

# **RANGE ENERGY RESOURCES INC.**

## **Management's Discussion & Analysis**

**For the years ended December 31, 2020 and 2019**

**Expressed in Canadian Dollars**

## **Range Energy Resources Inc.**

### **Management Discussion and Analysis**

### **For the year ended December 31, 2020**

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This management's discussion and analysis ("MD&A") provides an analysis of our financial situation which will enable the reader to evaluate important variations in our financial situation for the year ended December 31, 2020, compared to the year ended December 31, 2019. This report prepared as at April 19, 2021 should be read in conjunction with our audited financial statements for the year ended December 31, 2020 ("Financial Statements") and the audited financial statements of the company for the year ended December 31, 2019, prepared in accordance with international financial reporting standards ("IFRS") as issued by the international accounting standards board ("IASB"). This MD&A complements and supplements but does not form part of the company's financial statements.

Our financial statements and the management's discussion and analysis are intended to provide a reasonable base for the investor to evaluate our financial situation.

Our financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). The Company's reporting currency is Canadian dollars and all dollar amounts contained in this MD&A are expressed in Canadian dollars, unless otherwise specified.

Where we say "we", "us", "our", the "Company" or "Range", we mean Range Energy Resources Inc., as it may apply.

The Company is currently a development stage company looking to invest in potential growth projects, entities or other opportunities.

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.*

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**Corporate developments and outlook**

Range is currently a development stage company looking to invest in potential growth projects, entities or other opportunities.

Following are highlights of recent activities:

On April 11, 2019, the Company entered into a loan agreement with Gulf LNG America, LLC (“Gulf”) in the amount of US\$25,000. The loan is interest bearing at a rate of 13% per annum and matures on January 13, 2020.

On July 31, 2019, the Company cancelled 1,631,282 warrants at an exercise price of \$10.00 pursuant to the Share and Loan Purchase agreement between Gulf and 2706791 Ontario Inc.

On July 31, 2019, 2706791 Ontario Inc., a company controlled by a director and officer of the Company, acquired 3,046,755 common shares of the Company pursuant to private acquisition transactions from Gulf and DTN Investments LLC, representing approximately 71% of the Company’s currently issued and outstanding common shares. In addition, 2706791 Ontario Inc. acquired from Gulf certain outstanding convertible loans in the aggregate principal amount of \$15,982,472 plus accrued interest. Under the terms of the acquisition, 2706791 Ontario Inc. became the administrative agent for all the convertible loans, including those of Harrington Global Opportunities Fund S.A.R.L. (“Harrington”).

On July 31, 2019, the Company appointed Mr. Allan Bezanson as CEO of the Company in place of Mr. Toufic Chahine, who resigned as director and CEO of the Company. In addition, the Company appointed Mr. Peter McRae and Mr. Rick Pawluk as directors of the Company in place of Mr. Eric Stoerr and Ms. Michelle Upton who have resigned as directors of the Company. The resignations of the aforementioned Gulf nominees coincided with Gulf’s exiting from its investment in the Company.

On August 1, 2019, the Company entered into a loan agreement with 2706791 Ontario Inc. in the principal amount of up to \$50,000. The loan is interest bearing at a rate of 6% per annum calculated monthly and matures in two years time. This loan was partially used to repay the US\$25,000 loan from Gulf.

During the year ended December 31, 2019, 373,959 warrants at a weighted average exercise price of \$14.00 expired unexercised.

During the year ended December 31, 2019, 30,000 options at an exercise price of \$20.00 were cancelled.

On January 9, 2020 the Company entered into a loan agreement with 2706791 Ontario Inc. for the amount of \$20,000 payable on demand. The loan is unsecured and interest free.

On February 26, 2021, the Company consolidated all of its issued and outstanding common shares on the basis of every two hundred (200) old common shares into one (1) new common share. Unless otherwise noted, all share, option and warrant information have been retroactively adjusted to reflect this consolidation.

As initially disclosed in its press release on March 10, 2021, the Company has now entered into debt settlement agreements (the “Debt Settlement Agreements”) with its major creditors. Under the terms of the Debt Settlement Agreements, the Company and certain creditors have agreed to settle an aggregate of \$25,426,720 in debt via the Company issuing Range Shares to such creditors on the basis of a deemed price of \$1.95 per share in respect of \$24,511,155 of the debt and a deemed price of \$0.65 per share in respect of \$915,565 of the debt (the “Range Debt Settlement”). As at April 19, 2021, there are currently 4,281,136 Range Shares issued and outstanding and 18,259,519 Range shares are expected to be outstanding immediately after the completion of the Range Debt Settlement.

On April 22, 2020, the Company entered into a loan agreement with 2706791 Ontario Inc. for the amount of \$15,000 payable on demand. The loan is unsecured and interest free.

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During the year, the Company entered into a business combination agreement (the “Combination Agreement”) dated March 26, 2021 with EnviroGold Global (Can) Ltd. (“EnviroGold Global”) to complete a business combination by way of a transaction that will constitute a reverse takeover of the Company by EnviroGold Global (the “Transaction”).

Under the terms of the Combination Agreement, the Transaction will be completed by way of a “three-cornered amalgamation” under the laws of Ontario, whereby a wholly-owned Ontario subsidiary of the Company will amalgamate with EnviroGold Global, with the amalgamated company becoming a wholly-owned subsidiary of the Resulting Issuer. In connection with the Transaction, the Company will reconstitute its board of directors and senior management, and change its name to “EnviroGold Private Limited or such other similar name as may be accepted by the relevant regulatory authorities (the “Name Change”) and the Resulting Issuer will conduct its business under the new name.

The Combination Agreement includes a number of conditions, including but not limited to: requisite shareholder approvals, including the approval of the shareholders of the Company and EnviroGold Global as applicable; the completion of the Range Debt Settlement (as defined below); the completion of the EnviroGold Financing (as defined below) for gross proceeds of a minimum of \$500,000; the completion of the Name Change; the issuance of common shares of the Company (“Range Shares”) to holders of common shares in the capital of EnviroGold Global (the EnviroGold Shares”) on the basis of a share exchange ratio that results in the current holders of EnviroGold Shares holding 87.5% of the common shares of the resulting issuer (“Resulting Issuer Shares”) and the current holders of Range Shares holding 12.5% of the Resulting Issuer Shares, calculated on a basis that is inclusive of the Range Shares issued under the Range Debt Settlement (as defined below) but exclusive of the EnviroGold Shares issued under the EnviroGold Financing; and other closing conditions customary to transactions of the nature of the Transaction.

Concurrently with the execution of the Combination Agreement, the Company and 2706791 Ontario Inc. (“Holdco”), a company controlled by Mr. Allan Bezanson, a director and CEO of Range Energy, have entered into an investor rights agreement (the “Investor Rights Agreement”). Pursuant to the terms of the Investor Rights Agreement, the Company has agreed to provide Holdco, conditional and effective upon completion of the Transaction, with certain preemptive rights such that Holdco, together with its affiliates, including Mr. Bezanson, will be entitled to notice of and participation rights in respect of any equity financings the Resulting Issuer completes for a period of eighteen (18) months from the completion of the Transaction, such that Holdco and its affiliates will be able to maintain their proportional shareholdings in the Resulting Issuer.

EnviroGold Global is to complete a non-brokered private placement (the “EnviroGold Financing”) of EnviroGold Shares, units comprised of EnviroGold Shares and common share purchase warrants, and/or subscription receipts, on the basis of a pre-money valuation of EnviroGold Global equal to \$20,000,000, and for gross proceeds of a minimum of \$500,000.

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**Selected Annual Financial Information**

(Information extracted from the Company's audited financial statements)

**Selected Annual Financial Information**  
*(Expressed in Canadian Dollars)*

	<b>2020</b>	<b>2019</b>	<b>2018</b>
	\$	\$	\$
Revenue	-	-	-
Net loss	(2,945,735)	(2,644,174)	(45,414,947)
Loss per share – Basic and diluted	(0.69)	(0.62)	(10.61)
Cash dividends	-	-	-
Total assets	12,550	8,422	104,093
Long term liabilities	-	-	-
Shareholders' equity (deficiency)	(24,926,034)	(21,980,299)	(19,336,125)
Share capital	49,791,768	49,791,768	49,791,768
Warrants	-	-	5,379,075
Contributed surplus and other	23,674,184	23,674,184	18,295,109
Deficit	(98,391,986)	(95,446,251)	(92,802,077)
Accumulated other comprehensive income			

**Financial Position**

As at December 31, 2020, the Company had current assets of \$12,488 and current liabilities of \$24,938,584 compared to current assets of \$8,333 and current liabilities of \$21,937,467 as at December 31, 2019. At December 31, 2020, the Company had working capital deficiency of \$24,926,096 compared to a working capital deficiency of \$21,929,134 at December 31, 2019. As noted above, the Company is currently in discussions regarding the restructuring of its existing loans.

The Company had cash of \$8,829 at December 31, 2020 compared to \$3,941 at December 31, 2019. During the year ended December 31, 2020, the Company recorded cash outflows used in operations of \$30,112 compared to cash outflows of \$105,994 in the comparative period of 2019.

For financing activities, during the year ended December 31, 2020, the Company received loans of \$35,000 compared to \$83,299 in the comparable period of 2019.

Loan from Gulf LNG America, LLC

On April 11, 2019, the Company entered into a loan agreement with Gulf in the amount of US\$25,000. The loan is interest bearing at a rate of 13% per annum and matures on January 13, 2020 – paid back.

Loan from 2706791 Ontario Inc.

On July 31, 2019, 2706791 Ontario Inc., acquired certain outstanding convertible loans plus accrued interest and the administrative agent position from Gulf, an admin company for the loans including convertible loans from Harrington, acquired certain outstanding convertible loans from Gulf (refer to historical MD&As). Additional information relating to the Company's operations and activities can be found by accessing the Company's news releases and filings on the SEDAR website: [www.sedar.com](http://www.sedar.com)

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**Financial Position** (continued)

On August 1, 2019, the Company entered into a loan agreement with 2706791 Ontario Inc. in the amount of up to \$50,000. The loan is interest bearing at a rate of 6% per annum calculated monthly and matures in two years' time. Proceeds from this loan were partially used to repay the above mentioned US\$25,000 loan from Gulf. Interest of \$4,416 accrued for the year ended December 31, 2020.

On January 9, 2020 the Company entered into a loan agreement with 2706791 Ontario Inc. for the amount of \$20,000 payable on demand. The loan is interest free.

On April 22, 2020 the Company entered into a loan agreement with 2706791 Ontario Inc. for the amount of \$15,000 payable on demand. The loan is interest free.

**Results of Operations and discussion of Operations**

*For the year ended December 31, 2020 compared with the year ended December 31, 2019*

**Net loss**

The Company reported a net loss of \$2,945,735 (\$0.69 per share) for the year ended December 31, 2020 as compared to a net loss of \$2,644,174 (\$0.62 per share) in the comparative period. Included in the current period's results are:

- Interest on the 2706971 Ontario Inc., Gulf and Harrington loans of \$2,760,027 (2019 - \$2,429,517) as discussed above;
- Audit and accounting fees of \$105,761 (2019 - \$92,925) to keep the filings up to date;
- General and administrative expenses of \$22,609 (2019 - \$59,487) as spending was more conservative in the year 2020;
- Management fees of \$44,310 (2019 - \$44,520) were almost unchanged;
- Foreign exchange gain of \$1,421 (2019 - \$1,432). Due to exchange rate fluctuations being beneficial, compared to both, the current period and the prior period.

There were no other significant changes in operating results for the year ended December 31, 2020 compared to the year ended December 31, 2019.

**Expenses**

Operating expenses for the year ended December 31, 2020 totalled \$2,947,154 compared to total operating expenses of \$2,645,606 in 2019, representing an increase of \$360,643. The increase in losses is primarily attributed to the increase in interest expense on the 2706971 Ontario Inc. and Harrington convertible loans as discussed below under liquidity.

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**Summary of Quarterly Results**

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

Quarter Ended	Net revenues \$'s	Net income (loss)* \$'s	Loss per share - basic \$'s	Loss per share - diluted \$'s
31-Dec-20	-	(768,590)	(0.18)	(0.18)
30-Sep-20	-	(736,786)	(0.17)	(0.17)
30-Jun-20	-	(719,806)	(0.17)	(0.17)
31-Mar-20	-	(720,553)	(0.17)	(0.17)
31-Dec-19	-	(685,943)	(0.16)	(0.16)
30-Sep-19	-	(682,430)	(0.16)	(0.16)
30-Jun-19	-	(662,472)	(0.15)	(0.15)
31-Mar-19	-	(613,330)	(0.14)	(0.14)

\* 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 and other legal matters.

**Liquidity and Capital Resources**

On July 31, 2019, 2706791 Ontario Inc., a company controlled by a director and officer of the Company, entered into a Share and Loan Purchase agreement with Gulf whereby 2706791 Ontario Inc. acquired from Gulf certain secured convertible promissory notes in the aggregate principal amount of \$15,982,472 plus accrued interest. Under the terms of the acquisition, 2706791 Ontario Inc. became the administrative agent for all the convertible loans, including those of Harrington.

On April 11, 2019, the Company entered into a loan agreement with Gulf in the amount of US\$25,000. The loan is interest bearing at a rate of 13% per annum and matures on January 13, 2020.

On August 1, 2019, the Company entered into a loan agreement with 2706791 Ontario Inc. in the amount of up to \$50,000. The loan is interest bearing at a rate of 6% per annum calculated monthly and matures in two years' time. This loan was used to redeem the US\$25,000 Gulf loan mentioned in the previous paragraph. As of the date of this report, the principal balance of this loan payable is \$50,000 and interest of \$3,607 accrued.

On January 9, 2020 the Company entered into a loan agreement with 2706791 Ontario Inc. for the amount of \$20,000 payable on demand. The loan is interest free.

On April 22, 2020 the Company entered into a loan agreement with 2706791 Ontario Inc. for the amount of \$15,000 payable on demand. The loan is interest free.

Cash on hand at December 31, 2020 is not adequate to meet requirements for fiscal 2020 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.

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**Capital Resources**

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 the Company 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 the Company 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.

As of December 31, 2020, the Company has long-term debt of \$Nil (December 31, 2019 - \$51,254).

**Off- Balance Sheet Arrangements**

The Company does not have off-balance sheet arrangements.

**Contingent Liabilities**

By way of Summons dated May 6, 2020, litigation proceedings were initiated against the Corporation in the Royal Court of Jersey in connection with fees for director services provided by Mr. Antony R. Gardner-Hillman who was appointed in 2016 as a non-executive director to an affiliate of the Corporation. The Summons was in respect of approximately £34,000.00 and required the Corporation's appearance in Court on May 22, 2020. The Corporation did not defend the matter and anticipated judgement against it for that amount.

The Company has lost the claim and Mr. Gardner has indicated he intends to file the judgment in Canada. The Company has not accrued a provision for this amount as management believes it is not probable that an outflow of resources embody economic benefits will be required to settle the obligation.

**Transactions with Related Parties**

Related parties consist of the following:

- Allan Bezanson, CEO
- Eugene Beukman, CFO
- Rick W. Pawluk, Director
- Roger Bethall, Director
- Harold M. Wolkin, Director
- Peter McRae, Director

In the normal course of business, the Company 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, at December 31, 2020 the Company has convertible loans payable to 2706971 Ontario Inc. and Harrington in an aggregate amount of \$24,494,422 (December 31, 2019 - \$21,737,556). Each convertible loan is interest bearing at 10% to 12% per annum, compounded monthly, and is convertible into common shares of the Company at \$0.02 per share. In addition, the Company has loans payable to 2706971 Ontario Inc. in the principal amount of up to \$85,000 (December 31, 2019 - \$50,000). The \$50,000 loan is interest bearing at a rate of 6% per annum calculated monthly and matures in two years' time, and the other two loans totalling \$35,000 is interest free.



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**Transactions with Related Parties - continued**

On July 31, 2019, 2706791 Ontario Inc., a company controlled by a director and officer of the Company, acquired 3,046,755 common shares of the Company pursuant to private acquisition transactions from Gulf and DTN Investments LLC, representing approximately 71% of the Company's currently issued and outstanding common shares. In addition, 2706791 Ontario Inc. acquired from Gulf certain outstanding convertible loans in the aggregate principal amount of \$15,982,472.

On July 31, 2019, 2706791 Ontario Inc., a company controlled by a director and officer of the Company, entered into a Share and Loan Purchase agreement with Gulf whereby 1,631,282 warrants at an exercise price of \$10.00 were cancelled pursuant to the Share and Loan Purchase agreement between Gulf and 2706791 Ontario Inc. In addition, 2706791 Ontario Inc. acquired from Gulf certain secured convertible promissory notes in the aggregate principal amount of \$15,982,472.

As mentioned above, on August 1, 2019, the Company entered into a loan agreement with 2706791 Ontario Inc. in the principal amount of up to \$50,000. The loan is interest bearing at a rate of 6% per annum calculated monthly and matures in two years' time. On January 9, 2020 the Company entered into a loan agreement with 2706791 Ontario Inc. for the amount of \$20,000 payable on demand. The loan is interest free. On April 22, 2020 the Company entered into a loan agreement with 2706791 Ontario Inc. for the amount of \$15,000 payable on demand. The loan is interest free.

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") and Partum Advisory Services Corp ("Partum") are entities 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 (and increased to \$9,500). This agreement from Pender was taken over by Partum since June 2019. Mr. Eugene Beukman is the Chief Financial Officer of Range. During the year ended December 31, 2020, Partum charged fees of \$119,910 (Pender/Partum - year ending December 31, 2019 - \$120,120) for services rendered.

**Fourth Quarter results**

*Three-month period ended December 31, 2020 compared with three months period ended December 31, 2019*

**Net loss**

The Company reported a net loss of \$768,590 (\$0.18 per share) for the three months ended December 31, 2020 as compared to a net loss of \$685,943 (\$0.16 per share) for 2019. The main reason for the large loss in the quarter ended December 31, 2020 and 2019 was the interest accruals. Included in the current period's results are interest on the 2706971 Ontario Inc., Gulf and Harrington loans of \$721,185 (2019 - \$640,059), audit and accounting fees of \$28,100 (2019 - \$20,750), general and administrative expenses of \$9,895 (2019 - \$10,102), management fees of \$11,025 (2019 - (\$11,340)), and foreign exchange gain of \$3,357 (2019 - \$1,408). There were no other significant changes in operating results for the three months ended December 31, 2020 compared to the three months ended December 31, 2019.

# **Range Energy Resources Inc.**

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#### **Expenses**

Operating expenses for the three months ended December 31, 2020 totalled \$771,947 compared to total operating expenses of \$687,350 in 2019, representing an increase of \$84,595. There was also an increase in losses mostly due to the increase in interest expense on the 2706971 Ontario Inc. and Harrington convertible loans as discussed above.

#### **Proposed Transactions**

As at the date of this report, Range had the following proposed material transactions.

As disclosed in the Company's latest financial statements for the year ended December 31, 2020, the Company is currently an inactive issuer on the CSE with approximately \$12,000 in assets and \$25,000,000 of debt, with insufficient cash to repay such debt. Accordingly, further to the Company's news release on February 22, 2021, the Company intends to enter into debt settlement agreements ("Settlement Agreements") with its debtholders.

Pursuant to the Settlement Agreements, subject to CSE approval, the Company intends to issue an aggregate of 1,408,560 common shares to creditors at a deemed price of \$0.65 per share and an aggregate of 12,569,823 common shares at a deemed price of \$1.95 per share. The Company currently has 4,281,136 common shares issued and outstanding, subject to rounding of any fractional shares pursuant to its recent share consolidation.

The Insider Debt is owed to 2706971 Ontario Inc. ("Holdco"), a company controlled by Mr. Allan Bezanson, a director and CEO of Range Energy. Holdco currently owns approximately 71% of Range Energy's common shares. Upon completion of the Settlement Agreements, Holdco would convert \$24,511,155 of its debt at \$1.95 per share into 12,569,823 common shares and \$89,961 of its debt at \$0.65 per share into 138,401 common shares; and thus own approximately 86% of Range Energy's then issued and outstanding common shares.

All securities issued pursuant to the Settlement Agreements will be subject to a statutory hold period of four months from issuance in accordance with applicable securities laws.

The Insider Debt settlement is exempt from the valuation and minority shareholder approval requirements of Multilateral Instrument 61-101 ("MI 61-101") by virtue of the exemptions contained in sections 5.5(b) and 5.7(1)(e) of MI 61-101, respectively, in that the Company is not listed on a specified market and is under financial hardship.

#### **Critical Accounting Estimates**

The significant accounting policies used by Range are disclosed in note 3 to the audited financial statements for the year ended December 31, 2020. 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**

The Company has not adopted any new accounting standards or made any changes in accounting policies during the year ended December 31, 2020.

#### **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.

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**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, loan payable and convertible loans. The carrying value of cash, amounts receivable, accounts payable, loan payable and convertible loans payable as presented in these 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 Audited Statements of Financial Position for financial instrument balances as at December 31, 2020 and December 31, 2019.

**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 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](http://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 4,281,136 common shares issued, Nil warrants and Nil options issued and outstanding.

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**Risks and Uncertainties**

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

*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. As at December 31, 2020, the Company has cash of \$8,829 (2019 - \$3,941) and working capital deficiency of \$24,926,096 (2019 - \$21,929,134). Based on current budgeted expenditures for operations and exploration, cash on hand at December 31, 2020 is not adequate to meet capital requirements for fiscal 2021. 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.

A discussion of risk factors in particular to the financial instruments is presented in note 12 of the audited financial statements for the year ended December 31, 2020.