreement, and the existing short-term loan agreements were terminated. The promissory note evidencing this loan matures on February 14, 2018 with interest at the rate of 10% per annum, and is convertible at the option of Gulf into common shares of the Company at $0.02 per share. On February 12, 2018, the maturity date was extended to May 15, 2018, on May 9, 2018, it was further extended to August 13, 2018 and on August 10, 2018, it was further extended to November 12, 2018.

On February 15, 2017, the Company received a secured convertible loan of $1,319,749 from Gulf made under the Gulf Secured Convertible Loan Agreement. The loan is evidenced by a secured promissory note in favour of Gulf for the principal amount of $1,319,749. The maturity date of the principal amount, interest and any fees of the loan is February 15, 2018, the rate of interest on the loan is 10% per annum, and the loan is convertible into common shares of the Company at $0.02 per share. On February 12, 2018, the maturity date was extended to May 16, 2018, on May 9, 2018, it was further extended to August 14, 2018 and on August 10, 2018, it was further extended to November 12, 2018.

On March 3, 2017, the Company received a secured convertible loan of $2,007,600 from Gulf made under the Gulf Secured Convertible Loan Agreement. The loan is evidenced by a secured promissory note in favour of Gulf for the principal amount of $2,007,600. The maturity date of the principal amount, interest and any fees of the loan is March 5, 2018, the rate of interest on the loan is 10% per annum, and the loan is convertible into common shares of the Company at $0.02 per share. On March 19, 2018, the maturity date was extended to May 16, 2018, on May 9, 2018, it was further extended to August 14, 2018 and on August 10, 2018, it was further extended to November 12, 2018.

On May 25, 2017, the Company received a secured convertible loan of $2,031,500 from Gulf made under the Gulf Secured Convertible Loan Agreement. The loan is evidenced by a secured promissory note in favour of Gulf for the principal amount of $2,031,500. The maturity date of the principal amount, interest and any fees of the loan is May 25, 2018, the rate of interest on the loan is 10% per annum, and the loan is convertible into common shares of the Company at $0.02 per share. On May 9, 2018, the maturity date was extended to August 23, 2018 and on August 10, 2018, it was further extended to November 12, 2018.

## 9. Loans and convertible loans – continued

On June 28, 2017, the Company received a secured convertible loan of $1,175,826 from Gulf made under the Gulf Secured Convertible Loan Agreement. The loan is evidenced by a secured promissory note in favour of Gulf for the principal amount of $1,175,826. The maturity date of the principal amount, interest and any fees of the loan is June 28, 2018, the rate of interest on the loan is 10% per annum, and the loan is convertible into common shares of the Company at $0.02 per share. On May 9, 2018, the maturity date was extended to September 26, 2018 and on August 10, 2018, it was further extended to November 12, 2018.

On August 2, 2017, the Company received a secured convertible loan of $1,251,400 from Gulf made under the Gulf Secured Convertible Loan Agreement. The loan is evidenced by a secured promissory note in favour of Gulf for the principal amount of $1,251,400. The maturity date of the principal amount, interest and any fees of the loan is August 2, 2018, the rate of interest on the loan is 10% per annum, and the loan is convertible into common shares of the Company at $0.02 per share. On August 10, 2018, the maturity date was extended to November 12, 2018.

On September 11, 2017, the Company received a secured convertible loan of $605,386 from Gulf made under the Gulf Secured Convertible Loan Agreement. The loan is evidenced by a secured promissory note in favour of Gulf for the principal amount of $605,386. The maturity date of the principal amount, interest and any fees of the loan is September 11, 2018, the rate of interest on the loan is 10% per annum, and the loan is convertible into common shares of the Company at $0.02 per share. On September 28, 2018, the maturity date was extended to November 12, 2018.

On September 25, 2017, the Company received a secured convertible loan of $740,340 from Gulf made under the Gulf Secured Convertible Loan Agreement. The loan is evidenced by a secured promissory note in favour of Gulf for the principal amount of $740,340. The maturity date of the principal amount, interest and any fees of the loan is September 25, 2018, the rate of interest on the loan is 10% per annum, and the loan is convertible into common shares of the Company at $0.02 per share. On September 28, 2018, the maturity date was extended to November 12, 2018.

On October 13, 2017, the Company received a secured convertible loan of $1,247,300 from Gulf made under the Gulf Secured Convertible Loan Agreement. The loan is evidenced by a secured promissory note in favour of Gulf for the principal amount of $1,247,300. The maturity date of the principal amount, interest and any fees of the loan is October 13, 2018, the rate of interest on the loan is 10% per annum, and the loan is convertible into common shares of the Company at $0.02 per share.

All or any portion of the principal amount, accrued interest and fees outstanding under the notes is convertible by Gulf into common shares of the Company at any time before the maturity date, at a conversion price per share set out in the notes, subject to adjustment upon certain events occurring. The conversion price for the loans was approved by the Company’s board and by the CSE.

The loans are secured by a general security agreement.

## 9. Loans and convertible loans – continued

(b) Harrington Global Opportunities Fund S.A.R.L.

On January 11, 2017, the Company received an unsecured loan in the amount of $140,000 from Harrington Global Opportunities Fund S.A.R.L., a significant shareholder of the Company ("Harrington"). The loan was interest bearing at a rate of 7% per annum and was due on February 11, 2017.

On February 14, 2017, the Company and Harrington entered into a new loan agreement under which Harrington will provide from time to time secured convertible loans (the "Harrington Secured Convertible Loan Agreement"). Also on that date, the Company entered into an amendment and restatement agreement with Harrington, pursuant to which all existing short-term loans from Harrington, in an aggregate amount of $140,936, were amended and restated into secured convertible loans under the Harrington Secured Convertible Loan Agreement, and the existing short-term loan agreement was terminated. The promissory note evidencing this loan matures on February 14, 2018, accrues interest at the rate of 10% per annum, and is convertible into common shares of the Company at $0.02 per share. On February 12, 2018, the maturity date was extended to May 15, 2018, on May 9, 2018, it was further extended to August 13, 2018 and on August 10, 2018, it was further extended to November 12, 2018.

On February 15, 2017, the Company received a secured convertible loan of $160,000 from Harrington made under the Harrington Secured Convertible Loan Agreement. The loan is evidenced by a secured promissory note in favour of Harrington for the principal amount of $160,000. The maturity date of the principal amount, interest and any fees of the loan is February 15, 2018, the rate of interest on the loan is 10% per annum, and the loan is convertible into common shares of the Company at $0.02 per share. On February 12, 2018, the maturity date was extended to May 16, 2018, on May 9, 2018, it was further extended to August 14, 2018 and on August 10, 2018, it was further extended to November 12, 2018.

All or any portion of the principal amount, accrued interest and fees outstanding under the notes is convertible by Harrington into common shares of the Company at any time before the maturity date, at a conversion price per share set out in the notes, subject to adjustment upon certain events occurring. The conversion price for the loans was approved by the Company's board and by the CSE.

The loans are secured by a general security agreement.

(c) The fair value of the liability component at the time of issue is determined based on an estimated rate of 20% for loans without the conversion feature. The fair value of the equity component is determined as the difference between the face value of the loans and the fair value of the liability component. After initial recognition the liability component is carried on an amortized cost basis and will be accreted to its face value over the term to maturity of the convertible loan at an effective interest rate of approximately between 19.42% and 19.93%. The present value of above mentioned convertible loans is $18,595,328 at September 30, 2018 (December 31, 2017 - $16,866,935) with $1,379,036 recognized as equity component (December 31, 2017 - $1,379,036). During the nine months ended September 30, 2018, the Company accrued interest and accretion expense of $1,728,393 (2017 - $871,681) related to these loans.

**(Expressed in Canadian Dollars)**

## 10. Related party transactions

Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly. Key management personnel include the Company's directors and members of the senior management group.

The Company entered into a corporate management agreement for accounting services with a company controlled by the Chief Financial Officer of the Company (Note 11).

Details of key management personnel compensation are as follows:

| **Nine months ended September 30,** | | **2018** | | **2017** |
|---|---|---|---|---|
| Services provided: | | | | |
| Consulting fees | $ | 15,750 | $ | 4,725 |
| Management fees | | 65,499 | | 93,697 |
| Rent and storage | | 8,400 | | 9,450 |
| Key management personnel compensation | $ | 89,649 | $ | 107,872 |

| **As at** | | **September 30, 2018** | | **December 31, 2017** |
|---|---|---|---|---|
| Balances payable to key management personnel | $ | 72,028 | $ | 103,331 |

** The amount payable to key management personnel is included in accounts payable and accrued liabilities on the consolidated statements of financial position.

## 11. Commitment

The Company is party to a corporate management and accounting services agreement which automatically renewed for additional 12 months until December 31, 2018 (Note 10). The future minimum payments are $57,000 for the remainder of the year ending December 31, 2018.

## 12. Segmented information

The Company's operations comprise one reportable segment. The carrying value of the Company's non-current assets on a country-by-country basis is as follows:

| | September 30, 2018 | | | December 31, 2017 | | |
|---|---|---|---|---|---|---|
| | Canada | Channel Islands | Total | Canada | Channel Islands | Total |
| Property and equipment | $ 139 | $ - | $ 139 | $ 180 | $ - | $ 180 |
| Long-term investment | - | 42,177,000 | 42,177,000 | - | 42,177,000 | 42,177,000 |
| | $ 139 | $ 42,177,000 | $ 42,177,139 | $ 180 | $ 42,177,000 | $ 42,177,180 |

## 13. Financial instruments

The Company's financial instruments include cash, loan receivable, long-term investment, accounts payable and convertible loans. The carrying value of cash, amounts receivable, accounts payable and convertible loans payable as presented in these consolidated financial statements are reasonable estimates of fair values due to the relatively short periods to maturity and the terms of these instruments. Long-term investment does not have a reliably measurable fair value as it does not have a quoted market price in an active market.

Financial instruments must be classified at one of three levels within a fair value hierarchy according to the relative reliability of the inputs used to estimate their values. The three levels of the hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities;
Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and,
Level 3: Inputs that are not based on observable market data.

The Company's financial instruments have been classified as follows:

| Financial instrument | Classification | Fair value hierarchy |
|---|---|---|
| Cash | FVTPL | Level 1 |
| Loan receivable | Amortized cost | n/a |
| Long-term investment | FVTPL | n/a |
| Accounts payable | Amortized cost | n/a |
| Convertible loans payable | Amortized cost | n/a |

See the Company's Consolidated Statements of Financial Position for financial instrument balances as at September 30, 2018 and December 31, 2017.

Risk exposure and management

The Company is exposed to various financial instrument risks and continuously assesses the impact and likelihood of this exposure. These risks include credit risk, commodity price risk, liquidity risk, interest rate risk and currency risk. Where material these risks are reviewed and monitored by the Board of Directors.

(a) Credit risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations resulting in financial loss to the Company. The Company's credit risk is primarily attributable to its cash and loan receivable. Cash is held with an investment grade Canadian financial institution as assessed by external rating agencies. Management believes the risk of loss to be minimal. As at September 30, 2018, the Company's maximum credit risk is the carrying value of cash and loan receivable.

(b) Commodity price risk

The Company is subject to price risk from fluctuations in market prices of the commodities underlying its long-term investment. This exposure includes the ability to raise capital with favorable terms. The Company does not currently hold any financial instruments that mitigate this risk.

## 13. Financial instruments – continued

(c) Liquidity risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due or can only do so at excessive cost. As at September 30, 2018, the Company has a working capital deficiency of $18,548,947 (December 31, 2017: deficiency of $16,629,459). The Company manages liquidity risk by maintaining an adequate cash balance. The Company continuously monitors and reviews both actual and forecasted cash flows and matches the maturity profile of financial assets and liabilities.

Contractual undiscounted cash flow requirements of financial liabilities at September 30, 2018 are as follows:

| | Carrying value $ | Less than 1 year $ | Between 2 – 5 years $ | More than 5 years $ | Total |
|---|---|---|---|---|---|
| Accounts payable | 103,771 | 103,771 | - | - | 103,771 |
| Convertible loans | 18,595,328 | 18,595,328 | - | - | 18,595,328 |

(d) Interest rate risk

As at September 30, 2018, the Company does not hold any variable rate term deposits. The Company is not subject to any significant interest rate risk.

(e) Currency risk

As the Company operates in an international environment, some of the Company's transactions and balances are denominated in currencies other than the Canadian dollar. The Company's foreign exchange risk arises primarily with respect to the United States dollar. The Company is required to make regular cash contributions denominated in United States dollars to fund the companies underlying its long-term investment (note 7). Fluctuations in the exchange rate between the United States dollar and the Canadian dollar could have a material effect on the Company's business, financial condition and results of operations. The Company does not engage in any hedging activity to mitigate this risk.

As at September 30, 2018, a strengthening (weakening) of the Canadian dollar against the United States dollar of 10% would have an insignificant impact on the Company's consolidated statements of comprehensive loss.

## 14. Management of capital

The Company manages its capital to ensure it will be able to continue as a going concern and continue the funding of its long-term investment. The Company has no operations that generate cash flow and depends on financings to fund its long-term investment and administrative expenses. The success of each financing depends on numerous factors including a positive oil and gas environment, positive stock market conditions, a company's track record and the experience of management. The capital structure of the Company consists of convertible loans and shareholders' equity, which is comprised of share capital, reserves and deficit. The Board of Directors does not establish quantitative return on capital criteria for management due to the nature of the Company's business. The Company does not pay dividends and is not exposed to any externally imposed capital requirements.

# APPENDIX B

## RANGE ENERGY RESOURCES INC

## Management's Discussion & Analysis
## for the **nine** month period ended **September 30, 2018**

# RANGE ENERGY RESOURCES INC.

# Management's Discussion & Analysis

**Nine month period ended September 30, 2018**

**789 West Pender Street, Suite 810**
**Vancouver, BC, Canada V6C 1H2**
**Tel: 604 687-2038 Facsimile: 604 687-3141**
**range@rangeenergyresources.com**

Management's discussion and analysis ("MD&A") provides a review of the performance of Range Energy Resources Inc.'s ("Range" or the "Company") operations and has been prepared on the basis of available information up to November 21, 2018 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the nine month period ended September 30, 2018 ("Q3-2018") and the audited consolidated financial statements for the year ended December 31, 2017 and the related notes thereto ("fiscal 2017"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company's reporting currency is Canadian dollars and all dollar amounts referred to in this discussion and analysis are expressed in Canadian dollars except where indicated otherwise.

Some of the statements made in this MD&A are forward-looking statements that are subject to risk factors set out in the cautionary note contained herein.

Range's common shares are listed on the Canadian Securities Exchange (the "CSE") trading symbol – RGO.

**Caution on Forward-Looking Statements**

*The MD&A contains certain forward-looking statements concerning anticipated developments in Range's operation in future periods. Forward-looking statements are frequently, but not always identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements are set forth principally under the heading "Outlook" in the MD&A and may include statements regarding exploration results and budgets, petroleum reserves estimates, work programs, capital expenditures, timelines, strategic plans, market price of oil or natural gas or other statements that are not statements of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of Range may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. Range's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and Range does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from Range's expectations include uncertainties involved in disputes, arbitration and litigation, fluctuations in commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and estimation of reserves; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and economic return; the need for cooperation of government agencies and native groups in the exploration and development of properties and the issuance of required permits; the need to obtain additional financing to develop properties and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs or in construction projects and uncertainty in meeting anticipated program milestones; uncertainty as to timely availability of permits and other government approvals and other risks and uncertainties disclosed in other information released by Range from time to time and filed with the appropriate regulatory agencies.*

**Corporate developments and outlook**

On January 19, 2016, the Company announced that it reached an agreement with Gas Plus Khalakan Limited ("GPK"), Black Gold Khalakan Limited ("Black Gold") and New Age Alzarooni 2 Limited ("NAAZ2") to settle all litigation over the Company's right to receive and disclose certain material information on petroleum operations at the Khalakan Block in the Kurdistan Region of Iraq. Under the agreement, these parties agreed to permanently settle and release all actions, claims and demands related to litigation regarding the release of information to the Company. In turn, GPK agreed to make periodic press releases regarding on-going petroleum operations at the Khalakan Block.

Since the Company, GPK, Black Gold, and NAAZ2 entered into this settlement agreement, GPK has made public disclosures regarding petroleum operations on the Khalakan Block. The Company in turn issued a press release following each such public disclosure in an effort to report these events to its shareholders. The Company expects GPK to continue to make these periodic public disclosures. A summary of these public disclosures is included under the heading "Khalakan Block, Kurdistan Region of Iraq" below.

**Private Placements**

On January 15, 2016, the Company closed the third tranche of the non-brokered private placement for a total of 41,375,000 units of the Company at a price of $0.04 per unit for gross proceeds of $1,655,000. Each unit consists of one common share and one transferrable share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share of the Company on or before January 15, 2021 at a price of $0.05 per common share. The Company paid a finders' fee of $4,000 and 100,000 finder's warrants. Each finders' warrant entitled the finder to purchase one common share of the Company on or before January 15, 2017 at a price of $0.05 per common share. The finders' warrants were not exercised.

On February 19, 2016, the Company closed the first tranche of the non-brokered private placement for a total of 29,700,000 units of the Company at a price of $0.035 per unit for gross proceeds of $1,039,500. Each unit consists of one common share and one transferrable share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share of the Company on or before February 19, 2021 at a price of $0.05 per common share.

On March 1, 2016, the Company closed the second tranche of the non-brokered private placement for a total of 6,247,908 units of the Company at a price of $0.035 per unit for gross proceeds of $218,677. Each unit consists of one common share and one transferrable share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share of the Company on or before March 1, 2021 at a price of $0.05 per common share. The Company paid a finders' fee of $2,625 and 75,000 finder's warrants. Each finders' warrant entitled the finder to purchase one common share of the Company on or before March 1, 2017 at a price of $0.05 per common share. The finders' warrants were not exercised.

On March 14, 2016, the Company closed the third tranche of a non-brokered private placement for a total of 42,029,728 units of the Company at a price of $0.035 per unit for gross proceeds of $1,471,030. Each unit consists of one common share and one transferrable share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share of the Company on or before March 14, 2021 at a price of $0.05 per common share.

On April 15, 2016, the Company closed the first tranche of a non-brokered private placement for a total of 18,836,000 units of the Company at a price of $0.035 per unit for gross proceeds of $659,260. Each unit consists of one common share and one transferrable share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share of the Company on or before April 15, 2021 at a price of $0.05 per common share. The Company paid a finders' fee of $10,500 and 300,000 finder's warrants. Each finder's warrant entitled the finder to purchase one common share of the Company on or before April 15, 2017 at a price of $0.05 per common share. The finders' warrants were not exercised.

On May 20, 2016, the Company closed the second and final tranche of the non-brokered private placement for a total of 36,820,000 units of the Company at a price of $0.035 per unit for gross proceeds of $1,288,700. Each unit consists of one common share and one transferrable share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share of the Company on or before May 20, 2021 at a price of $0.05 per common share.

Proceeds from each private placement have been and will be used to continue fulfilling the Company's exploration and development obligations on the Khalakan Block, evaluating new opportunities and for general corporate purposes.

**Khalakan Block, Kurdistan Region of Iraq**

As at the date of this report, the Company's principal asset is an indirect investment in an oil and gas resource property referred to as the Khalakan Block which is domiciled in the Kurdistan Region of Iraq.

The Company owns 48.95% of the common shares of NAAZ2, a company domiciled in Jersey, Channel Islands. NAAZ2 owns 49.52% of the common shares of GPK, a company domiciled in Jersey, Channel Islands. New Age (African Global Energy) Limited ("New Age") owns the other 50% of the common shares of GPK. GPK holds an 80% interest in the Khalakan production sharing contract ("PSC") that governs exploration and production activities with respect to the Khalakan Block and the Kurdistan Regional Government of Iraq holds the remaining 20% interest. The Khalakan Block initially consisted of two concessions, Blocks 28 and 29 (sometimes referred to as Blocks 6 and 7) and comprised 624 square kilometers located in the central part of the Kurdistan Region of Iraq. Following the Kurdistan Regional Government's approval of a Field Development Plan under the PSC, the portion of the Khalakan Block not covered by this Field Development Plan was relinquished back to the government as required under the terms of the PSC. New Age is the current operator of the Khalakan Block under a Management Services Agreement.

Range and its Board of Directors (the "Board") have spent considerable time and effort to gain intelligence on the activity of the operator of the Khalakan Block. As previously reported, Range has received limited information from its joint venture partners regarding progress of the exploration and development activities on the Khalakan Block. In fact, Range commenced an arbitration proceeding against its joint venture partners in an effort to obtain more information on these development activities and to secure the right to disseminate the material information to its shareholders.

As described above, on January 19, 2016, the Company announced that it reached an agreement with GPK, Black Gold and NAAZ2 to settle all litigation over the Company's right to receive and disclose certain material information on petroleum operations at the Khalakan Block in the Kurdistan Region of Iraq. Under the agreement, these parties agreed to permanently settle and release all actions, claims and demands related to litigation regarding the release of information to the Company. In turn, GPK agreed to make periodic press releases regarding on-going petroleum operations at the Khalakan Block.

Since the Company, GPK, Black Gold, and NAAZ2 entered into this settlement agreement, GPK has made public disclosures regarding petroleum operations on the Khalakan Block. These disclosures include the following:

On January 19, 2016, GPK issued an update on operations at the Khalakan Block, which can be found here:
http://www.newafricanglobalenergy.com/media/Related-News

The GPK operations update includes a detailed discussion on the following topics, amongst others:

- The technical geological characteristics of the oil discovery in the Cretaceous reservoirs,
- A summary of certain assumptions and calculations in the independent audit conducted by DeGoyler and MacNaughton, including a valuation summary, reserves and resources summaries, and estimated oil quantities for the Shiranish, Kometan, and Qamchuga productive zones in the Cretaceous reservoirs, and
- GPK's identification of the deeper and yet to be drilled Jurassic formation which may provide additional resources that are in addition to the Cretaceous discovery.

On April 5, 2016, GPK issued a statement regarding the successful testing and completion of the Shewashan-2 development well. In this statement, GPK stated that the deviated Shewashan-2 well was spudded on 1st October 2015 and drilled to a TD of 2768m MD in the Cretaceous Qamchuga reservoir at a gross cost of $19.5m. According to GPK on open hole test from 2439m to 2768m, the well flowed with very low drawdown at a maximum rate of 4,400 barrels of oil per day (bopd) and with a BS&W of less than 1%. The oil flow is very high quality, light, 47° API oil, flowing from the Cretaceous fractured carbonate reservoirs (Shiranish, Kometan and Qamchuga). The press release can be found here: http://www.newafricanglobalenergy.com/media/Related-News

On May 4, 2016, GPK issued an operations update regarding the Shewashan field. The GPK operations update provided details regarding key milestones that have successfully occurred as well as activities that are anticipated to occur over the near term, including the following:

- The Shewashan-2 development well commenced production at a rate of 4,000 bopd.
- The recompletion of the Shewashan-1 well is underway. The well recompletion will include a horizontal sidetrack designed to increase the likelihood of intersecting the Cretaceous Shiranish's natural fracture network when compared to the utilization of a vertical bore or a deviated well bore. GPK intends to test and complete the Shewashan-1 sidetrack in the second quarter of 2016.
- GPK intends to request in the second or third quarter of 2016 an updated reserve audit from its independent reserve auditor.
- Expenditures of US$3.7 million were applied to the US$77 million Phase 1 Development Plan budget in the first quarter of 2016.

The full text of the GPK Operations Update can be accessed here:
http://www.newafricanglobalenergy.com/media/Related-News

On August 15, 2016, GPK issued an operations update regarding the Shewashan field. The GPK Shewashan operations update provided details regarding key events and activities that have occurred as well as activities that are anticipated to occur over the near term, including:

- Oil Production: The Shewashan – 2 well continues to produce with a current rate of circa 4,000 bopd and the production from both wells is sold into the domestic refinery market via existing topside production facilities and tanker trucks. GPK anticipates total field production to reach the target 10,000 bopd early next year when Shewashan – 4 will come on stream.

- Shewashan-1 Sidetrack: The Shewashan – 1 Sidetrack well was successfully drilled and recomplted as a horizontal producing well in the Qamchuga formation. The well is currently producing approximately 500-700 bopd and the well completion may require further stimulation to reach expected predrill production estimates based upon the original Shewashan – 1 vertical well. The Shewashan – 1 vertical well bore remains a future candidate for additional horizontal sidetrack wells or a recompletion of the Shewashan – 1 Sidetrack horizontal sidetrack to further enhance the well's productive capacity.

- Drilling Activity: The Shewashan – 3 well has now spudded and this well will again target the productive Cretaceous formations as a vertical producer. The well is anticipated to be completed in Q4 2016 with an estimated budget of USD 16 million. The vertical Shewashan – 4 well is due to be drilled later this year to accelerate Phase 1 production in the Cretaceous and test the deeper unexplored Jurassic reservoirs.

The full text of GPK Operations Update can be accessed here:
http://www.newafricanglobalenergy.com/media/Related-News

On November 10, 2016, GPK issued an operations update. The key events on which GPK reported include;

- **Shewashan-4 Spud:** The 4$^{th}$ Shewashan production well has been spud with dual targets including the existing productive zones in the Cretaceous and the unexplored and deeper Jurassic formation.

- **Shewashan-3 Drilling Continues:** The deviated well is drilling in the targeted Cretaceous reservoir with completion and production expected to occur before the end of the year.

- **Oil Production and Sales Continue:** Oil sales from the Shewashan-2 well have averaged 3,600 bopd in 2016 with deliveries to the KRG's Bazian refinery. Proceeds from oil sales have been received through the end of September.

- **Seismic Reprocessing:** GPK continues to reprocess and remap existing seismic data which is indicating further oil potential in the reservoir attic.

- **Revised Reserve Audit:** Reserve auditor DeGolyer & MacNaughton will revise the existing 2015 reserve report and is expecting the report to be published prior to year-end.

On February 2, 2017, GPK issued another operations update.

- **Shewashan-3 Commences Production**: The Shewashan-3 well reached total depth of 2874m MDBRT in December 2016 and was placed into production in late January 2017 at a rate of 2,600 bbl/d with a 24/64" choke, very low drawdown and no produced water. However, the well has now started to pull formation water and this is being investigated.

- **Shewashan-4 Drilling Progress**: The fourth Shewashan production well, Shewashan-4, was spud in November with dual targets including the existing productive zones in the Cretaceous and the explored and deeper Jurassic formations. Shewashan-4 is expected to reach total depth in late March 2017.

On May 11, 2017, GPK reported that DeGolyer and MacNaughton (D&M) has provided a revised year end 2016 reserve audit for the Shewashan field which has led to a material increase in the estimated reserves and net present worth of the Shewashan oil field.

On September 20, 2017, GPK issued another operations update on the Shewashan field.

The D&M 2016 reserve report estimate of Shewashan's 2P gross reserves is 113.8 Mbbl, representing a 53% increase in 2P gross reserves above the 2015 D&M reserve audit. The increase to GPK's reserves is attributed to the large area mapped following seismic reprocessing.

On January 11, 2018, GPK provided a year end 2017 update on the operations and activity that has occurred on the Shewashan oil field. Total payments received by GPK for oil sales amounted to $9.0 million representing 190,115 barrels of GPK entitlement oil sold through to the end of September 2017. Sales from October to December has been invoiced through the traditional operating procedures in place with the KRG Ministry of Natural Resources.

In total, cumulative field production to date exceeds 1,300,000 barrels of oil. Current total field production is 1,000 barrels per day. These amounts are significantly below that required to meet forecast annual production targets and break-even economics. There are two main reasons for this lower production. Firstly, water production rates in the Qamchuga formation have limited oil production rates. The Qamchuqa formation is heavily fractured and many of these fractures are connected to the aquifer. Secondly, production rates from the Shiranish and Kometan reservoirs have been limited, due to these formations having a tight matrix, with their fracture network being not as developed and extensive as in the Qamchuqa reservoir. GPK continues to recomplete the four Shewashan wells to limit water production in the Qamchuga and stimulate the Kometan and Shiranish reservoirs to facilitate greater production rates.

Range shareholders may review details of the November 10, 2016, February 2, 2017, May 11, 2017, September 20, 2017, and January 11, 2018 GPK Operations Updates here:
http://www.newafricanglobalenergy.com/media/Related-News

In November 2017, the Company announced that it does not plan to proceed with the cash call it has received for the month of November to fund the current drilling program. Future capital calls will be dependent upon the Company's ability to raise additional capital and successful operations in the field.

**Outlook**

The Company's interest in the Khalakan PSC relies on third parties to provide the Company with information related to meeting the requirements and obligations of the PSC. The Company's Shareholders Agreement for NAAZ2 provides the Company with limited rights and remedies to pursue specific information if a joint venture participant or other third party fails to provide this information when the Company requests it.

Because of the refusal of its joint venture participants to make available to the Company information on petroleum operations at the Khalakan Bloc, in 2012 the Company commenced an arbitration proceeding against NAAZ2 and Black Gold seeking to compel these parties to provide this information. The Company ultimately was successful in this arbitration, obtaining an arbitration award in May 2014. In this award, the arbitration tribunal awarded the Company orders and declarations which supported the Company's right to obtain material information as to its investments, and to use such material information (which the Company must otherwise hold confidential) to produce public summaries of the status of the work at the Khalakan Block as is necessary to comply with applicable securities laws. The arbitral tribunal also awarded the Company with 100% of its costs incurred in connection with the arbitration. In December 2014, an English court rejected appeals of the arbitration award brought by NAAZ2 and Black Gold. Before the Company could enforce the arbitration award, in January 2015, the Royal of Court of Jersey, at the request of GPK, issued an interim injunction that enjoined NAAZ2 from disclosing to the Company, as required under the arbitration award, certain confidential information regarding the Khalakan Block.

On September 1, 2015, the Company announced a temporary initial three months suspension agreement with GPK and NAAZ2 regarding the on-going litigation over the Company's right to receive and disclose certain material information on petroleum operations at the Khalakan Block in Kurdistan Region of Iraq.

On January 19, 2016, the Company announced that it reached an agreement with GPK, Black Gold and NAAZ2 to settle all litigation over the Company's right to receive and disclose certain material information on petroleum operations at the Khalakan Block in the Kurdistan Region of Iraq. Under the agreement, these parties agreed to permanently settle and release all actions, claims and demands related to litigation regarding the release of information to the Company. In turn, GPK agreed to make periodic press releases regarding on-going petroleum operations at the Khalakan Block.

Since the Company, GPK, Black Gold, and NAAZ2 entered into this settlement agreement, as summarized above GPK has made public disclosures regarding petroleum operations on the Khalakan Block. The Company expects GPK to continue to make these periodic public disclosures.

The Company continues to review other opportunities as they may arise but no agreements have been reached with any parties.

**Other**

On March 3, 2012, the Company entered into a Letter of Intent ("LOI") with Blackstairs Energy PLC ("Blackstairs") whereby the Company proposed to acquire 100% of the issued share capital of Blackstairs subject to a number of conditions set out in the LOI, including, satisfactory completion by the Company of its due diligence review of Blackstairs on or before April 30, 2012, entering into a Definitive Agreement and obtaining requisite regulatory and shareholders' approvals, if required. Under the terms of the LOI, the Company loaned Blackstairs CAD$497,450 (US$500,000) for working capital purposes. This loan was secured by the shares in Blackstairs held by certain shareholders. As the structure of a Definitive Agreement could not be agreed upon, the LOI was terminated on March 29, 2012 and as such, the loan was repayable within 180 days from April 30, 2012, bearing interest at the rate of US prime plus 1.5% per annum compounded monthly until repayment.

Blackstairs failed to repay the loan when due. The Company subsequently took the steps necessary to cause the pledged shares to be transferred to the Company and registered in the name of the Company on Blackstairs' share register.

By letter dated December 22, 2014, the Company was informed that Deloitte & Touche was appointed liquidator of Blackstairs. On December 21, 2015, the annual general meeting of Blackstairs's creditors was held. The Blackstairs liquidator disclosed at that meeting that the liquidation process is continuing.

On December 20, 2016, the liquidator's lawyer wrote a letter to the Company's lawyer stating that the liquidator concluded that Blackstairs's sale of its only asset—a production sharing contract with the government of Senegal—to New Horizon Oil and Gas Limited (trading a T5 Oil and Gas) and the consideration received for that sale represented the best price achievable for this asset. The letter also said that the liquidator has sought court relief under applicable law from its duties as liquidator.

The Company continues to consider what, if any, actions it may take to obtain recovery out of Blackstairs's assets of all or some portion of the outstanding principal of, and accrued and unpaid interest on, the loan.

**Financial Position**

As at September 30, 2018, the Company had current assets of $150,152 and current liabilities of $18,699,099 compared to current assets of $379,846 and current liabilities of $17,009,305 as at December 31, 2017. At September 30, 2018, the Company had working capital deficiency of $18,548,947 compared to a working capital deficiency of $16,629,459 at December 31, 2017.

The Company had cash of $144,160 at September 30, 2018 compared to $337,909 at December 31, 2017. During the nine months ended September 30, 2018, the Company recorded cash outflows from operating activities of $193,749 compared to cash outflows of $96,511 in the comparable period of 2017.

Cash used in investing activities during the nine months ended September 30, 2018 includes $Nil being cash called for its share of expenditures on the Khalakan Block compared to $10,142,833 in the comparable period of 2017.

During the nine months ended September 30, 2018, the Company received a total of $Nil in convertible loans compared to $10,607,313 in the comparable period of 2017.

<u>Loans from Gulf LNG America, LLC</u>

In 2016, the Company entered into four separate loan agreements with Gulf LNG America, LLC ("Gulf"), which holds 71.02% of the Company's issued and outstanding common shares. These agreements were: (i) the loan agreement, dated June 21, 2016, between Gulf and the Company, as amended, under which the Company borrowed US$700,000; (ii) the second loan agreement, dated July 26, 2016, between Gulf and the Company, as amended, under which the Company borrowed US$713,570; (iii) the third loan agreement, dated September 9, 2016, between Gulf and the Company under which the Company borrowed US$1,007,980.00; and (iv) the fourth loan agreement, dated November 23, 2016, between Gulf and the Company under which the Company borrowed US$820,000.00. Each loan was unsecured and was interest bearing at a rate of 7% per annum. The Company incurred each loan to provide the funds necessary to fulfil its obligations with respect to the development of the Khalakan Block and to provide the Company with general working capital. The Company was required to repay the outstanding principal amount of each of the loans and all accrued and unpaid interest on the first three loans by September 26, 2016 and the fourth loan by December 23, 2016 (each such date a "Maturity Date"). The Company was unable to repay any of the loans by the applicable Maturity Date. As a result, the Company was in default under each loan agreement and the overdue amount of each loan accrued interest at 9% per annum from the date of such non-payment.

On January 11, 2017, the Company received an additional unsecured loan in the amount of $1,175,512 from Gulf. The loan was interest bearing at a rate of 7% per annum and was due on February 11, 2017.

On February 14, 2017, the Company and Gulf entered into a new loan agreement under which Gulf will provide from time to time secured convertible loans (the "Gulf Secured Convertible Loan Agreement"). Also on that date, the Company entered into an amendment and restatement agreement with Gulf pursuant to which all existing short-term loans from Gulf, in an aggregate amount of $5,603,371, were amended and restated into secured convertible loans under the Gulf Secured Convertible Loan Agreement, and the existing short-term loan agreements were terminated. The promissory note evidencing this loan matures on February 14, 2018, accrues interest at the rate of 10% per annum, and is convertible into common shares of the Company at $0.02 per share. On February 12, 2018, the maturity date was extended to May 15, 2018, on May 9, 2018, it was further extended to August 13, 2018 and on August 10, 2018, it was further extended to November 12, 2018.

On February 15, 2017, the Company received a secured convertible loan of $1,319,749 from Gulf made under the Gulf Secured Convertible Loan Agreement. The loan is evidenced by a secured promissory note in favour of Gulf for the principal amount of $1,319,749. The maturity date of the principal amount, interest and any fees of the loan is February 15, 2018, the rate of interest on the loan is 10% per annum, and the loan is convertible into common shares of the Company at $0.02 per share. On February 12, 2018, the maturity date was extended to May 16, 2018, on May 9, 2018, it was further extended to August 14, 2018 and on August 10, 2018, it was further extended to November 12, 2018.

On March 3, 2017, the Company received a secured convertible loan of $2,007,600 from Gulf made under the Gulf Secured Convertible Loan Agreement. The loan is evidenced by a secured promissory note in favour of Gulf for the principal amount of $2,007,600. The maturity date of the principal amount, interest and any fees of the loan is March 5, 2018, the rate of interest on the loan is 10% per annum, and the loan is convertible into common shares of the Company at $0.02 per share. On March 19, 2018, the maturity date was extended to May 16, 2018, on May 9, 2018, it was further extended to August 14, 2018 and on August 10, 2018, it was further extended to November 12, 2018.

On May 25, 2017, the Company received a secured convertible loan of $2,031,500 from Gulf made under the Gulf Secured Convertible Loan Agreement. The loan is evidenced by a secured promissory note in favour of Gulf for the principal amount of $2,031,500. The maturity date of the principal amount, interest and any fees of the loan is May 25, 2018, the rate of interest on the loan is 10% per annum, and the loan is convertible into common shares of the Company at $0.02 per share. On May 9, 2018, the maturity date was extended to August 23, 2018 and on August 10, 2018, it was further extended to November 12, 2018.

On June 28, 2017, the Company received a secured convertible loan of $1,175,826 from Gulf made under the Gulf Secured Convertible Loan Agreement. The loan is evidenced by a secured promissory note in favour of Gulf for the principal amount of $1,175,826. The maturity date of the principal amount, interest and any fees of the loan is June 28, 2018, the rate of interest on the loan is 10% per annum, and the loan is convertible into common shares of the Company at $0.02 per share. On May 9, 2018, the maturity date was extended to September 26, 2018 and on August 10, 2018, it was further extended to November 12, 2018.

On August 2, 2017, the Company received a secured convertible loan of $1,251,400 from Gulf made under the Gulf Secured Convertible Loan Agreement. The loan is evidenced by a secured promissory note in favour of Gulf for the principal amount of $1,251,400. The maturity date of the principal amount, interest and any fees of the loan is August 2, 2018, the rate of interest on the loan is 10% per annum, and the loan is convertible into common shares of the Company at $0.02 per share. On August 10, 2018, the maturity date was extended to November 12, 2018.

On September 11, 2017, the Company received a secured convertible loan of $605,386 from Gulf made under the Gulf Secured Convertible Loan Agreement. The loan is evidenced by a secured promissory note in favour of Gulf for the principal amount of $605,386. The maturity date of the principal amount, interest and any fees of the loan is September 11, 2018, the rate of interest on the loan is 10% per annum, and the loan is convertible into common shares of the Company at $0.02 per share. On September 28, 2018, the maturity date was extended to November 12, 2018.

On September 25, 2017, the Company received a secured convertible loan of $740,340 from Gulf made under the Gulf Secured Convertible Loan Agreement. The loan is evidenced by a secured promissory note in favour of Gulf for the principal amount of $740,340. The maturity date of the principal amount, interest and any fees of the loan is September 25, 2018, the rate of interest on the loan is 10% per annum, and the loan is convertible into common shares of the Company at $0.02 per share. On September 28, 2018, the maturity date was extended to November 12, 2018.

On October 13, 2017, the Company received a secured convertible loan of $1,247,300 from Gulf made under the Gulf Secured Convertible Loan Agreement. The loan is evidenced by a secured promissory note in favour of Gulf for the principal amount of $1,247,300. The maturity date of the principal amount, interest and any fees of the loan is October 13, 2018, the rate of interest on the loan is 10% per annum, and the loan is convertible into common shares of the Company at $0.02 per share.

All or any portion of the principal amount, accrued interest and fees outstanding under the notes is convertible by Gulf into common shares of the Company at any time before the maturity date, at a conversion price per share set out in the notes, subject to adjustment upon certain events occurring. The conversion price for the loans was approved by the Company's board and by the CSE.

The loans are secured by a general security agreement.

Loans from Harrington Global Opportunities Fund S.A.R.L.

On January 11, 2017, the Company received an unsecured loan in the amount of $140,000 from Harrington Global Opportunities Fund S.A.R.L., a significant shareholder of the Company ("Harrington"). The loan was interest bearing at a rate of 7% per annum and was due on February 11, 2017.

On February 14, 2017, the Company and Harrington entered into a new loan agreement under which Harrington will provide from time to time secured convertible loans (the "Harrington Secured Convertible Loan Agreement"). Also on that date, the Company entered into an amendment and restatement agreement with Harrington, pursuant to which all existing short-term loans from Harrington, in an aggregate amount of $140,936, were amended and restated into secured convertible loans under the Harrington Secured Convertible Loan Agreement, and the existing short-term loan agreements were terminated. The promissory note evidencing this loan matures on February 14, 2018, accrues interest at the rate of 10% per annum, and is convertible into common shares of the Company at $0.02 per share. On February 12, 2018, the maturity date was extended to May 15, 2018, on May 9, 2018, it was further extended to August 13, 2018 and on August 10, 2018, it was further extended to November 12, 2018.

On February 15, 2017, the Company received a secured convertible loan of $160,000 from Harrington made under the Harrington Secured Convertible Loan Agreement. The loan is evidenced by a secured promissory note in favour of Harrington for the principal amount of $160,000. The maturity date of the principal amount, interest and any fees of the loan is February 15, 2018, the rate of interest on the loan is 10% per annum, and the loan is convertible into common shares of the Company at $0.02 per share. On February 12, 2018, the maturity date was extended to May 16, 2018, on May 9, 2018, it was further extended to August 14, 2018 and on August 10, 2018, it was further extended to November 12, 2018.

All or any portion of the principal amount, accrued interest and fees outstanding under the notes is convertible by Harrington into common shares of the Company at any time before the maturity date, at a conversion price per share set out in the notes, subject to adjustment upon certain events occurring. The conversion price for the loans was approved by the Company's board and by the CSE.

The loans are secured by a general security agreement.

**Results of Operations**

*Nine months period ended September 30, 2018 compared with nine months period ended September 30, 2017*

**Net loss**

The Company reported a net loss of $1,919,529 ($0.00 per share) for the nine months ended September 30, 2018 as compared to a net loss of $941,493 ($0.00 per share) for the same period in 2017. Included in the current period's results are interest on the Gulf and Harrington loans of $1,728,393 compared to $871,681 in 2017 as a result of extending the maturity dates on certain loans, and foreign exchange gain of $9,233 compared to a foreign exchange gain of $178,165 in 2017. There were no other significant changes in operating results for the nine months ended September 30, 2018 compared to the nine months ended September 30, 2017.

**Expenses**

Operating expenses for the nine months ended September 30, 2018 totalled $1,928,762 compared to total operating expenses of $1,119,658 in 2017, representing an increase of $809,104. The increase is mostly due to the increase in interest expense on the Gulf and Harrington loans as discussed above.

*Three months period ended September 30, 2018 compared with three months period ended September 30, 2017*

**Net loss**

The Company reported a net loss of $531,770 ($0.00 per share) for the three months ended September 30, 2018 as compared to a net loss of $399,343 ($0.00 per share) for the same period in 2017. Included in the current period's results are interest on the Gulf and Harrington loans of $470,854 compared to $398,672 in 2017 as a result of extending the maturity dates on certain loans, and foreign exchange loss of $2,150 compared to a foreign exchange gain of $68,713 in 2017. There were no other significant changes in operating results for the three months ended September 30, 2018 compared to the three months ended September 30, 2017.

**Expenses**

Operating expenses for the third quarter ended 2018 totalled $529,620 compared to the third quarter expenses of $468,056 in 2017, representing an increase of $61,564. The increase is mostly due to the increase in interest expense on the Gulf and Harrington loans as discussed above.

**Summary of Quarterly Results**

The following table summarizes quarterly results for the past eight quarters:

| Quarter Ended | Net revenues | Net income (loss)* | Loss per share - basic | Loss per share - diluted |
|---|---|---|---|---|
| | $'s | $'s | $'s | $'s |
| 30-Sep-18 | - | (531,770) | (0.00) | (0.00) |
| 30-Jun-18 | - | (979,375) | (0.00) | (0.00) |
| 31-Mar-18 | - | (408,384) | (0.00) | (0.00) |
| 31-Dec-17 | - | (30,142,499) | (0.04) | (0.04) |
| 30-Sep-17 | - | (399,343) | (0.00) | (0.00) |
| 30-Jun-17 | - | (390,663) | (0.00) | (0.00) |
| 31-Mar-17 | - | (151,487) | (0.00) | (0.00) |
| 31-Dec-16 | - | (158,290) | (0.00) | (0.00) |

* Values may not add to reported amount for the years then ended due to rounding

There are no meaningful trends evident from analysis of the summary of quarterly financial information over the last eight quarters. Factors that can cause fluctuations in the Company's quarterly results are the timing of stock option grants, exploration property impairments, sales of available-for-sale investments and other legal matters.

**Liquidity and Capital Resources**

From January 2016 to December 31, 2016, the Company issued a total of 175,008,336 common shares for gross proceeds of $6,332,167 and incurred capital raising costs of $17,125.

In June, July, September and November 2016, the Company received loans of $907,305, $943,696 and $1,303,809, $1,102,408 respectively, from Gulf. Each of the loans were bearing interest of 7% per annum. The loans were unsecured. The first three loans were due on September 26, 2016 and the fourth loan was due on December 23, 2016. The Company failed to repay the loans and was in default. The overdue amount of the loans was bearing interest following the default at 9% per annum from the date of such non-repayment until such amount is paid in full. These loans were terminated and replaced with a new loan agreement in the form of a secured convertible loan.

During the year ended December 31, 2017, the Company received an additional $11,554,612 in convertible loans from Gulf and $300,000 in convertible loans from Harrington. Accrued interest expense on these loans was $1,728,393 (2017: $871,681) for the nine months period ended September 30, 2018.

These secured convertible loans are due within one year and the rate of interest is 10% per annum. All or any portion of the principal amount, accrued interest and fees outstanding under the notes is convertible into common shares of the Company at any time before the maturity date, at a conversion price per share set out in the notes, subject to adjustment upon certain events occurring. The maturity date on some of these loans was extended during the nine months period ended September 30, 2018, as discussed above.

Cash on hand at September 30, 2018 is not adequate to meet requirements for fiscal 2018 based on the Company's current budgeted expenditures for operations and exploration. There is material uncertainty related to these conditions that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, to realize its assets and discharge its liabilities in the normal course of business. To meet working capital requirements, the Company will have to access financial resources through equity placements in the junior resource market or by incurring debt, procuring industry partners for its primary exploration project and/or selling its project in exchange for equity/cash. However, there can be no assurance that the Company will have access in the future to these financial resources.

**Capital Resources**

The Company has been successful in meeting its exploration capital requirements through the completion of equity placements and the recent incurrence of debt. Range may be impacted by any potential downward trend in market conditions. Trends affecting Range's liquidity are dictated by the demands on financial resources created by the advancing nature of the Company's current exploration assets and the Company's ability to access the financial resources required to meet these demands. As the exploration properties advance through exploration, they typically require more capital-intensive programs that apply pressure to the Company's financial resources. Additional planned exploration programs on the non-producing leaseholds or other areas of interest will result in a steady drain to the Company's liquidity.

In acquiring the required capital to pursue the Company's business plan, the Company anticipates that capital will be generated from a combination of accessing equity markets, incurring debt, procuring industry partners for its primary exploration assets or sale of exploration assets for equity positions or cash.

Trends that affect the market generally, and the perception of Range within the marketplace, can affect the Company's ability to access capital in both a positive and negative way. Trends in this general market are defined by fluctuations in the global economy and the demand for petroleum or natural gas and commodity prices. Trends in the perception of Range in the resource marketplace will be affected by general trends in the resource equity markets, the Company's performance in creating shareholder value and in demonstrating the ability to manage the Company's affairs and achieve mandated objectives.

Uncertainty is a prevalent element in exploration for petroleum resources and therefore can, on occasion, impede the Company's ability to meet its financial requirements and result in an inability to advance exploration assets and meet objectives in a timely manner.

As of September 30, 2018, the Company has no long-term debt.

As of September 30, 2018, the Company has no long-term contractual agreements to acquire properties.

**Transactions with Related Parties**

In the normal course of business, Range has had transactions with individuals and companies considered related parties. Related party transactions involve debt transactions and normal commercial compensation for services rendered by senior management, officers, directors or insiders of the Company and by companies with which they are associated as owners, contractors or employees. As described above, the Company has convertible loans payable to Gulf and Harrington in an aggregate amount of $18,595,328. Each convertible loan is interest bearing at 10% per annum and is convertible into common shares of the Company at $0.02 per share.

The management functions of the Company are performed by our directors and senior officers and we have no management agreements or arrangements under which such management functions are performed by persons other than the directors and senior officers of the Company other than the contract described below. The Board has approved this contract having taken into consideration the level of service provided and compensation offered by companies comparable to the Company in terms of size, assets and stage of development. The Board is satisfied that the level of compensation continues to be competitive with that of comparable companies.

Pender Street Corporate Consulting Ltd. ("Pender") is an entity solely owned by Mr. Eugene Beukman. On January 1, 2012, Range entered into a service agreement with Pender to provide management and administrative services for a 12 months period for a fee of $3,500 (increased to $8,500 on September 1, 2012) per month plus GST and reimbursement of out-of-pockets costs. Mr. Eugene Beukman is the Chief Financial Officer of Range. During the nine months period ended September 30, 2018, Pender charged fees of $89,649 for services rendered.

Effective August 31, 2015, the Board of Directors approved to cancel directors' fees.

**Proposed Transactions**

As at September 30, 2018, Range does not have any proposed material transactions.

**Critical Accounting Estimates**

The significant accounting policies used by Range are disclosed in note 3 to the audited consolidated financial statements for the year ended December 31, 2017. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Management reviews its estimates on a regular basis. The emergence of new information and changed circumstances may result in actual results or changes to estimated amounts that differ materially from current estimates. The following discussion helps to assess the critical accounting policies and practises of the Company and the likelihood of materially different results being reported.

**Changes in Accounting Policies**

<u>IFRS 9 – Financial Instruments</u>

The Company adopted IFRS 9, which replaced IAS 39 – Financial Instruments: Recognition and Measurement, in its financial statements beginning January 1, 2018.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities, however it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

Under IFRS 9 there are three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit and lost ("FVTPL"). The classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model. The new impairment model applies to financial assets measure at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

The adoption of IFRS 9 did not have a material impact on the Company's financial statements.

IFRS 15 – Revenue from contracts with customers

On May 28, 2014 the IASB issued IFRS 15, Revenue from Contracts with Customers. IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the goods or services. The standard replaces IAS 18 Revenue and IAS 11 Construction contracts and related interpretations. IFRS15 is effective for reporting periods beginning on or after January 1, 2018 with early application permitted. Since the Company has no revenues, there was no material impact on the Company's financial statements upon adoption of this standard.

**Future Accounting Policies**

IFRS 16 – Leases

In June 2016, the IASB issued IFRS 16 – Leases. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17. The standard is effective for annual periods beginning on or after January 1, 2019.

The extent of the impact of adoption of IFRS 16 on the consolidated financial statements of the Company has not been determined.

**Share-Based Compensation and Warrants**

Compensation expense for options and warrants granted is determined based on estimated fair values of the options and warrants at the time of grant, the cost of which is recognized over the vesting period of the respective options and grants. The key parameters impacting the calculation of fair value of options and warrants are the share volatility and the expected life.

**Income taxes**

The determination of income and other tax liabilities requires interpretation of complex laws and regulations. All tax filings are subject to audit and potential reassessment after the lapse of considerable time. Accordingly, the actual income tax liability may differ significantly from that estimated and recorded by management.

**Financial instruments**

The Company's financial instruments include cash, loan receivable, long-term investment, accounts payable and convertible loans. The carrying value of cash, amounts receivable, accounts payable and convertible loans payable as presented in these consolidated financial statements are reasonable estimates of fair values due to the relatively short periods to maturity and the terms of these instruments. Long-term investment does not have a reliably measurable fair value as it does not have a quoted market price in an active market.

See the Company's Consolidated Statements of Financial Position for financial instrument balances as at September 30, 2018 and December 31, 2017.

**Internal Control over Financial Reporting and Disclosure Controls and Procedures**

Currently, the certification required by the Company's certifying officers under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings (NI 52-109F), the Venture Issuer Basic Certificate, does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. This includes:

i. Controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and,
ii. A process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make in the certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

**Additional Disclosure for Venture Issuers without Significant Revenues**

Refer to elsewhere in the MD&A or the Company's consolidated financial statements for capitalized or expensed exploration and development costs, general and administrative expenses and other material costs. Additional information relating to the Company is on SEDAR www.sedar.com.

**Share Data**

The share capital of the Company consists of an unlimited number of common shares without par value and an unlimited number of preferred shares, issuable in series, the rights and restrictions of which may be set by the Company's directors.

As at the date of this report, Range had 856,225,977 common shares issued, 523,048,137 warrants and 10,250,000 options issued and outstanding.

**Risks and Uncertainties**

Companies in the oil and gas exploration and development industry sectors are subject to many and varied kinds of risks, including but not limited to various technical risks including geological and engineering risks, and environmental, commodity price, political and economic risks.

*Financial Capability and Additional Financing*

The Company relies on equity and debt financings to fund its activities. While it has been successful in raising funds in the past, there is no assurance that adequate funds will be available in the future. The Company has cash of $144,160 and working capital deficiency of $18,548,947 at September 30, 2018. Based on current budgeted expenditures for operations and exploration, cash on hand at September 30, 2018 is not adequate to meet capital requirements for fiscal 2018. There is a material uncertainty related to these conditions that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, to realize its assets and discharge its liabilities in the normal course of business. To meet working capital requirements, the Company will have to access financial resources through equity placements in the junior resource market or by incurring debt, procuring industry partners for its primary exploration projects and/or selling its projects in exchange for equity/cash. However, there can be no assurance that the Company will have access in the future to these financial resources.

The Company's failure to obtain additional funding to meet its funding obligations could result in the Company having a reduced holding, or a forced sale at a discount, of its indirect shareholding interest in the Khalakan Block. Additionally, if a joint venture participant in the Khalakan Block fails to meet its obligation to fund certain cash calls and the Company or another entity does not fund that cash call, the PSC could be terminated or the Company could be required to forfeit, or sell at a discount, its interest in the Khalakan Block.

A discussion of risk factors particular to the financial instruments is presented in note 13 of the unaudited condensed interim consolidated financial statements for the nine months ended September 30, 2018.

*Exploration Risk*

The Company has no significant source of operating cash flow and no revenues from operations. The Company's primary asset is a 24.24% indirect interest in GPK, which holds an 80% interest in the Khalakan PSC. The Company's ability to direct the management of NAAZ2 and GPK is extremely limited. The Company has no oil and gas interests that are economically viable. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish commercial viability of the current projects in which it has an interest. The Company has limited access to information on the current state of exploration and development of the Khalakan Block.

GPK, the operator of the Khalakan Block, declared the Shewashan light oil discovery located on the block to be a commercial discovery under the terms of the Khalakan PSC. GPK has obtained approval from the Kurdistan Regional Government of a Field Development Plan for the development of the Shewashan discovery. This development plan is likely to require GPK to spend significant amounts of capital toward the development of the Shewashan discovery. The Company will be responsible for 24.24% of these development costs to the extent that GPK requests its shareholders to fund these costs. However, the Company will have limited or no control over how GPK implements any such development plan.

Oil and gas development and production activities are subject to a high degree of risk—both operational and political—and requires significant financial resources. The Company will therefore require additional financing to carry on its business, and such financing may not be available when it is needed. It is uncertain as to the quantities of commercial grade oil and gas that may be developed and produced from the Khalakan Block and whether or when the Company could receive proceeds from the sale of any such oil or gas.

*Environmental Risk*

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. Environmental hazards may exist on the properties on which the Company is seeking an interest, which are unknown to the Company at present and which may have been caused by previous or existing owners or operators of the properties. The Company may become liable for such environmental hazards caused by previous owners and operators of the properties even where it has attempted to contractually limit its liability. Government approvals and permits are currently, and may in the future, be required and obtained in connection with the Company's operations.

*Political Policy Risk*

All of the Company's oil and gas property interests are located in Kurdistan. As such, the Company's oil and gas property interests are subject to political, economic, and other uncertainties, including, but not limited to, the uncertainty of negotiating with foreign governments, expropriation of property without fair compensation, adverse determination or rulings by governmental authorities, adverse actions by governmental authorities, changes in energy policies or in the personnel administering them, nationalization, currency fluctuations and devaluations, disputes between various levels of authorities, arbitrating and enforcing claims against entities that may claim sovereignty, authorities claiming jurisdiction, potential implementation of exchange controls and royalty and government take increases and other risks arising out of foreign governmental sovereignty over the areas in which the Company's oil and gas property interests are located, as well as risks of loss due to civil strife, acts of war, guerrilla activities, and insurrections. The Company's oil and gas property interests may be adversely affected by changes in government policies and legislation or social instability and other factors which are not within the control of the Company including, among other things, adverse legislation in Iraq and/or Kurdistan, a change in crude oil or natural gas pricing policy, the risks of war, terrorism, abduction, expropriation, nationalization, renegotiation or nullification of existing concessions and contracts, taxation policies, economic sanctions, the imposition of specific drilling obligations, and the development and abandonment of fields.

The political and security situation in Iraq (outside Kurdistan) is unsettled and volatile. Kurdistan is the only region that is constitutionally established pursuant to the Iraq Constitution. The political issues of federalism and the autonomy of Regions in Iraq are matters about which there are major differences between the various political factions in Iraq. These differences could adversely impact the PSC and the Company's interest in Kurdistan.

No federal Iraq legislation has yet been agreed to or enacted by the Iraq Council of Ministers (Cabinet) and Council of Representatives (Parliament) to address the future organization of Iraq's petroleum industry or the sharing of petroleum and other revenues with Iraq. Failure to enact legislation or the enactment of federal legislation contradictory to Kurdistan legislation could materially adversely impact the PSC and the Company's interest in Kurdistan.