RANGE ENERGY RESOURCES INC.

Management's Discussion & Analysis

Year ended December 31, 2014

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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 April 28, 2015 and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2014 and the related notes thereto, 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

Private Placements

In May and June 2014, the Company completed non-brokered private placements totalling 54,791,726 units for gross proceeds of $2,888,545. Each unit is comprised of one common share and one common share purchase warrant entitling the holder to acquire one additional share at $0.07 per share up to May or June 2019, as applicable.

In July 2014, the Company completed a non-brokered private placement totalling 20,000,000 units for gross proceeds of $1,000,000. Each unit is comprised of one common share and one common share purchase warrant entitling the holder to acquire one additional share at $0.055 per share up to July 2019.

In October and November 2014, the Company completed non-brokered private placements totalling 50,000,000 units for gross proceeds of $2,500,000. Each unit is comprised of one common share and one common share purchase warrant entitling the holder to acquire one additional share at $0.05 per share up to October or November 2019, as applicable.

Proceeds from each private placement 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 49.9% of the common shares of New Age Al Zarooni 2 Limited ("NAAZ2"), a company domiciled in Jersey, Channel Islands. NAAZ2 owns 50% of the common shares of Gas Plus Khalakan Limited ("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 consists of two concessions, Blocks 28 and 29 (sometimes referred to as Blocks 6 and 7) and comprises 624 square kilometers located in the central part of the Kurdistan Region of Iraq. New Age is the current operator of the Khalakan Block under a Management Services Agreement.

In March 2010, the Company completed an independent, initial resource assessment of the Khalakan Block. In November 2010, the operator of the Khalakan Block completed a comprehensive seismic program. Processing was completed in July 2011.

Range and its 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 (see "**Outlook**" below). Because of this lack of information and contractual limitations on its ability to disclose information to the public, Range has had to look for public disclosures regarding the activities on the Khalakan Block before it can report material information to its shareholders and the public.

On October 16, 2014, GPK, the sole contractor of the Khalakan Block in the Kurdistan Region of Iraq, announced by press release that it has declared the Shewashan light oil discovery on the Khalakan Block commercial under the terms of the PSC and is preparing a Field Development Plan for submission to the Ministry of Natural Resources of the Kurdistan Regional Government a full press release is available at the Company's website at http://rangeenergyresources.com/news/2014/index.php?&content_id=129.

Outlook

Range continues to meet all relevant obligations related to the Khalakan PSC and anticipates the Khalakan Block operator will complete the exploration schedule in a timely manner. 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.

On July 20, 2012, the Company commenced arbitration proceedings against NAAZ2 and Black Gold Khalakan Limited ("BGKL"), the other shareholder in NAAZ2. The Company commenced the arbitration to compel NAAZ2 to obtain from GPK material information regarding the development of the Khalakan Block and to confirm the Company's right to disclose to the public certain material information regarding this development. GPK is the contracting party under the Khalakan Block PSC. NAAZ2 owns 50% of GPK's shares. The Company owns 49.9% of the shares of NAAZ2. The arbitration took place before three arbitrators in London under the Arbitration Rules of the ICC from April 29, 2013 until May 3, 2013.

On May 27, 2014, the ICC notified the Company of the final award issued in the arbitration proceeding. The arbitration tribunal awarded the Company orders and declarations which support 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 awarded the Company with 100% of its costs incurred in connection with the arbitration.

On June 20, 2014, NAAZ2 and BGKL commenced a proceeding in an English court to challenge the arbitration award. NAAZ2 and BGKL challenged the power of the arbitration tribunal to provide the remedy granted to Range in the arbitration award as well as the procedure the arbitration tribunal adopted to reach its findings.

On August 15, 2014, the Company commenced an action in Jersey seeking enforcement of that portion of the arbitration award whereby the Company was awarded the attorneys' fees and the expenses that it incurred in the course of the arbitration. An initial hearing was held October 1, 2014. The Jersey court adjourned this proceeding until February 2015, which would provide time for a ruling to have been issued in the proceeding before the English court regarding the arbitration award.

On December 19, 2014, the English court rejected BGKL's and NAAZ2's challenge of the final arbitration award. The court ordered BGKL to pay most of the costs that the Company incurred in connection with the proceeding in the English court. The court also ordered BGKL to pay the Company's share (49.9%) of NAAZ2's costs. BGKL did not apply for leave to appeal. Thus, the English proceedings are final.

As of the date of this report, BGKL has paid to the Company, as ordered by the arbitration tribunal and the English court, the costs the Company incurred in connection with the relevant proceedings.

On January 22, 2015, the Company announced that it received notice that the Royal of Court of Jersey, at the request of GPK, issued an interim injunction on January 12, 2015 that enjoins NAAZ2 from disclosing to the Company certain Confidential Information regarding the Khalakan Block. The order was issued on an ex parte basis, thus the Company was not given prior notice of the requested injunction or the opportunity to present a case before the Court. The Court did, however, require GPK to send a copy of the order to the Company so that it can consider whether to participate in further proceedings regarding the order, including proceedings seeking the discharge of the order. On January 29, 2015, the Company filed with the Jersey court a request to intervene as a party in these proceedings.

In February 2015, the Company was granted the right to participate as a party in the interim injunction proceeding that GPK commenced. The Company filed papers with the Jersey court contesting the interim injunction. In addition to the proceedings considering the merits of the interim injunction, GPK also requested that a Jersey court grant summary judgment with respect to the interim injunction in an effort to avoid a hearing on the merits of the injunction. Hearing dates were set both to consider GPK's summary judgment motion and, if that motion is denied, to consider the merits of the interim injunction. On April 15, 2015, a Jersey court considered GPK's summary judgment motion. The court found that it did not have jurisdiction to hear the motion. The merits of the interim injunction will be considered at a hearing set for June 1-3, 2015.

Range also is seeking other public sources of information to ascertain the progress of exploration in the Khalakan Block. As Range obtains reliable information on these activities in the Khalakan Block, Range will make disclosures to its Shareholders in accordance with regulatory requirements.

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.

On November 13, 2012, the Company and Blackstairs entered into a letter agreement regarding this loan. Under this letter agreement, the Company agreed to waive Blackstairs' obligation to repay the outstanding loan and accrued interest, and to forbear from exercising remedies arising from Blackstairs' failure to timely repay this loan, for a period ending no later than December 1, 2012. The Company agreed to this waiver and forbearance to provide Blackstairs time to complete an equity financing transaction. In consideration for this waiver and forbearance, Blackstairs agreed to pay a higher interest rate on the loan if it was not timely repaid. Blackstairs failed to make payment by December 1, 2012. By letter dated December 11, 2012, and again by letter dated February 15, 2013, the Company demanded that Blackstairs make payment of all outstanding principal of, and interest on, the loan. Blackstairs did not timely repay these amounts by the February 18, 2013 date specified in the Company's February 15, 2013 letter. 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.

Range has reserved the right to pursue all rights and remedies available to it. As the fair value of the pledged shares is indeterminable at December 31, 2014, the loan receivable has been written down to a nominal amount.

Selected Annual Financial Information

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

Selected Annual Consolidated Financial Information

(Expressed in Canadian Dollars)

	2014 $	2013 $	2012 $
Revenues	-	-	-
Net income (loss)	2,214,659	(2,028,455)	(1,510,458)
Earnings (loss) per share - basic and diluted	0.00	(0.01)	(0.01)
Cash dividends	-	-	-
Total assets	46,665,106	37,807,866	30,467,872
Long term liabilities	-	-	-
Shareholders' equity	46,319,270	37,734,119	30,187,574
Share capital	41,395,590	38,222,807	33,838,842
Warrants	8,388,744	5,700,329	576,573
Contributed surplus	10,945,548	10,436,254	10,368,975
Deficit	(14,410,612)	(16,625,271)	(14,596,816)
Accumulated other comprehensive income	-	-	-

Financial Position

As at December 31, 2014, the Company had current assets of $4,114,805 and current liabilities of $345,836 compared to current assets of $4,139,447 and current liabilities of $73,747 as at December 31, 2013. At December 31, 2014, the Company had working capital of $3,768,969 compared to working capital of $4,065,700 at December 31, 2013.

The Company had cash and cash equivalents of $850,416 at December 31, 2014 compared to $4,086,880 at December 31, 2013. During the year ended December 31, 2014, the Company recorded cash outflows from operations of $724,850 compared to cash outflows of $1,741,779 in the comparable period of 2013.

Cash used in investing activities during the year ended December 31, 2014 includes $8,882,106 (2013 - $4,924,762) being cash called for its share of expenditures on the Khalakan Block.

Cash provided by financing activities during the year ended December 31, 2014 was $6,370,492 (2013 - $9,575,000) from private placements, consisting of gross proceeds of $6,388,545 less capital raising costs of $18,053.

Results of Operations
(Information extracted from the Company's audited consolidated financial statements)

	For the years ended December 31, 2014	2013
Expenses		
Audit and related fees	15,700	38,000
Consulting	97,886	110,553
Depreciation	224	321
Directors fees	100,000	103,973
General and administrative	67,714	61,676
Legal fees	483,314	1,040,610
Management fees	103,500	102,000
Transfer agent and filing fees	18,768	18,223
Travel and promotion	-	30,887
Loss before the following	(887,106)	(1,506,243)
Arbitration settlement award	3,047,560	-
Interest income	7,185	53,135
Foreign exchange gain	60,263	-
Impairment of amounts receivable	(13,243)	-
Impairment of loan receivable	-	(575,347)
Net income (loss) and comprehensive income (loss) for year	$ 2,214,659	$ (2,028,455)
Earnings (loss) per share	$ 0.00	$ (0.01)
Weighted average number of common shares - basic and diluted	503,776,050	336,767,153

Net income (loss)
The Company reported a net income of $2,214,659 ($0.00 per share) for the year ended December 31, 2014 as compared to a net loss of $2,028,455 ($0.01 per share) for the same period in 2013. Included in the current period's results is payment of the cost award equal to $3,047,560 related to the arbitration proceeding that the Company commenced against NAAZ2 and Black Gold Khalakan Limited ("BGKL"). Interest earned of $7,185 (2013 - $53,135) on surplus funds from the financings. Surplus funds were invested in variable rate term deposits. Interest income was significantly lower as a result of lower cash held and the impairment of the Blackstairs loan receivable in the previous year.

Expenses
Operating expenses for the year ended December 31, 2014 totalled $887,106 compared to 2013 expenses of $1,506,243. The significant factors that contributed to the variances are discussed below:

Consulting fees for year ended December 31, 2014 totalled $97,886 compared to $110,553 for the year ended December 31, 2013 representing a decrease of $12,667. Previously, fees of US$15,000 per month were paid or accrued to EMK Energy MetriKs Limited for Farid Zouioueche to provide various consulting services to the Company, including acting as the Range-nominated director on the board of NAAZ2. This agreement was terminated in January 2013.

Directors' fees of $25,000 per annum are being paid to each independent director who is not being compensated for management and consulting services. Fees are accrued and paid on a quarterly basis.

General and administrative expenses totalled $67,714 for the year ended December 31, 2014 compared to $61,676 for the year ended December 31, 2013 representing an increase of $6,038. Included in this category are bank fees, communications lines (telephone, facsimile and internet), delivery, office supplies, printing, insurance and rent.

Legal fees for the year ended December 31, 2014 totalled $483,314 compared to $1,040,610 for the comparable period in the prior year. In 2013, the Company incurred legal fees on the arbitration proceedings initiated by the Company.

Management fees totalled $103,500 for the year ended December 31, 2014 compared to $102,000 for the year ended December 31, 2013. Management fees are paid to a private company solely owned by the Company's Chief Financial Officer for accounting and other fees.

Travel and promotion for the year ended December 31, 2014 was $Nil compared to $30,887 for 2013. Extensive travel was done in 2013 to facilitate the arbitration that took place in London, England.

Three month period ended December 31, 2014 (Q4-2014) compared with three month period ended December 31, 2013 (Q4-2013)

	Q4 - 2014	Q4 - 2013
Expenses		
Audit and related fees	$ 25,000	$ 38,000
Consulting	24,451	23,693
Depreciation	55	81
Directors fees	25,000	26,590
General and administrative	17,873	(12,458)
Legal fees	307,362	181,908
Management fees	27,000	25,500
Transfer agent and filing fees	4,041	3,263
Travel and promotion	-	(506)
Loss before the following	(430,782)	(286,071)
Arbitration settlement award	3,047,560	-
Interest income	550	16,249
Foreign exchange gain	174,266	-
Impairment of amounts receivable	-	-
Impairment of loan receivable	-	(575,347)
Net income (loss) and comprehensive income (loss) for year	$ 2,791,594	$ (845,169)
Earnings (loss) per share	0.00	(0.00)
Weighted average number of common shares - basic and diluted	561,165,218	414,050,238

The Company reported a net income of $2,791,594 for Q4-2014 as compared to a net loss of $845,169 for the same period in 2013. The fluctuations in line item amounts are due to the same factors discussed in the YTD-2014 analysis.

Summary of Quarterly Results - Unaudited

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
31-Dec-14	-	2,791,594	(0.00)	(0.00)
30-Sep-14	-	(265,307)	(0.00)	(0.00)
30-Jun-14	-	(131,178)	(0.00)	(0.00)
31-Mar-14	-	(180,451)	(0.00)	(0.00)
31-Dec-13	-	(845,169)	(0.00)	(0.00)
30-Sep-13	-	(157,781)	(0.00)	(0.00)
30-Jun-13	-	(645,494)	(0.00)	(0.00)
31-Mar-13	-	(380,011)	(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 and sales of available-for-sale investments.

Liquidity and Capital Resources

During the year ended December 31, 2014, the Company issued a total of 124,791,726 common shares for gross proceeds of $6,388,545. However, cash on hand at December 31, 2014 is not adequate to meet requirements for fiscal 2015 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, procure industry partners for its primary exploration project and/or sell 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. 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, 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 December 31, 2014, the Company has no long-term debt.

As of December 31, 2014, 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 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.

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 month 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. As of December 31, 2014, Pender charged fees of $105,700 for services rendered.

Additionally, the Company paid consulting fees to Cantel Mining and Exploration Ltd. ("Cantel"), a private company solely owned by Roger Bethell, a director. Cantel is paid on a per diem basis. As of December 31, 2014, fees of $24,996 were paid or accrued to Cantel compared to $29,162 for 2013.

As of December 31, 2014, $100,000 in aggregate has been paid or accrued to Allan Bezanson, Toufic Chahine, Michelle Upton and Pamela Powers to compensate them for their time to fulfill their duties and obligations to the Company in their capacity as directors for the respective quarter.

Proposed Transactions

As at December 31, 2014, 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, 2014. 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.

Exploration and evaluation assets

Exploration and evaluation costs related to an area of interest are carried forward as an intangible asset in the balance sheet where the rights to tenure of an area of interest are current and its expected expenditure will be recovered through the successful development and exploration of the area of interest or alternatively by its sale. Where these conditions are not met, such costs are written off as incurred. The expenditure is carried at cost less impairment. Unproven oil and gas properties are assumed to have an indefinite life until such time as production of the associated property commences at which time the definite life of the assets will be assessed based on the estimated reserves life.

Development expenditure incurred by or on behalf of the Company or acquired from a third party is also classified as an intangible asset and is accumulated separately for each area of interest in which economically recoverable resources have been identified. Such expenditure comprises acquisition cost and other costs directly attributable to the drilling of a well and the related infrastructure. This expenditure is carried at cost less impairment.

Exploration, evaluation and development costs are disclosed under intangible assets in the Consolidated Statement of Financial Position. Exploration, evaluation and development costs include all directly attributable expenditure together with the relevant depreciation of property equipment utilized within the project.

Once a development decision has been made, the carrying amount of the exploration, evaluation and development expenditure in respect of the area of interest is aggregated with the development expenditure and classified under non-current assets as “oil and natural gas property”.

No amortization is recognized in respect of exploration, evaluation and development expenditures until it is reclassified as an oil and natural gas property.

Exploration, evaluation and development expenditure and oil and natural gas property are tested annually for impairment if facts and circumstances indicate that impairment may exist. Exploration, evaluation and development expenditure is also tested for impairment once commercial reserves are found, before the assets are transferred to oil and natural gas property.

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

Designation and Fair Value

Range classified its cash and cash equivalents as financial assets held-for-trading. Amounts receivable and loan receivable are classified as loans and receivables. Accounts payable are classified as other liabilities. At December 31, 2014 and December 31, 2013, there were no significant differences between the carrying amounts of the financial instruments reported on the balance sheet and their estimated fair values due primarily to the short-term maturity of the financial instruments.

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 available 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 579,969,566 common shares issued, 247,119,948 warrants and 2,000,000 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 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 and cash equivalents of $850,416 and working capital of $3,768,969 at December 31, 2014. Based on current budgeted expenditures for operations and exploration, cash on hand at December 31, 2014 is not adequate to meet capital requirements for fiscal 2015. 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, procure industry partners for its primary exploration projects and/or sell 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's forfeiture, or forced sale at a discount, of its 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 14 of the audited consolidated financial statements for the year ended December 31, 2014.

Exploration Risk

The Company has no significant source of operating cash flow and no revenues from operations. The Company's primary asset is a 24.95% 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, recently declared the Shewashan light oil discovery located on the block to be a commercial discovery under the terms of the Khalakan PSC. GPK is now required under the Khalakan PSC to agree on a development plan for the Shewashan discovery with the Kurdistan Regional Government. The Company has no information as to whether these parties have agreed on such a development plan. Moreover, once such development plan is implemented, 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 (if any) 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.

Forces aligned with the Islamic State of Iraq and al-Sham (ISIS) recently commenced large-scale military type operations in significant portions of northern and western Iraq. It remains unclear the effect these events will have on the Kurdistan Region of Iraq generally and the exploration, development, and production industry in Kurdistan Region of Iraq specifically. While the Khalakan Block is located in the north east of the Kurdistan Region of Iraq, the Issuer is not able to predict whether recent hostilities involving ISIS near Mosul, Tikrit and western Iraq will adversely impact activities on the Khalakan Block.