

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-K/A
Amendment No. 1**

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2023

or

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

For the transition period from _____ to _____

Commission File No. 000-53832

RANGE IMPACT, INC.

(Exact name of registrant as specified in charter)

Nevada

(State or other jurisdiction of
incorporation or organization)

75-3268988

(IRS Employer
Identification No.)

**200 Park Avenue, Suite 400
Cleveland, Ohio 44122**

(Address of principal executive office, including zip code)

(216) 304-6556

(Registrant's telephone number, including area code)

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

Title of each class:	Trading Symbol	Name of each exchange on which registered:
Common Stock	RNGE	OTC Markets

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company (as defined in Rule 12b-2 of the Act). See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

As of June 30, 2023, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the common stock held by non-affiliates of the registrant was approximately \$6,957,607, based on the closing price of \$0.16 for the registrant's common stock as quoted on the OTC Markets on that date. For purposes of this calculation, it has been assumed that shares of common stock held by each director, each officer and each person who owns 10% or more of the registrant's outstanding common stock are held by affiliates. The treatment of these persons as affiliates for purposes of this calculation is not conclusive as to whether such persons are, in fact, affiliates of the registrant.

As of August 7, 2024, there were 104,727,189 shares of the registrant's common stock, \$0.001 par value per share, outstanding.

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This Annual Report on Form 10-K includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements relate to expectations concerning matters that are not historical facts, and are generally identified by words such as “believe”, “expect”, “anticipate”, “estimate”, “intend”, “strategy”, “may”, “will likely” and similar words or phrases. A forward-looking statement is neither a prediction nor a guarantee of future events or circumstances, and our actual results could differ materially and adversely from those expressed in any forward-looking statement. The forward-looking statements contained in this Annual Report are all based on currently available market, operating, financial and competitive information and assumptions and are subject to various risks and uncertainties that are difficult to predict, any of which could cause actual results to differ materially from those expressed in such forward-looking statements. These risks and uncertainties may include, without limitation, risks related to general economic and business conditions; our ability to continue as a going concern; our ability to obtain financing necessary to operate our business; our limited operating history; our ability to recruit and retain qualified personnel; our ability to manage any future growth; our ability to research and successfully develop our planned products; our ability to successfully complete potential acquisitions and collaborative arrangements; and other factors including those set forth below under the caption “Risk Factors” in Part I, Item 1A and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part II, Item 7, and elsewhere in this Annual Report, as well as in the other reports we file with the Securities and Exchange Commission. Forward-looking statements speak only as of the date they were made, and, except as required by law, we undertake no obligation to revise or update any forward-looking statement for any reason.

Unless the context otherwise requires, all references to “we,” “our,” “us,” “Range Impact,” and the “Company” in this Annual Report refer to Range Impact, Inc., a Nevada corporation and our consolidated subsidiaries. We do not currently hold any trademarks, and all trademarks used in this Annual Report are the property of their respective owners.

EXPLANATORY NOTE

This Amendment No. 1 to Form 10-K/A, filed with the Securities and Exchange Commission (the “SEC”) on August 8, 2024 (the “Form 10-K/A Amendment No. 1”), amends and restates those items noted below in the Annual Report on Form 10-K of Range Impact, Inc. (the “Company”) for the fiscal year ended December 31, 2023, as originally filed with the SEC on March 29, 2024 (the “Original Form 10-K”).

For the convenience of the reader, this Form 10-K/A Amendment No. 1 sets forth the Original 10-K, as amended, in its entirety; however, the Form 10-K/A Amendment No. 1 amends and restates only the following disclosures:

- Item 4 (Mine Safety Disclosures)
- Item 7 (Management’s Discussion and Analysis of Financial Condition and Results of Operation)
- Item 12 (Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters)
- Item 15 (Exhibits; Financial Schedules)
- Signatures

Except as described above, no other changes were made to the Original Form 10-K pursuant to this Form 10-K/A Amendment No. 1. This Form 10-K/A Amendment No. 1 is presented as of the filing date of the Original Form 10-K and does not reflect events occurring after that date, or modify or update any disclosures that may have been affected by subsequent events.

The Company is filing this Form 10-K/A Amendment No. 1 to amend the Company’s Original Form 10-K to include the following information: (i) Mine Safety Disclosure as required by Item 104 of Regulation S-K; (ii) a substantially expanded management’s discussion and analysis that explains the reasons for the increases in revenue during the periods presented; (iii) the material terms of the Company’s principal indebtedness, including attaching the agreements governing such indebtedness as exhibits; (iv) identification of any natural person or persons who, directly or indirectly, exercise sole or shared voting or investment powers with respect to the shares held by each 5% owner who is not a natural person; and (v) signatures from the Company’s current principal financial officer and its controller or principal accounting officer.

Background of Amendment

On June 4, 2024, the Company received a letter from the staff of the SEC’s Division of Corporation Finance with comments on the Company’s disclosures in the Original Form 10-K with respect to the matters referenced in the paragraph immediately above. This Form 10-K/A Amendment No. 1 is being filed to respond to such comments.

This Form 10-K/A Amendment No. 1 sets forth the Original Form 10-K in its entirety, as amended to modify the disclosures in the above-referenced Items. Among other things, forward-looking statements made in the Original Form 10-K have not been revised to reflect events that occurred or facts that became known to the Company after the filing of the Original Form 10-K, and such forward-looking statements should be read in their historical context.

In accordance with applicable SEC rules, this Form 10-K/A Amendment No. 1 includes an updated signature page and certifications of our Chief Executive Officer and Chief Financial Officer in Exhibits 31.1, 31.2, 32.1 and 32.2 as required by Rule 12b-15.

PART I

Item 1. Business

Company Overview

Unless otherwise provided in this Annual Report, references to the “Company,” “we,” “us”, and “our” refer to Range Impact, Inc., a Nevada corporation formed on June 29, 2007 as Legend Mining Inc., and its consolidated subsidiaries. On October 10, 2011, we completed a merger with our wholly-owned subsidiary, Stevia First Corp., whereby we changed our name from “Legend Mining Inc.” to “Stevia First Corp.” On July 15, 2016, our Board of Directors and shareholders approved a name change to “Vitality Biopharma, Inc.” On October 1, 2021, we completed a merger with our wholly-owned subsidiary, Malachite Innovations, Inc., whereby we changed our name from “Vitality Biopharma, Inc.” to “Malachite Innovations, Inc.” On December 14, 2023, we completed a merger with our wholly-owned subsidiary, Range Impact, Inc., whereby we changed our name from “Malachite Innovations, Inc.” to “Range Impact, Inc.”

Range Impact, Inc. (“Range”) is a public company dedicated to improving the health and wellness of people and the planet through a novel and innovative approach to impact investing. Range owns and operates several complementary operating businesses focused on developing long-term solutions to environmental, social, and health challenges, with a particular focus on acquiring, reclaiming and repurposing mine sites and other undervalued land in economically disadvantaged communities throughout Appalachia. Range takes an opportunistic approach to impact investing by leveraging its competitive advantages and looking at solving old problems in new ways. Range seeks to thoughtfully allocate its capital into strategic opportunities that are expected to make a positive impact on the people-planet ecosystem and generate strong investment returns for its shareholders.

Our corporate headquarters is located in Cleveland, Ohio, with additional office locations in Flatwoods, West Virginia, Fola, West Virginia and Rocklin, California. As of March 28, 2024, we employed 56 full-time employees. In addition, we have, from time to time, engaged various consultants and professional service firms to provide us with flexible and experienced resources to advance our corporate objectives in order to maintain a cost-effective overhead structure. We strive to instill a corporate culture of honesty, integrity and respect while advancing our mission of doing well by doing good.

Impact Investing Strategy

Our impact investing strategy aims to improve the health and wellness of people and the planet, while also generating long-term sustainable financial returns for our shareholders. We believe that doing well and doing good are not mutually exclusive, and that an impact investing strategy can balance the environmental, social and economic needs of people and the planet while also generating attractive risk-adjusted financial returns for shareholders.

Our impact investing strategy provides an opportunity for our dedicated team to address pressing environmental, social and economic challenges, such as air and water pollution, educational inequality and economic disparity, and climate change, through the development of technology-based solutions. By actively directing investment capital towards businesses that are working to create positive environmental, social and economic outcomes, we believe that our impact investing strategy can contribute to an improved people-planet ecosystem and a healthier and happier way of life.

We have a particular interest in providing environmental and social solutions in economically-disadvantaged regions of the United States. Initially, the Company is targeting the Appalachian region, which is home to communities with some of the most disadvantaged income, education and employment demographics in the United States. Our ambitious strategy is to allocate investment capital and build operating businesses that provide positive environmental and social impact in the disadvantaged coal communities of Appalachia to maximize the good we can do for people and the planet.

Operating Business Segments

Our five operating business segments are: (i) Range Reclaim, (ii) Range Water, (iii) Range Security, (iv) Range Land, and (v) Drug Development.

Information about our business segments should be read together with “Part II. Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Range Reclaim

In May 2022, the Company acquired Range Environmental Resources, Inc., a West Virginia corporation (“Range Environmental”) and Range Natural Resources, Inc., a West Virginia corporation (“Range Natural” and together with Range Environmental, the “Range Reclamation Entities”). The Range Reclamation Entities provide land reclamation, water restoration and environmental consulting services to mining and non-mining customers throughout the Appalachian region with the goal of returning land to pre-mining conditions or repurposing the land for natural, commercial, agricultural, residential or recreational use. The Range Reclamation Entities’ water restoration services seek to improve rivers, streams and discharges through novel and innovative treatment applications to help customers meet their various regulatory standards and requirements. The Range Reclamation Entities also provide environmental consulting services to customers, typically in connection with land reclamation and water restoration projects, and, as an additional value-add service, sell water treatment chemicals manufactured by third parties to their customers. Range Natural also mines, directly and through subcontractors, natural resources, including coal, for customers incidental to the reclamation and repurposing of mine sites.

According to the U.S. Energy Information Administration (“EIA”), the United States had 551 coal mines in 2020, comprised of 370 active mines, 141 idled or closed mines, and 40 new or activated mines. Approximately 82% of those coal mines were located in Appalachia (which comprises the Appalachian Mountains and is commonly known as the cultural region in the Eastern United States stretching from the southern part of New York to the northern parts of Alabama and Georgia). According to the EIA, there were approximately three times as many coal mines in the United States in 2008 (compared to 2020) with approximately 89% located in Appalachia. The precipitous decline in the number of operating coal mines since 2008 is due to various supply, demand and regulatory factors, including a reduction in demand for coal as a source of electricity due to the increased use of natural gas and renewable energy, an increase in coal production costs due to inflation and the dearth of cost-effective locations remaining for mining, and a more stringent and costly regulatory environment, all of which have resulted in an increasingly difficult market for coal producers.

In 2000, coal was responsible for 1,966 billion kWh of electricity generation, representing 52% of the total electricity generation in the United States. In 2022, coal was responsible for only 828 billion kWh of electricity generation, representing 20% of the total electricity generation in the United States, a decline of approximately 58%. According to the EIA, 23% of the 200,568 megawatts of coal-fired capacity currently operating in the United States is scheduled to retire by the end of 2029 due to the high cost of operations, competition from natural gas and renewable energy resources, and sustainable initiatives of energy producers.

However, the reclamation of closed and inactive mine sites has not kept pace with the increase in the number of closed and idled mine sites, thus creating a substantial backlog of reclamation work that needs to be completed on former mine sites. According to the U.S. Office of Surfacing Mining Reclamation and Enforcement (“OSMRE”), there are approximately 50,000 high-priority abandoned mine land locations in the United States resulting from legacy coal mining operations that failed to adequately reclaim the land and waterways back to their natural state as required by federal regulations. Additionally, there are tens of thousands of active mine sites in the United States that require contemporaneous reclamation of land and waterways during the active mining process, and an estimated equally large number of idled mine locations that also require significant land reclamation and water restoration.

Under the Surface Mining Control and Reclamation Act of 1977 (“SMRCA”), OSMRE was established for two basic purposes: (i) to ensure coal mines in the United States operate in a manner that protects citizens and the environment during mining operations and to restore the land to beneficial use following mining, and (ii) to implement an Abandoned Mine Land (“AML”) reclamation program to address the hazards and environmental degradation resulting from two centuries of coal mining activities that occurred before SMRCA was passed in 1977. The AML reclamation program is funded through fees levied against coal producers based on tons of coal produced. As of September 2020, the AML reclamation fund had collected a total of \$11.7 billion in coal mining fees over the life of the program, with \$9.5 billion (81%) appropriated and distributed in accordance with SMCRA, and \$2.2 billion (19%) unappropriated and available for future disbursement. In November 2021, the Infrastructure Investment and Jobs Act was enacted, which, among other things, authorized \$11.3 billion in new funding to be appropriated for deposit into the AML reclamation fund. The AML reclamation fund is only available to help fund the reclamation of mines abandoned before SMCRA was enacted in 1977, and therefore, all mines abandoned after the year 1977 cannot access funding from the AML reclamation fund and must obtain funding from other sources.

While much of the funding for this reclamation work comes from the federal government, each state in Appalachia has a Department of Environmental Protection (“DEP”) or an equivalent agency that oversees coal mining permitting, operations, and reclamation. Under DEP rules and regulations, coal mining companies are required to develop a mining and reclamation plan that is approved by the applicable state agency, obtain a mining permit from the state, and secure a reclamation surety bond from a qualified third-party insurance company or provide a comparable financial guarantee. The reclamation surety bond provides the state with financial assurances that land reclamation and waterway restoration will be performed in accordance with the reclamation plan once mining is complete if the coal mining company, as primary obligor, fails to perform. Therefore, there are at least three groups who may need land reclamation, water restoration and environmental consulting services: (i) mining companies when permits are active and reclamation bonds are not in default, (ii) surety bond insurers when reclamation bonds are in default, and (iii) states through their AML reclamation funds for mine lands abandoned before 1977 and for mine lands with defaulted coal mining companies and forfeited surety bonds on or after 1977.

At the time of its acquisition in May 2022, the Range Reclamation Entities had one reclamation customer, 15 pieces of owned and financed equipment, eight pieces of rented equipment, and 12 employees, all located and operating in West Virginia. As of March 2024, less than two years later, the businesses had five reclamation customers, more than 100 pieces of owned and financed equipment, and 35 employees in West Virginia. For the full year 2021, the Range Reclamation Entities had revenues of approximately \$2.5 million. For the full year 2023, the Range Reclamation Entities generated revenues of approximately \$18.7 million, an increase of \$16.2 million over a two-year period. The Range Reclamation Entities have also made a significant investment in recruiting, retaining and rewarding employees, including providing new benefits such as health insurance, paid time off, vacation days, 401(k) retirement plan, and job advancement training. The Range Reclamation Entities’ employees are their most valuable asset, and therefore we are committed to building a best-in-class culture and financially rewarding our talented, hard-working employees so that we can maximize the good we can do for our people and their families.

The Range Reclamation Entities are planning for continued growth in their land reclamation, water restoration and consulting businesses by expanding their market share with existing coal mining customers and reclamation bond insurers, adding new coal mining and non-coal mining customers, and collaborating with the Company’s other operating businesses to generate incremental sales opportunities. We will seek to add additional people, equipment and technologies to support our ambitious growth goals to ensure we successfully execute our value creation plans for the Company and our shareholders.

In August 2023, the Company acquired Collins Building & Contracting, Inc. (“Collins Building”), a West Virginia-based environmental services business focused on performing reclamation services on abandoned mine lands throughout West Virginia. Collins Building, along with the Range Reclamation Entities, are classified within the Range Reclaim operating business segment.

Range Water

Terra Preta, LLC, an Ohio limited liability company (“Terra Preta”), is a biochar product development and environmental solutions business started by the Company in December 2022. Terra Preta is developing a novel and innovative combination of biochar, proprietary materials and structural designs intended to create several first-of-its-kind agricultural and water filtration products and solutions.

Biochar is a solid, lightweight carbon-rich material produced by the thermal decomposition of organic material (such as cellulosic feedstock, including wood and plants) using a chemical-conversion process known as pyrolysis. Carbonization pyrolysis is a chemical degradation process that heats organic materials to produce carbon-rich biochar, liquid bio-oils, and syngas products. Since organic material is thermally decomposed without oxygen during the pyrolysis process, combustion does not occur, so the process allows for the permanent capture of carbon in the biochar end-product and eliminates the release of climate-damaging carbon dioxide into the atmosphere. The specific yield of biochar during the carbonization pyrolysis process depends on several variables such as temperature, heating time and heating rate. Lower temperatures, longer heating times and lower heating rates typically yield more biochar and less bio-oil and syngas.

Terra Preta has been launched to build a full-cycle, carbon-negative business that reduces greenhouse gases from the atmosphere, passively filters contaminated water without the use of harsh chemicals, and provides a fortified, nutrient-rich soil amendment to improve the growth of agricultural products.

Greenhouse gases, comprised of carbon dioxide, methane, nitrous oxide and fluorinated gases, are gases that trap heat in the atmosphere, and are generally believed to result in warmer temperatures and climate change, including changing weather patterns, rising sea levels, and more extreme weather events. Carbon dioxide enters the atmosphere through, among other things, the burning of fossil fuels, solid waste and other biomass materials, and is removed from the atmosphere when absorbed by plants during the photosynthesis process. Terra Preta is in discussions with a large affiliated landowner to enter into a long-term lease or purchase of at least 100 acres of former mine land in West Virginia for the planting, growth and harvesting of crops to serve as the primary feedstock for our biochar production operations. The newly planted crops would then act as a “carbon sink”, drawing substantial amounts of carbon dioxide from the atmosphere into the plants through the photosynthesis process. When the plants are harvested, biochar is produced through the carbonization pyrolysis process and the captured carbon dioxide is permanently preserved as carbon in the biochar product for use in water treatment and agricultural end uses.

Pursuant to rules adopted under the Clean Water Act of 1972 (“Clean Water Act”), the U.S. Environmental Protection Agency (“EPA”) has implemented various pollution control programs such as wastewater standards for industry and recommendations for pollutants in surface waters. The Clean Water Act prohibits any party from discharging pollutants into a water of the United States unless they have a permit issued under the National Pollutant Discharge Elimination System (“NPDES”), which contains limits on what a party can discharge and establishes monitoring and reporting requirements. On mining sites, coal operators are required to sample and test their water discharges on a regular basis to ensure compliance with the Clean Water Act and applicable NPDES permits. Currently, most mining operators treat non-compliant water with temporary holding ponds and expensive chemicals such as pH adjusters, coagulants and flocculants that require constant reapplication to ensure compliance. Terra Preta will focus on developing a proprietary, biochar-based passive treatment system that treats non-compliant mine site discharges to ensure compliance with the Clean Water Act and NPDES permits without the need for holding ponds or expensive chemicals.

Sustainable agriculture plays a critical role in the stability, growth, and diversification of our future food supply chain and the growth of plants intended to serve as a carbon sink to reduce greenhouse gases. High-quality soil, a key condition for sustainable agriculture, requires organic matter, microorganisms, nutrients, and optimal compaction. Subsoils with a sufficient number of air-filled pores have little restriction to drainage and aeration, and typically are able to decompose and cycle organic matter and nutrients more efficiently. Alternatively, soil with poor aeration leads to the build-up of carbon dioxide, reduces the ability of plants to absorb water and nutrients, and leads to increased plant stress and root disease. To help address the ill effects of soil compaction, Terra Preta is developing a proprietary, fortified biochar soil amendment that provides unique soil structuring characteristics that will allow plants to grow strong roots that optimize the absorption of water and nutrients, thereby reducing root stress and disease.

In December 2022, Terra Preta filed trademarks for biochar goods and services related to agricultural and water treatment applications, and in March 2023, filed provisional patents related to novel and innovative agricultural and water treatment solutions and designs. Additionally, in March 2023, Terra Preta purchased two pyrolysis ovens that each produce one ton of biochar per day to advance our research and development activities. We are currently evaluating the purchase of a large continuous-process pyrolysis oven to increase the scale of our biochar production to commercial levels.

Range Security

Range Security Resources, LLC, an Ohio limited liability company (“Range Security”), is an environmental security services business started by the Company in November 2022. Range Security is focused on providing eco-friendly, technology-driven security services to active and former mine sites, with a particular focus on locations transitioning from coal mining to next generation industries. Range Security is intended to serve as a complementary business to the Range Reclamation Entities.

Mine sites in the Appalachian region frequently comprise thousands of acres of natural habitat with valuable infrastructure and operating assets disbursed across large tracts of land. However, many of these mine sites lack adequate broadband access or cellular service, and therefore traditional technology-based security solutions are not available. Also, due to the large land areas and often challenging access roads and mountainous terrain, consistent visual confirmation of the safety and security of high value assets is problematic, and unnecessary amounts of carbon dioxide are emitted from heavy-duty trucks used to perform frequent visual security checks. Furthermore, due to the remoteness and lack of technological options, most security services in the market fail to provide an independent verification of the security status of a mine site and confirmation of visual security checks, resulting in a customer’s uncertainty regarding the actual security services being provided.

Valuable assets commonly found on mine sites requiring high-levels of security services include office buildings, coal operation facilities such as preparation plants and loadout facilities, power stations and electrical lines, vehicles and heavy equipment, supplies and chemicals, and spare parts and components. These high-value assets are frequently the target of theft since all or parts of these assets can be easily removed from the mine site and sold for cash. Unfortunately, the actual damage to the operation resulting from this type of destructive theft is frequently many times the market value of the stolen item, primarily due to the losses resulting from the down-time of operations, the cost of repairs and replacement components, and the long-term damage to critical infrastructure that could be repurposed and used to attract next generation industries once mining is complete.

In March 2023, Range Security was engaged by its first customer for environmental security services covering a 13,000-acre coal mine site in West Virginia. Range Security currently employs 17 security professionals, and is focusing its recruitment efforts on military veterans, police officers, and other professionals with security experience. Range Security has purchased two fuel-efficient utility task vehicles for ground surveillance and a thermal-imaging drone for aerial surveillance, all of which use significantly less fuel and electricity to operate than traditional security vehicles and provide a much broader coverage range with a substantially lower carbon footprint. Range Security is also in the process of establishing satellite-based wireless service to support video surveillance and enable a mobile technology solution used by our security professionals to provide real-time evidence of visual security checks. Range Security plans to expand its security service business onto additional mine sites, with a particular focus on locations with valuable infrastructure being repurposed into non-coal multi-use complexes with attractive job growth prospects and next generation industry opportunities.

Range Land

Range Land, LLC, an Ohio limited liability company (“Range Land”), is a land acquisition company started by the Company in August 2023. Range Land is focused on acquiring former mine lands with the goal of reclaiming and repurposing the sites for non-fossil fuel uses, including commercial, industrial, residential and recreational developments. Range Land is specifically interested in acquiring land to be used for renewable energy facilities, innovative agricultural installations, and projects focused on improving the quality and condition of our air, land and waterways.

According to industry estimates, Appalachia contains approximately one million acres of abandoned, idled and non-performing mine sites that are burdened with significant land reclamation and water restoration obligations. Many of these troubled mine sites are subject to mining permits and associated reclamation bonds, which as a result, prevents the land from being repurposed for non-mining uses until the land has been reclaimed and the permits and bonds have been released by the applicable state’s environmental protection department. Water quality is a particularly challenging issue since a permit can only be released if the site has at least 12-months of compliant water samples without active chemical treatment, which heightens the need for water restoration solutions to help transition former mine land to economically viable non-mining uses.

The Company, through its several operating businesses, has assembled the internal resources and capabilities to reclaim land, restore waterways, install innovative water treatment solutions, and secure the mine site to protect the significant historical investment in infrastructure. In addition to these in-house capabilities, the Company and its operating businesses also possess deep knowledge and expertise about the permit and bond release process, which is a critical step necessary to unlock the underlying value of former mine land for non-fossil fuel uses. Range Land is actively evaluating several mine sites in Appalachia to acquire, reclaim and repurpose in order to improve the land and create non-fossil fuel economic development opportunities for disadvantaged local coal communities.

In September 2023, Range Land, through its wholly-owned subsidiary CLV Azurite Land, LLC, an Ohio limited liability company (“CLV Azurite”), acquired over 1,900 acres of surface interest at an idled mine complex in West Virginia. CLV Azurite is in active discussions with the holder of the permits and bonds associated with the acquired land to ensure that the acquired surface acreage can be repurposed for alternative non-fossil fuel uses. Concurrently, CLV Azurite is in active discussions with two experienced and well-capitalized solar developers to convert the former mine land into a large solar energy facility on a majority of the acquired surface acreage, as well as additional acreage for commercial, industrial, recreational and residential development. Under the solar arrangements, CLV Azurite would be the landlord and the solar developer-operator would be the tenant required to pay CLV Azurite a negotiated lease payment on a per acre basis.

Drug Development

Graphium Biosciences, Inc., a Nevada corporation (“Graphium”), is a cannabinoid-based drug development company tracing its history of technological innovation and drug advancement back to October 2011 through two predecessor entities, Stevia First Corp. and Vitality Biopharma, Inc. In October 2021, the Company formed Graphium as a wholly-owned subsidiary and transferred all of its drug development assets to this newly-formed entity.

Graphium is advancing a broad portfolio of glycosylated cannabinoid prodrugs that have been developed to unlock the rebalancing effects of the endocannabinoid system to address numerous chronic conditions with inadequate pharmaceutical options. Graphium’s leading drug candidate, VBX-100, is a glycosylated tetrahydrocannabinol (“THC”) cannabinoid that targets inflammatory conditions of the gastrointestinal tract but without unwanted psychoactive or intoxicating side effects.

Cannabinoids, including THC and cannabidiol (“CBD”), have well-known therapeutic benefits through their interaction with the human endocannabinoid system, which serves a regulating and rebalancing function in the body. For decades, patients have used cannabinoids to activate the endocannabinoid system to provide relief for numerous chronic and debilitating ailments, including inflammation, pain, anxiety, depression, and cancer. However, THC, a commonly-used cannabinoid with significant therapeutic benefit, is psychoactive and intoxicating, and therefore its use has many practical, and in some cases legal, limitations. Nevertheless, many patients with chronic health conditions, including gastrointestinal inflammation, continue to use cannabinoids because current pharmaceutical offerings do not provide adequate therapeutic relief or result in unwanted side effects.

Our novel scientific discovery was the development of a proprietary enzymatic bioprocessing technology that adds one or more glucose molecules to a cannabinoid, resulting in our proprietary glycosylated cannabinoid compounds. Our glycosylated cannabinoids act as prodrugs that achieve targeted delivery of the bioactive cannabinoids within the body once they are activated. Prodrugs are compounds that, after administration, are metabolized into a pharmacologically active drug and are often designed to improve drug properties and reduce known or expected toxicities and adverse side effects. The advantages of our glycosylated cannabinoid prodrugs may include: (i) administration in a convenient oral formulation, (ii) targeted delivery with release in the colon or large intestine, (iii) improved stability with limited degradation or drug metabolism, and (iv) delayed release enabling longer-lasting effects and fewer administrations by patients.

We have learned through our animal studies that glucose bound to cannabinoid molecules are inactive and poorly absorbed from the intestines, allowing the combined molecule to reach the large intestine where glycoside hydrolase enzymes cleave the glucose and the cannabinoid is released in a targeted and restricted manner. Further, we have learned through our animal studies that a targeted release of THC, which could be provided in very low doses to achieve physiologically beneficial results, serves as an anti-inflammatory agent in the lower gastrointestinal tract and minimizes the amount of THC absorbed into the blood stream. Therefore, we anticipate our glycosylated cannabinoid prodrug will provide the anti-inflammatory benefits of low-dose THC while avoiding the psychoactive and intoxicating properties that hinder the broader pharmaceutical use of THC. Initially, we are targeting the \$20 billion inflammatory bowel disease (“IBD”) market in the United States, which is composed of patients suffering from ulcerative colitis and Crohn’s disease, both chronic and debilitating conditions with no cure. We also believe our glycosylated cannabinoids could also be used to treat other indications, including, among others, irritable bowel syndrome (“IBS”), anxiety, depression, autism and cancer.

By using our proprietary enzymatic bioprocessing technologies, our research team has developed a novel family of over 100 glycosylated cannabinoid prodrugs. These glycosylated cannabinoids have unique commercial applications and patentable compositions of matter, which are separate and distinct from ordinary cannabinoids. Currently, our intellectual property is comprised of the following patents: (i) Cannabinoid Glycoside Prodrugs and Methods of Synthesis: Patent filed in 2016 and granted in 2021 for the invention of novel glycosylated cannabinoids and methods of targeted delivery for the treatment of gastrointestinal disorders, including IBD and IBS, (ii) Antimicrobial Compositions Comprising Cannabinoids and Methods of Using the Same: Patent filed in 2018 and granted in 2021 for the use of cannabinoids as antibiotics for the treatment of *Clostridioides difficile*, (iii) Novel Cannabinoid Glycosides and Uses Thereof: Patent filed in 2020 and in prosecution for additional novel cannabinoid glycosides and includes research data supporting the improved characteristics and commercial production strategies for these new molecules, and (iv) Continuous Enzymatic Perfusion Reactor System: Patent filed in 2021 and in prosecution for our improved reactor system for the efficient enzymatic glycosylation of hydrophobic small molecules, including cannabinoids. We believe our intellectual property portfolio of glycosylated cannabinoids possess significant value and, as a result, we have allocated substantial resources to ensure that our U.S. and international patents are properly filed and successfully prosecuted. As our research efforts involving glycosylated cannabinoids continue to progress, we plan to file additional patents to further expand our growing family of intellectual property assets and create long-term value for our shareholders.

Our research team has performed 23 animal studies to test the safety, efficacy and dosing levels of our glycosylated cannabinoids, which have provided us with favorable scientific data and the opportunity to further refine our drug development plan. We have performed two industry standard colitis disease mouse models: (i) TNBS model in 2017 and 2018 that generated favorable colitis prevention data, and (ii) DSS model in 2021 that generated favorable colitis treatment data. In 2021, we received a letter from the Food and Drug Administration's ("FDA") Office of Orphan Products Development stating that we have been granted Orphan Drug Designation for our glycosylated cannabinoid VBX-100 for the treatment of pediatric ulcerative colitis. An Orphan Drug Designation provides several benefits, including fee waivers, tax credits, fast tracking of regulatory processes, and seven years of market exclusivity.

Due to our development of pharmaceutical products, we are subject to extensive regulation by the FDA and other federal, state, and local agencies. Also, since we are researching and developing cannabinoid-based products, we are subject to regulation by the U.S. Drug Enforcement Administration ("DEA"). Our research and development activities focus on cannabinoids, particularly THC and CBD derived from the cannabis plant, which the DEA has classified as Schedule I substances. Schedule I substances are defined as drugs with no currently accepted medical use and a high potential for abuse. In May 2019, the DEA informed us that it had determined that they consider our VBX-100 prodrug a Schedule I substance. As a result, any developing, testing, manufacturing, or clinical studies involving our VBX-100 prodrug, and by inference potentially all of our THC-glycoside molecules, are required to be properly licensed by the DEA and adhere to strict diversion control standards.

We are working closely with a third-party contract research organization to develop a detailed drug development plan to advance our leading drug candidate, VBX-100, through Phase II clinical trials by the end of 2027, subject to receipt of sufficient funding, which is currently estimated to be approximately \$16.0 million. We have engaged an investment banker to assist with an initial capital raise of \$4.0 million and are targeting a closing of that initial capital raise in 2Q 2024, with the remaining \$12.0 million to be raised in 2025 once key drug development milestones are achieved.

Competition

Our Company is focused on a large and growing marketplace for impact investing initiatives, and therefore, is anticipated to face competition from a variety of operating businesses and investment funds who are developing similar business plans and operating strategies to satisfy the increasing demands of these types of investments in the marketplace. In many cases, these competitors are larger and better capitalized operating businesses and investment funds.

Our Company competes on the basis of a number of factors, including our geographic focus on Appalachia, access to mission-driven energy-transition capital, access to impact investing opportunities, strategic relationships with reclamation bond insurance companies, recruitment and retention of key personnel, market share with key customers, and supply relationships with critical vendors. Our ability to continue to compete effectively in our businesses will depend upon our ability to attract new employees and retain and motivate our existing employees.

Information Systems

In 2023, the Company engaged Foundation Software, LLC (“Foundation Software”) as its new accounting software provider and converted all of the Company’s accounting system operations from QuickBooks to Foundation Software during the second quarter of 2023.

Founded in Cleveland, Ohio in 1985, Foundation Software is specifically designed for service companies, particularly those in the construction, contracting and reclamation industries. Foundation Software offers the Company several enhanced features critical to the successful execution of its shareholder value creation plan, including (i) general ledger accounting, including accounts payable, accounts receivable, inventory and customer billing, (ii) equipment tracking on job sites, maintenance, utilization and depreciation, (iii) employee tracking on job sites, time and materials, utilization, and billing, (iv) job costing and profitability reporting segmented by customers, job types and location, and (v) numerous real-time management dashboard and key performance indicator reports that will allow management to closely monitor financial and operational performance and quickly react to business opportunities and issues. Furthermore, Foundation Software will allow the Company to quickly scale operations and efficiently and cost-effectively support the anticipated growth of each business, thereby preventing our accounting and management systems from becoming a limiting factor to our growth initiatives.

General Information

We maintain a corporate website at: www.rangeimpact.com. Information contained on our website is not incorporated by reference in this Annual Report. We file reports with the Securities and Exchange Commission (“SEC”) and make available free-of-charge through our website our annual reports, quarterly reports, current reports, proxy and information statements and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

Item 1A. Risk Factors

The following risk factors should be considered carefully in addition to the other information contained in this Annual Report. This Annual Report contains forward-looking statements. Our business, financial condition, results of operations and stock price could be materially adversely affected by any of these risks.

Risks Related to Our Business

We will need to raise substantial additional capital to operate our business. If we cannot obtain the capital we need to continue our operations, our business could fail.

We will need to raise additional funds in order to continue operating our business beyond the near term. Since inception, we have primarily funded our operations through equity and debt financings and, more recently, with operating profits. If we do issue equity or convertible debt securities to raise additional funds or to fund, in whole or in part, acquisitions in furtherance of our business strategy, our existing stockholders may experience substantial dilution, and the new equity or debt securities may have rights, preferences and privileges senior to those of our existing stockholders. If we incur additional debt, it would increase our leverage relative to our earnings, if any, or to our equity capitalization, requiring us to pay additional interest expense. Obtaining commercial loans, assuming those loans would be available, would increase our liabilities and future cash commitments. We also may raise funds by selling some or all of our assets. Regardless of the manner in which we seek to raise capital, we may incur substantial costs in those pursuits, including investment banking fees, legal fees, accounting fees, and other related costs.

Our limited operating experience could make our operations inefficient or ineffective.

We have only a limited operating history upon which to base an evaluation of our current business and future prospects and how we will respond to competitive, financial or technological challenges. In addition, because of our limited operating history, we have limited insight into trends that may emerge and affect our businesses, and limited experience responding to such trends. We may make errors in predicting and reacting to relevant business trends and we will be subject to the risks, uncertainties and difficulties frequently encountered by early-stage companies in evolving markets. We may not be able to successfully address any or all of these risks and uncertainties. Failure to adequately to do so could cause our business, results of operations and financial condition to suffer or fail.

We may not be able to manage our expansion of operations effectively.

Assuming we are able to attract additional capital, we intend to expand our operations. To manage this growth, we may need to expand our facilities, augment our operational, financial and management systems and hire and train qualified personnel. Our management will also be required to develop new relationships with customers, suppliers and other third parties. Our current and planned operations, personnel, systems, and internal procedures and controls may not be adequate to support our future growth. If we are unable to manage our growth effectively, we may not be able to take advantage of market opportunities, execute our business strategies or respond to competitive pressures.

If we are unable to hire and retain qualified personnel, we may not be able to implement our business plan.

As of March 28, 2024, we employed 56 full-time employees. Attracting and retaining personnel will be critical to our success. We may not be able to attract and retain the qualified personnel necessary for the development of our business. In addition, we may have difficulty recruiting necessary personnel as a result of our limited operating history. The loss of key personnel or the failure to recruit necessary additional personnel could impede the achievement of our business objectives.

In addition, we expect to rely on independent organizations, advisors and consultants to provide certain services. The services of these independent organizations, advisors and consultants may not be available to us on a timely basis when needed or on acceptable terms, and if they are not available, we may not be able to find qualified replacements. If we are unable to retain the services of qualified personnel, independent organizations, advisors and consultants, we may not be able to implement our business plan.

Our CEO and certain other Company employees devote substantial portions of their time to businesses other than the Company's business.

Certain of our officers, directors and employees devote substantial portions of their time to businesses of other companies. Our CEO, Michael Cavanaugh, currently serves as Chief Investment Officer of Tower 1 Partnership, LLC, an investment firm focused on private and public investments in a variety of industries, and as the manager of several non-affiliated investment partnerships, pursuant to which he devotes a significant portion of his time. The commitments of our officers, directors and employees to these other businesses may cause them to devote less time to the Company than would otherwise be the case.

Cyber incidents or attacks directed at us could result in information theft, data corruption, operational disruption and/or financial loss.

We depend on digital technologies, including information systems, infrastructure and cloud applications and services, including those of third parties with which we may deal. Sophisticated and deliberate attacks on, or security breaches in, our systems or infrastructure, or the systems or infrastructure of third parties or the cloud, could lead to corruption or misappropriation of our assets, proprietary information and sensitive or confidential data. As an early-stage company without significant investments in data security protection, we may not be sufficiently protected against such occurrences. We may not have sufficient resources to adequately protect against, or to investigate and remediate any vulnerability to, cyber incidents. It is possible that any of these occurrences, or a combination of them, could have adverse consequences on our business and lead to financial loss.

Risks Related to Our Environmental-Related Businesses

We may have difficulty accomplishing our growth strategy within and outside of our current service areas.

Our ability to expand our business, both within our current service areas and into new areas, involves significant risks, including, but not limited to:

- changes in regulatory landscape reducing the demand for, and incentives relating to, our land reclamation, water treatment and related environmental services;
- receiving or maintaining necessary regulatory permits, licenses or approvals;
- downturns in economic or population growth and development in our service areas, particularly in the coal mining industry and in those agricultural and commercial businesses and real estate developments which benefit from our land reclamation and water treatment services;
- risks related to planning and commencing new operations, including inaccurate assessment of the demand for our land reclamation, water treatment and related environmental services and products and inability to begin operations as scheduled; and
- our potential inability to identify suitable acquisition opportunities or to form relationships with coal mining operators or other landowners necessary to form strategic partnerships.

Operating costs, construction costs and costs of providing services may rise faster than revenue.

Our ability to increase the rates at which we provide our land reclamation, water treatment and related environmental services may be limited by a variety of factors. However, our costs are subject to market conditions and other factors, and may increase significantly. The second largest component of our equipment operating costs is made up of salaries and wages. These costs are affected by the local supply and demand for qualified labor. Other large components of our costs are general insurance, workers compensation insurance, employee benefits and health insurance costs. These costs may increase disproportionately to our service rate increases and may have a material adverse effect on our financial condition and results of operations.

Our suppliers may fail to deliver materials and parts according to schedules, prices, quality and volumes that are acceptable to us, or we may be unable to manage these materials and parts effectively.

The equipment we use in our land reclamation and water treatment and reclamation business contains materials and parts purchased globally from many suppliers which exposes us to potential component shortages or delays. Unexpected changes in business conditions, materials pricing, labor issues, wars such as the current conflicts in Gaza and Ukraine, trade policies, natural disasters, health epidemics such as the global COVID-19 pandemic, trade and shipping disruptions, port congestions and other factors beyond our or our suppliers' control could also affect these suppliers' ability to deliver components to us or to remain solvent and operational. Additionally, if our suppliers do not accurately forecast and effectively allocate production or if they are not willing to allocate sufficient production to us, it may reduce our access to components and require us to search for new suppliers. The unavailability of any component or supplier could result in delays in providing our services and products. Our suppliers may not be willing or able to sustainably meet our timelines or our cost, quality and volume needs, or to do so may cost us more, which may require us to replace them with other sources. While we believe that we will be able to secure additional or alternate sources for most of our necessary components or products, there is no assurance that we will be able to do so quickly or at all or at prices that are financially feasible.

Our financial results depend on successful project execution and may be adversely affected by cost overruns, failure to meet customer schedules or other execution issues.

A portion of our revenue is derived from projects that are technically complex and that may last over many months. These projects are subject to a number of significant risks, including project delays, cost overruns, changes in scope, unanticipated site conditions, design and engineering issues, incorrect cost assumptions, increases in the cost of materials and labor, safety hazards, third party performance issues, weather issues and changes in laws or permitting requirements. If we are unable to manage these risks, we may incur higher costs, liquidated damages and other liabilities to our customers, which may decrease our profitability and harm our reputation. Our continued growth will depend in part on executing a higher volume of large projects, which will require us to expand and retain our project management and execution personnel and resources.

We face competition in our industry, and we may be unable to attract customers and maintain a viable business.

There can be no assurance that we will be able to successfully compete with our competitors. Our competitors may be able to offer similar services which prove to be more popular with potential customers than our services. Our ability to grow and achieve profitability will depend on our ability to satisfy our customers and withstand increasing competition by providing superior environmental services at reasonable cost. There can be no assurance that we will be able to achieve or maintain a successful competitive position.

If we become subject to environmental-related claims, we could incur significant cost and time to comply.

Our land reclamation and water treatment business activities create a risk of significant environmental liabilities and reputational damage. Under applicable environmental laws and regulations, we could be strictly, jointly and severally liable for releases of regulated substances by us at the properties of others, including if such releases result in contamination of air or water or cause harm to individuals. Our business activities also create a risk of contamination or injury to our employees, customers or third parties, from the use, treatment, storage, transfer, handling and/or disposal of these materials.

In the event that our business activities result in environmental liabilities, such as those described above, we could incur significant costs or reputational damage in connection with the investigation and remediation of environmental contamination, and we could be liable for any resulting damages including natural resource damages. Such liabilities could exceed our available cash or any applicable insurance coverage we may have. Additionally, we are subject to, on an ongoing basis, federal, state and local laws and regulations governing the use, storage, handling and disposal of these materials and specified waste products. The cost of compliance with these laws and regulations may become significant and could have a material adverse effect on our business, financial condition, results of operations or prospects.

Further, we may incur costs to defend our position even if we are not liable for consequences arising out of environmental damage. Our insurance policies may not be sufficient to cover the costs of defending such claims.

Failure to effectively treat emerging contaminants could result in material liabilities.

A number of emerging contaminants might be found in water that we treat that may cause a number of illnesses. In applications where treated water enters the human body, illness and death may result if contaminants or pathogens are not eliminated during the treatment process. The potential impact of a contamination of water treated using our products, services or solutions is difficult to predict and could lead to an increased risk of exposure to product liability claims, increased scrutiny by federal and state regulatory agencies and negative publicity. Further, an outbreak of disease in any one of the markets we serve could result in a widespread loss of customers across such markets.

We may incur liabilities to customers as a result of failure to meet performance guarantees, which could reduce our profitability.

Our customers may seek performance guarantees as to our equipment and services. Failure to meet specifications of our customers or our failure to meet our performance guarantees may increase our costs by requiring us to provide additional resources and services, monetary reimbursement to a customer or could otherwise result in liability to our customers. To the extent that we incur substantial performance guarantee claims, our reputation, earnings and ability to obtain future business could be materially adversely affected.

Developments in, and compliance with, current and future environmental and climate change laws and regulations could impact our land reclamation and water treatment business, financial condition or results of operations.

Our business, operations, and product and service offerings are subject to and affected by many federal, state, local and foreign environmental laws and regulations, including those enacted in response to climate change concerns. Compliance with existing laws and regulations currently requires, and compliance with future laws is expected to continue to require, increasing operating and capital expenditures in order to conform to changing environmental standards and regulations, which could impact our business, financial condition and results of operations. Furthermore, environmental laws and regulations may authorize substantial fines and criminal sanctions to address violations, and may require the installation of costly pollution control equipment or operational changes to limit emissions or discharges. We also incur, and expect to continue to incur, costs to comply with current environmental laws and regulations. At the same time, the demand for our land reclamation and water treatment services also is driven by federal and state laws, regulations and programs which create incentives for our services. Developments such as the adoption of new environmental laws and regulations, stricter enforcement of existing laws and regulations, violations by us of such laws and regulations, discovery of previously unknown or more extensive contamination, litigation involving environmental impacts, our inability to recover costs associated with any such developments, or the financial insolvency of other responsible parties could in the future have a material adverse effect on our financial condition and results of operations.

Our insurance may not provide adequate coverage.

Although we maintain general and product liability, property and commercial insurance coverage in amounts which we consider prudent, there can be no assurance that such insurance will prove adequate in the event of actual casualty losses or broader calamities such as earthquakes, financial crises, economic depressions or other catastrophic events, which are either uninsurable or not economically insurable. Any such losses could have a material adverse effect on the performance of our systems.

Our land reclamation and water treatment business is subject to various statutory and regulatory requirements, which may increase in the future.

Our land reclamation and water treatment business is subject to various statutory and regulatory requirements. Our ability to continue to hold licenses and permits required for our land reclamation and water treatment business is subject to maintaining satisfactory compliance with such requirements. We may incur significant costs to maintain compliance. Our ability to obtain modifications to our permits may be met with resistance, substantial statutory or regulatory requirements or may be too costly to achieve. These requirements may cause us to postpone or cancel our plans. Future statutory and regulatory requirements, including any legislation focused on combating climate change, may require significant cost to comply or may require changes to our products or services.

The environmental regulations to which we are subject may increase our costs and potential liabilities and limit our ability to operate.

Our land reclamation and water treatment business is subject to various federal, state, and local environmental requirements, including those relating to emissions to air, discharged wastewater, storage, treatment, transport and disposal of regulated materials and cleanup of coal mining and groundwater contamination. Efforts to conduct our operations in compliance with all applicable laws and regulations, including environmental rules and regulations, require programs to promote compliance, such as training employees and customers, purchasing health and safety equipment and in some cases hiring outside consultants and lawyers. Even with these programs, we face the risk of being subject to government enforcement proceedings, which can result in fines or other sanctions and require expenditures for remedial work on contaminated sites. The landscape of environmental regulation to which we are subject can change. Changes to environmental regulation often present new business opportunities for us; however, such changes may also result in increased operating and compliance costs. While we seek to monitor the landscape of environmental regulation, our ability to navigate is limited by our small size and resources, and any changes to such regulations may result in a material effect on our operations, cash flows or financial condition.

Regulators also have the power to suspend or revoke permits or licenses needed for operation of our equipment and vehicles based on, among other factors, our compliance record, and customers may decide not to do business with us because of concerns about our compliance record. Suspension or revocation of permits or licenses would impact our land reclamation and water treatment business and could have a material impact on our financial results. Although we have never had any of our operating permits revoked, suspended or non-renewed involuntarily, it is possible that such an event could occur in the future.

Certain environmental laws and regulations impose liability and responsibility on present and former owners, operators or users of facilities and sites for contamination at such facilities and sites without regard to causation or knowledge of contamination. Investigations undertaken in connection with these activities may lead to discoveries of contamination that must be remediated, and closures of facilities might trigger compliance requirements that are not applicable to operating facilities.

Within the coal mining remediation market, demand for our services will be limited to a specific customer base and highly correlated to the coal mining industry. The coal mining industry's demand for our services and products is affected by a number of factors including the volatile nature of the coal mining industry's business, increased use of alternative types of energy and technological developments in the coal mining extraction process. A significant reduction in the target market's demand for coal mining would reduce the demand for our services and products, which would have a material adverse effect upon our business, financial condition, results of operations and cash flows.

We require a variety of permits to operate our business. If we are not successful in obtaining and/or maintaining those permits it will adversely impact our operations.

Our land reclamation and water treatment business requires permits to operate. Our inability to obtain permits in a timely manner could result in substantial delays to our business. The issuance of permits is dependent on the applicable government agencies and is beyond our control and that of our customers. There can be no assurance that we and/or our customers will receive the permits necessary to operate, which could substantially and adversely affect our operations and financial condition.

Based on the nature of our business, we currently depend and are likely to continue to depend on a limited number of customers for a significant portion of our revenues.

We currently have five customers in West Virginia that account for substantially all of our land reclamation and water treatment business. The failure to obtain additional customers or the loss of all or a portion of the revenues attributable to any current or future customer as a result of competition, creditworthiness, inability to negotiate extensions or replacement of contracts or otherwise could have a material adverse effect on our business, financial condition, results of operations and cash flows.

If our customers do not enter into, extend or honor their contracts with us, our profitability could be adversely affected. Our ability to receive payment for production depends on the continued solvency and creditworthiness of our customers and prospective customers. If any of our customers' creditworthiness suffers, we may bear an increased risk with respect to payment defaults. If customers refuse to make payments for which they have a contractual obligation, our revenues could be adversely affected.

Risks Related to Our Cannabinoid Drug Development Business

If we are unable to market and distribute our products effectively, we may be unable to generate significant revenue.

We currently have no sales, marketing or distribution capabilities with respect to our cannabinoid drug development business. If sufficient capital is available, we may choose to build sales, marketing or distribution capabilities internally or pursue collaborative arrangements for the sales and marketing of our products. We may be unable to establish or maintain relationships with third party collaborators or develop in-house sales and distribution capabilities. To the extent that we depend on third parties for marketing and distribution, any revenues we receive will depend upon the efforts of such third parties and there can be no assurance that such third parties will establish adequate sales and distribution capabilities or be successful in gaining market acceptance of any approved product. If we are not successful in commercializing any product approved in the future, either on our own or through third parties, our business, financial condition and results of operations could be materially adversely affected.

We may seek orphan drug status for our products for the treatment of certain diseases or conditions, but we may be unable to obtain such designation or to maintain the benefits associated with orphan drug status, including market exclusivity, which may cause our revenue, if any, to be reduced.

Regulatory authorities in some jurisdictions, including the United States and European Union, may designate drugs for relatively small patient populations as orphan drugs. The FDA may grant Orphan Drug Designation to drugs intended to treat a rare disease or condition that affects fewer than 200,000 individuals annually in the United States, or, if the disease or condition affects more than 200,000 individuals annually in the United States, if there is no reasonable expectation that the cost of developing and making the drug would be recovered from sales in the United States. In the European Union, the EMA's Committee for Orphan Medicinal Products grants Orphan Drug Designation to promote the development of products that are intended for the diagnosis, prevention or treatment of life-threatening or chronically debilitating conditions affecting not more than five in 10,000 persons in the European Union. Additionally, designation is granted for products intended for the diagnosis, prevention or treatment of a life-threatening, seriously debilitating or serious and chronic condition and when, without incentives, it is unlikely that sales of the drug in the European Union would be sufficient to justify the necessary investment in developing the drug.

In the United States, Orphan Drug Designation entitles a party to financial incentives, such as opportunities for grant funding towards clinical trial costs, tax credits for certain research and user fee waivers under certain circumstances. In addition, if a product receives the first FDA approval for the indication for which it has orphan designation, the product is entitled to seven years of market exclusivity, which means the FDA may not approve any other application for the same drug for the same indication for a period of seven years, except in limited circumstances, such as a showing of clinical superiority over the product with orphan exclusivity. Orphan drug exclusivity does not prevent the FDA from approving a different drug for the same disease or condition, or the same drug for a different disease or condition. In the European Union, Orphan Drug Designation also entitles a party to financial incentives such as reduction of fees or fee waivers and ten years of market exclusivity following drug approval. This period may be reduced to six years if the Orphan Drug Designation criteria are no longer met, including where it is shown that the product is sufficiently profitable so that market exclusivity is no longer justified.

As a result, even if our products receive orphan exclusivity, the FDA or European Medicines Agency (EMA) can still approve other drugs that have a different active ingredient for use in treating the same indication. Furthermore, the FDA can waive orphan exclusivity if we are unable to manufacture sufficient supply of our products or the EMA could reduce the term of exclusivity if our products are sufficiently profitable.

While we have received orphan drug designation for our VBX-100 prodrug for the treatment of pediatric ulcerative colitis, exclusive marketing rights in the United States may be limited if we seek approval for an indication broader than the orphan designated indication and may be lost if the FDA or EMA later determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantities of the product to meet the needs of patients with the rare disease or condition.

We are dependent on the success of our products, which are still in pre-clinical development and will require significant capital resources and years of clinical development effort.

We currently have no pharmaceutical products on the market, and our product candidates are still in pre-clinical development. The success of our cannabinoid drug development business depends on the successful clinical development, regulatory approval and commercialization of our product candidates, and additional pre-clinical testing and substantial clinical development and regulatory approval efforts will be required before we are permitted to commence commercialization, if ever. Any clinical trials and manufacturing and marketing of product candidates will be subject to extensive and rigorous review and regulation by numerous government authorities in the United States and other jurisdictions where we intend to test and, if approved, market our product candidates. Before obtaining regulatory approvals for the commercial sale of any product candidate, we would need to demonstrate through pre-clinical testing and clinical trials that the product candidate is safe and effective for use in each target indication, and potentially in specific patient populations. This process can take many years and may include post-marketing studies and surveillance, which would require the expenditures of substantial resources beyond our current resources. Even if we are able to obtain the requisite financing to continue to fund our research, development and clinical programs, we are not certain that any of our product candidates will be successfully developed or commercialized.

Because the results of pre-clinical testing are not necessarily predictive of future results, our products may not have favorable results in their clinical trials.

Any positive results from our pre-clinical testing of our products may not necessarily be predictive of the results from clinical trials in humans. If we fail to produce positive results in our clinical trials, the development timeline and regulatory approval and commercialization prospects for our products and, correspondingly, our business and financial prospects, would be materially adversely affected.

Failures or delays in the completion of our pre-clinical studies or the commencement and completion of our clinical trials could result in increased costs to us and could delay, prevent or limit our ability to generate revenue and continue our business.

To date, we have not completed our pre-clinical animal studies or commenced any clinical trials. Successful completion of such pre-clinical animal studies and clinical trials is a prerequisite to submitting an NDA to the FDA or a marketing authorization application (MAA) to the EMA. Clinical trials are expensive, difficult to design and implement, can take many years to complete and their outcomes are uncertain. A product candidate can unexpectedly fail at any stage of clinical development. The historic failure rate for product candidates is high due to scientific feasibility, safety, efficacy, changing standards of medical care and other variables. The commencement and completion of clinical trials can be delayed or prevented for a number of reasons, including, among others:

- delays in reaching or failing to reach agreement on acceptable terms with prospective clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different clinical trial sites;
- delays or inability in manufacturing or obtaining sufficient quantity or quality of a product candidate or other materials necessary to conduct clinical trials due to regulatory and manufacturing constraints, including delays or an inability to hire appropriate staff or consultants with requisite expertise in chemistry and manufacturing controls for pharmaceutical products;
- difficulties obtaining Institutional Review Board (IRB), DEA or comparable foreign regulatory authority, or ethics committee approval to conduct a clinical trial at a prospective site or sites;
- challenges in recruiting and enrolling patients to participate in clinical trials, including the size and nature of the patient population, the proximity of patients to clinical trial sites, eligibility criteria for the clinical trial, the nature of the clinical trial protocol, the availability of approved effective treatments for the relevant indication and competition from other clinical trial programs for similar indications;

- severe or unexpected toxicities or drug-related side effects experienced by patients in our clinical trials or by individuals using drugs similar to our product candidates;
- DEA or comparable foreign regulatory authority-related recordkeeping, reporting or security violations at a clinical trial site, leading the DEA, state authorities or comparable foreign regulatory authorities to suspend or revoke the controlled substance license at the site and causing a delay or termination of planned or ongoing clinical trials;
- regulatory concerns with cannabinoid products generally and the potential for abuse of those products;
- difficulties retaining patients who have enrolled in a clinical trial who may withdraw due to lack of efficacy, side effects, personal issues or loss of interest;
- ambiguous or negative interim results; or
- lack of adequate funding to continue the clinical trial.

In addition, a clinical trial may be suspended or terminated by us, the FDA, IRBs, ethics committees, data safety monitoring boards or other foreign regulatory authorities overseeing the clinical trial at issue or other regulatory authorities due to a number of factors, including, among others:

- failure to conduct the clinical trial in accordance with regulatory requirements or our clinical trial protocols;
- inspection of the clinical trial operations, clinical trial sites, or drug manufacturing facilities by the FDA, the DEA, the EMA or other foreign regulatory authorities that reveals deficiencies or violations that require us to undertake corrective action, including the imposition of a clinical hold;
- unforeseen safety issues, including any safety issues that could be identified in our ongoing toxicology studies;
- adverse side effects or lack of effectiveness; and
- changes in government regulations or administrative actions.

We intend to focus on prodrugs for certain indications, and may fail to capitalize on other product candidates or other indications that may be more profitable or for which there is a greater likelihood of success.

Because we have limited financial and managerial resources, we have reduced the scope of our research program and have limited that research to our proprietary products for certain indications, which concentrates the risk of product failure in the event the products prove to be unsafe, ineffective or inadequate for clinical development or commercialization. As a result, we may forego or delay pursuit of opportunities with other product candidates or for other indications that could later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities. If we do not accurately evaluate the commercial potential or target market for our products, we may relinquish valuable rights to our products through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to our products.

The regulatory approval processes of the FDA, the EMA and other comparable foreign regulatory authorities are lengthy, time-consuming and inherently unpredictable, and if we are ultimately unable to obtain regulatory approval for our product candidates, our business will be substantially harmed.

We are not permitted to market our product candidates in the United States or the European Union until we receive approval of an NDA from the FDA or an MAA from the EMA, respectively, or in any foreign countries until we receive the requisite approval from such countries. Prior to submitting an NDA to the FDA or an MAA to the EMA for approval of our product candidates we will need to complete our ongoing pre-clinical studies, as well as Phase 1, Phase 2 and Phase 3 clinical trials. We are still conducting pre-clinical studies and have not yet commenced our clinical program or tested any product in humans. Successfully initiating and completing our clinical program and obtaining approval of an NDA or MAA is a complex, lengthy, expensive and uncertain process, and the FDA or EMA may delay, limit or deny approval of our product candidates for many reasons, including, among others, because:

- we may not be able to demonstrate that our product candidates are safe and effective in treating patients to the satisfaction of the FDA or EMA;
- the results of our clinical trials may not meet the level of statistical or clinical significance required by the FDA or EMA for marketing approval;
- the FDA or EMA may disagree with the number, design, size, conduct or implementation of our clinical trials;
- the FDA or EMA may require that we conduct additional clinical trials;
- the FDA or EMA or other applicable foreign regulatory authorities may not approve the formulation, labeling or specifications of our product candidates;
- the contract research organizations, or CROs, and other contractors that we may retain to conduct our clinical trials may take actions outside of our control that materially adversely impact our clinical trials;
- the FDA or EMA may find the data from pre-clinical studies and clinical trials insufficient to demonstrate that our products' clinical and other benefits outweigh their safety risks;
- the FDA or EMA may disagree with our interpretation of data from our pre-clinical studies and clinical trials;
- the FDA or EMA may not accept data generated at our clinical trial sites or may disagree with us over whether to accept efficacy results from clinical trial sites outside the United States where the standard of care is potentially different from that in the United States;
- if and when our NDAs or MAAs are submitted to the FDA or EMA, as applicable, the regulatory agency may have difficulties scheduling the necessary review meetings in a timely manner, may recommend against approval of our application or may recommend or require, as a condition of approval, additional pre-clinical studies or clinical trials, limitations on approved labeling or distribution and use restrictions;
- the FDA may require development of a Risk Evaluation and Mitigation Strategy (REMS), which would use risk minimization strategies beyond the professional labeling to ensure that the benefits of certain prescription drugs outweigh their risks, as a condition of approval or post-approval, and the EMA may grant only conditional approval or impose specific obligations as a condition for marketing authorization, or may require us to conduct post-authorization safety studies;
- the FDA, EMA, DEA or other applicable foreign regulatory agencies may not approve the manufacturing processes or facilities of third-party manufacturers with which we contract;
- the DEA or other applicable foreign regulatory agency may establish quotas that limit the quantities of controlled substances available to our manufacturers; or
- the FDA or EMA may change their approval policies or adopt new regulations.

Any of these factors, many of which are beyond our control, could jeopardize our ability to obtain regulatory approval for and successfully market our products.

Even if our products receive regulatory approval, they may still face future development and regulatory difficulties.

If we seek and obtain regulatory approval for any of our products, such approval would be subject to extensive ongoing requirements by the DEA, FDA, EMA and other foreign regulatory authorities related to the manufacture, quality control, further development, labeling, packaging, storage, distribution, safety surveillance, import, export, advertising, promotion, recordkeeping and reporting of safety and other post-market information. The safety profile of any product will continue to be closely monitored by the FDA, EMA and other comparable foreign regulatory authorities. These regulatory authorities may require labeling changes or establishment of a REMS, impose significant restrictions on a product's indicated uses or marketing, impose ongoing requirements for potentially costly post-approval studies or post-market surveillance, or impose a recall.

In addition, manufacturers of therapeutic products and their facilities are subject to continual review and periodic inspections by the FDA, the EMA and other comparable foreign regulatory authorities for compliance with current good manufacturing practices (cGMP) regulations. Our current facilities and staff have never undergone such an inspection, and we currently rely upon outside consultants and advisors to provide guidance on chemistry and manufacturing controls for pharmaceutical products. Further, manufacturers of controlled substances must obtain and maintain necessary DEA and state registrations and registrations with applicable foreign regulatory authorities and must establish and maintain processes to ensure compliance with DEA and state requirements and requirements of applicable foreign regulatory authorities governing, among other things, the storage, handling, security, recordkeeping and reporting for controlled substances. If we or a regulatory agency discover previously unknown problems with a product, such as adverse events of unanticipated severity or frequency, or problems with the facility where the product is manufactured, a regulatory agency may impose restrictions on that product, the manufacturing facility or us, including requiring recall or withdrawal of the product from the market or suspension of manufacturing which may inhibit our ability to commercialize our product candidates and may otherwise have a material adverse effect on our business, financial condition and results of operations.

Our products will be subject to controlled substance laws and regulations; failure to receive necessary approvals may delay the launch of our products and failure to comply with these laws and regulations may adversely affect the results of our business operations.

Our products will contain controlled substances as defined in the federal Controlled Substances Act of 1970 (CSA). Controlled substances that are pharmaceutical products are subject to a high degree of regulation under the CSA, which establishes, among other things, certain registration, manufacturing quotas, security, recordkeeping, reporting, import, export and other requirements administered by the DEA. The DEA classifies controlled substances into five schedules: Schedule I, II, III, IV or V substances. Schedule I substances by definition have a high potential for abuse, have no currently “accepted medical use” in the United States, lack accepted safety for use under medical supervision, and may not be prescribed, marketed or sold in the United States. Pharmaceutical products approved for use in the United States may be listed as Schedule II, III, IV or V, with Schedule II substances considered to present the highest potential for abuse or dependence and Schedule V substances the lowest relative risk of abuse among such substances. Schedule I and II drugs are subject to the strictest controls under the CSA, including manufacturing and procurement quotas, security requirements and criteria for importation. In addition, dispensing of Schedule II drugs is further restricted. For example, they may not be refilled without a new prescription.

While cannabis is a Schedule I controlled substance, products approved for medical use in the United States that contain cannabis or cannabis extracts must be placed in Schedules II – V, since approval by the FDA satisfies the “accepted medical use” requirement. If and when our products receive FDA approval, the DEA will make a scheduling determination and place them in a schedule other than Schedule I in order for it to be prescribed to patients in the United States. If approved by the FDA, we expect the finished dosage forms of our products to be listed by the DEA as a Schedule II, III, IV or V controlled substance. Consequently, their manufacture, importation, exportation, domestic distribution, storage, sale and legitimate use will be subject to a significant degree of regulation by the DEA. The scheduling process may take additional time after FDA approval, thereby significantly delaying the launch of our products. Furthermore, if the FDA, DEA or any foreign regulatory authority determines that our products may have potential for abuse, it may require us to generate more clinical data than that which is currently anticipated, which could increase the cost and/or delay the launch of our products.

Because our products will contain compounds considered to be Schedule I substances, to conduct pre-clinical studies and clinical trials with our products in the United States prior to approval, each of our research sites must submit a research protocol to the DEA and obtain and maintain a DEA researcher registration that will allow those sites to procure necessary materials from suppliers, and to handle and dispense our products. If the DEA delays or denies the grant of a research registration to one or more research sites, the pre-clinical studies or clinical trials could be significantly delayed, and we could lose and be required to replace clinical trial sites, resulting in additional costs.

We will also need to identify wholesale distributors with the appropriate DEA registrations and authority to distribute our products to pharmacies and other healthcare providers, and these distributors would need to obtain Schedule II through V distribution registrations. The failure to obtain, or delay in obtaining, or the loss of any of those registrations could result in increased costs to us. If our products are Schedule II drugs, pharmacies would have to maintain enhanced security with alarms and monitoring systems and they must adhere to recordkeeping and inventory requirements. Furthermore, state and federal enforcement actions, regulatory requirements, and legislation intended to reduce prescription drug abuse, such as the requirement that physicians consult a state prescription drug monitoring program, may make physicians less willing to prescribe, and pharmacies to dispense, Schedule II products.

We may manufacture the commercial supply of our products, or necessary raw materials, outside of the United States. If our products are each approved by the FDA and classified as a Schedule II or III substance, an importer can import that product for commercial purposes if it obtains from the DEA an importer registration and files an application with the DEA for an import permit for each importation. The DEA provides annual assessments/estimates to the International Narcotics Control Board which guides the DEA in the amounts of controlled substances that the DEA authorizes to be imported. The failure to identify an importer or obtain the necessary import authority, including specific quantities, could affect the availability of our products and have a material adverse effect on our business, results of operations and financial condition. In addition, an application for a Schedule II importer registration must be published in the Federal Register, and there is a waiting period for third-party comments to be submitted.

Individual states have also established controlled substance laws and regulations. Although state-controlled substance laws often mirror federal law, states may schedule our product candidates in a different manner. While some states automatically schedule a drug based on federal action, other states schedule drugs through rulemaking or a legislative action. State scheduling may delay commercial sale of any product for which we obtain federal regulatory approval and adverse scheduling could have a material adverse effect on the commercial attractiveness of such product. We or our partners must also obtain separate state registrations, permits or licenses in order to be able to obtain, handle, and distribute controlled substances for clinical trials or commercial sale, and failure to meet applicable regulatory requirements could lead to enforcement actions and sanctions by the states in addition to those from the DEA or otherwise arising under federal law.

We currently face, and will continue to face, significant competition in our pharmaceutical business.

Our major competitors for the development of pharmaceutical products related to cannabinoids and inflammatory disorders include major pharmaceutical companies, smaller companies, and academic research groups that are devoted to biological or pharmaceutical research either independently or by providing contract research services. A number of multinational pharmaceutical companies are developing products in similar therapeutic areas, including, but not limited to, Biogen, Teva Neuroscience, Pfizer, Endo Pharmaceuticals, Genzyme, Novartis, Bayer Healthcare, and additional companies such as Jazz Pharmaceuticals, Corbus Pharmaceuticals, Trait Biosciences, and Zynherba Pharmaceuticals are developing cannabinoid pharmaceuticals for treatment of various clinical indications and commercial applications.

Failure to obtain regulatory approval in jurisdictions outside the United States and the European Union would prevent our product candidates from being marketed in those jurisdictions.

In order to market and sell our products in jurisdictions other than the United States and the European Union, we must obtain separate marketing approvals and comply with numerous and varying regulatory requirements. The regulatory approval process outside the United States and the European Union generally includes all of the risks associated with obtaining FDA and EMA approval, but can involve additional testing. We may need to partner with third parties in order to obtain approvals outside the United States and the European Union. In addition, in many countries worldwide, it is required that the product be approved for reimbursement before the product can be approved for sale in that country. We may not obtain approvals from regulatory authorities outside the United States and the European Union on a timely basis, if at all. Even if we were to receive approval in the United States or the European Union, approval by the FDA or the EMA does not ensure approval by regulatory authorities in other countries or jurisdictions. Similarly, approval by one regulatory authority outside the United States and the European Union would not ensure approval by regulatory authorities in other countries or jurisdictions or by the FDA or the EMA. We may not be able to file for marketing approvals and may not receive necessary approvals to commercialize our products in any market. If we are unable to obtain approval of our product candidates by regulatory authorities in other foreign jurisdictions, the commercial prospects of those product candidates may be significantly diminished and our business prospects could decline.

Healthcare legislation, including potentially unfavorable pricing regulations or other healthcare reform initiatives, may increase the difficulty and cost for us to obtain marketing approval of and commercialize our product candidates.

In the United States there have been a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of our product candidates, restrict or regulate post-approval activities or affect our ability to profitably sell any product candidates for which we obtain marketing approval.

The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or the Affordable Care Act, among other things, imposes a significant annual fee on companies that manufacture or import branded prescription drug products. It also contains substantial provisions intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against healthcare fraud and abuse, add new transparency requirements for the healthcare and health insurance industries, impose new taxes and fees on pharmaceutical and medical device manufacturers, and impose additional health policy reforms, any of which could negatively impact our business. We expect that the Affordable Care Act, as well as other healthcare reform measures that have been and may be adopted in the future, may result in more rigorous coverage criteria and in additional downward pressure on the price that we receive for any approved product, and could negatively impact our future revenues. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may compromise our ability to generate revenue, attain profitability or commercialize our products.

Even if we are able to commercialize our products, the products may not receive coverage and adequate reimbursement from third-party payors, which could harm our business.

The availability of reimbursement by governmental and private payors is essential for most patients to be able to afford expensive treatments. Sales of our products, if approved, will depend substantially on the extent to which the costs of these products will be paid by health maintenance, managed care, pharmacy benefit and similar healthcare management organizations, or reimbursed by government health administration authorities, private health coverage insurers and other third-party payors. If reimbursement is not available, or is available only to limited levels, we may not be able to successfully commercialize our products. Even if coverage is provided, the approved reimbursement amount may not be high enough to allow us to establish or maintain pricing sufficient to realize a sufficient return on our investment.

In the United States, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, or Medicare Modernization Act, established the Medicare Part D program and provided authority for limiting the number of drugs that will be covered in any therapeutic class thereunder. The Medicare Modernization Act, including its cost reduction initiatives, could decrease the coverage and reimbursement rate that we receive for any of our approved products. Furthermore, private payors often follow Medicare coverage policies and payment limitations in setting their own reimbursement rates. Therefore, any reduction in reimbursement that results from the Medicare Modernization Act may result in a similar reduction in payments from private payors.

There is significant uncertainty related to the insurance coverage and reimbursement of newly approved products. In the United States, the principal decisions about reimbursement for new medicines are typically made by the Centers for Medicare & Medicaid Services (CMS), an agency within the U.S. Department of Health and Human Services (HHS), as CMS decides whether and to what extent a new medicine will be covered and reimbursed under Medicare. Private payors tend to follow CMS to a substantial degree.

The intended use of a drug product by a physician can also affect pricing. For example, CMS could initiate a National Coverage Determination administrative procedure, by which the agency determines which uses of a therapeutic product would and would not be reimbursable under Medicare. This determination process can be lengthy, thereby creating a long period during which the future reimbursement for a particular product may be uncertain.

Outside the United States, particularly in member states of the European Union, the pricing of prescription drugs is subject to governmental control. In these countries, pricing negotiations or the successful completion of health technology assessment procedures with governmental authorities can take considerable time after receipt of marketing approval for a product. In addition, there can be considerable pressure by governments and other stakeholders on prices and reimbursement levels, including as part of cost containment measures. Certain countries allow companies to fix their own prices for medicines, but monitor and control company profits. Political, economic and regulatory developments may further complicate pricing negotiations, and pricing negotiations may continue after reimbursement has been obtained. Reference pricing used by various European Union member states and parallel distribution, or arbitrage between low-priced and high-priced member states, can further reduce prices. In some countries, we or our collaborators may be required to conduct a clinical trial or other studies that compare the cost-effectiveness of our product candidates to other available therapies in order to obtain or maintain reimbursement or pricing approval. Publication of discounts by third-party payors or authorities may lead to further pressure on the prices or reimbursement levels within the country of publication and other countries. If reimbursement of any product candidate approved for marketing is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our business, financial condition, results of operations or prospects could be adversely affected.

Our relationships with customers and third-party payors will be subject to applicable anti-kickback, fraud and abuse and other healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings.

Healthcare providers, physicians and third-party payors play a primary role in the recommendation and prescription of any product candidates for which we obtain marketing approval. Our future arrangements with third-party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell and distribute our products for which we obtain marketing approval. As a pharmaceutical company, even though we do not and will not control referrals of healthcare services or bill directly to Medicare, Medicaid or other third-party payors, certain federal and state healthcare laws and regulations pertaining to fraud and abuse and patients' rights are and will be applicable to our business.

Comparable laws and regulations exist in the countries within the European Economic Area (EEA). Although such laws are partially based upon European Union law, they may vary from country to country. Healthcare specific, as well as general European Union and national laws, regulations and industry codes constrain, for example, our interactions with government officials and healthcare practitioners, and the handling of healthcare data. Non-compliance with any of these laws or regulations could lead to criminal or civil liability.

Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, imprisonment, exclusion from government funded healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations. If any physicians or other healthcare providers or entities with whom we expect to do business are found to not be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs.

Also, the U.S. Foreign Corrupt Practices Act and similar worldwide anti-bribery laws generally prohibit companies and their intermediaries from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business. Our internal control policies and procedures may not protect us from reckless or negligent acts committed by our employees, future distributors, licensees or agents. Violations of these laws, or allegations of such violations, could result in fines, penalties or prosecution and have a negative impact on our business, results of operations and reputation.

Our products, if approved, may be unable to achieve broad market acceptance and, consequently, limit our ability to generate revenue from new products.

Even when product development is successful and regulatory approval has been obtained, our ability to generate significant revenue depends on the acceptance of our products by physicians and patients. The market acceptance of any product depends on a number of factors, including the indication statement and warnings approved by regulatory authorities in the product label, continued demonstration of efficacy and safety in commercial use, physicians' willingness to prescribe the product, reimbursement from third-party payors such as government healthcare systems and insurance companies, the price of the product, the nature of any post-approval risk management plans mandated by regulatory authorities, competition, and marketing and distribution support. Any factor preventing or limiting the market acceptance of our product candidates could have a material adverse effect on our business, results of operations and financial condition.

If we receive regulatory approvals, we may market our products in multiple jurisdictions where we have limited or no operating experience and may be subject to increased business and economic risks that could affect our financial results.

If we receive regulatory approvals, we may market our products in jurisdictions where we have limited or no experience in marketing, developing and distributing our products. Certain markets have substantial legal and regulatory complexities that we may not have experience navigating. We are subject to a variety of risks inherent in doing business internationally, including risks related to the legal and regulatory environment in non-U.S. jurisdictions, including with respect to privacy and data security, trade control laws and unexpected changes in laws, regulatory requirements and enforcement, as well as risks related to fluctuations in currency exchange rates and political, social and economic instability in foreign countries. In addition, controlled substance legislation may differ in other jurisdictions and could restrict our ability to market our products internationally. If we are unable to manage our international operations successfully, our financial results could be adversely affected.

Our products will contain controlled substances, the use of which may generate public controversy.

Since our products will contain controlled substances, their regulatory approval may generate public controversy. Political and social pressures and adverse publicity could lead to delays in approval of, and increased expenses for, our products. These pressures could also limit or restrict the introduction and marketing of our products. Adverse publicity from cannabis misuse or adverse side effects from cannabis or other cannabinoid products may adversely affect the commercial success or market penetration achievable by our products. The nature of our business attracts a high level of public and media interest, and in the event of any resultant adverse publicity, our reputation may be harmed.

If we fail to protect or enforce our intellectual property rights or secure rights to the intellectual property of others, the value of our intellectual property rights would diminish.

We may be unable to obtain patents or other protection for any technologies we develop, because such technologies are not coverable by patents or other forms of registered intellectual property, because third parties file patents covering the same claims earlier than we do, or for other reasons. If we are able to obtain issued patents, we cannot predict the degree and range of protection any patents will afford us against competitors, including whether third parties will find ways to invalidate or otherwise circumvent our patents. Others may obtain patents claiming aspects similar to those covered by our patents and patent applications, which may limit the efficacy of the protections afforded by any patents we may obtain.

Our success will also depend upon the skills, knowledge and experience of our personnel, our consultants and advisors as well as our licensors and contractors. To help protect any proprietary know-how we develop and any inventions for which patents may be unobtainable or difficult to obtain, we expect to rely on trade secret protection and confidentiality agreements. To this end, we expect to require our employees, consultants, advisors and contractors to enter into agreements which prohibit the disclosure of confidential information and, where applicable, require disclosure and assignment to us of the ideas, developments, discoveries and inventions important to our business. These agreements may not provide adequate protection for our trade secrets, know-how or other proprietary information in the event of any unauthorized use or disclosure or the lawful development by others of such information. If any of our trade secrets, know-how or other proprietary information is disclosed, the value of our trade secrets, know-how and other proprietary rights would be significantly impaired and our business and competitive position would suffer.

If we infringe the rights of third parties we could be prevented from selling products and forced to pay damages or defend against litigation.

If our products, methods, processes and other technologies infringe the proprietary rights of other parties, we could incur substantial costs. In that case, we could be required to:

- obtain licenses from such third parties, which may not be available on commercially reasonable terms, if at all;
- redesign our products or processes to avoid infringement, which may not be feasible;
- stop using the subject matter claimed in the patents held by others;
- pay damages; and/or
- defend litigation or administrative proceedings, which may be costly whether we win or lose, and which could result in a substantial diversion of our valuable management resources.

Any of these outcomes could divert management attention and other resources and could significantly harm our operations and financial condition.

We may incur substantial liabilities and may be required to limit commercialization of our products in response to product liability lawsuits.

If we are able to develop and commercialize our proposed products, we could become subject to product liability claims. If we are not able to successfully defend against such claims, we may incur substantial liabilities or be required to limit commercialization of our proposed products. If we are unable to obtain sufficient product liability insurance at an acceptable cost to protect against potential product liability claims this could prevent or inhibit the commercialization of products we develop, alone or with collaborators. Even if our agreements with any future collaborators entitle us to indemnification against losses, such indemnification may not be available or adequate should any claim arise.

Government regulation of our products could increase our costs, prevent us from offering certain products or cause us to recall products.

The processing, formulation, manufacturing, packaging, labeling, advertising and distribution of our products is subject to regulation by one or more federal agencies, and various agencies of the states and localities in which our products are manufactured and sold. These government regulatory agencies may attempt to regulate any of our products that fall within their jurisdiction. Such regulatory agencies may not accept the evidence of safety for any new ingredients that we may want to market, may determine that a particular product or product ingredient presents an unacceptable health risk, may determine that a particular statement of nutritional support that we want to use is an unacceptable drug claim or an unauthorized version of a food “health claim,” may determine that a particular product is an unapproved new drug, or may determine that particular claims are not adequately supported by available scientific evidence. Such a determination would prevent us from marketing particular products or using certain statements of nutritional support on our products. We also may be unable to disseminate third-party literature that supports our products if the third-party literature fails to satisfy certain requirements.

In addition, a government regulatory agency could require us to remove a particular product from the market. Any product recall or removal would result in additional costs to us, including lost revenues from any products that we are required to remove from the market, any of which could be material. Any such product recalls or removals could lead to liability, substantial costs and reduced growth prospects.

If any of our products contain plants, herbs or other substances not recognized as safe by a government regulatory agency, we may not be able to market or sell such products in that jurisdiction. Any such prohibition could materially adversely affect our results of operations and financial condition. Further, if more stringent statutes are enacted, or if more stringent regulations are promulgated, we may not be able to comply with such statutes or regulations without incurring substantial expense, or at all.

We are not able to predict the nature of future laws, regulations, repeals or interpretations or to predict the effect additional governmental regulation, if and when it occurs, would have on our business in the future. Such developments could, however, require reformulation of certain products to meet new standards, recalls or discontinuance of certain products not able to be reformulated, additional record-keeping requirements, increased documentation of the properties of certain products, additional or different labeling, additional scientific substantiation, or other new requirements. Any such developments could involve substantial additional costs to us, which we may not be able to fund, and could have a material adverse effect on our business operations and financial condition.

We use hazardous materials in our drug development business and may use such materials in our environmental businesses in the future. Any claims relating to improper handling, storage or disposal of these materials could be time consuming and costly.

Our cannabinoid research and development efforts and manufacturing processes may involve the controlled storage, use and disposal of certain hazardous materials and waste products. The same may be true for our environmental businesses. We and our suppliers and other collaborators are subject to federal, state and local regulations governing the use, manufacture, storage, handling and disposal of materials and waste products. Even if we and these suppliers and collaborators comply with the standards prescribed by law and regulation, the risk of accidental contamination or injury from hazardous materials cannot be eliminated. We may not be able to obtain and maintain insurance on acceptable terms, or at all, to cover costs associated with any such accidental contamination. In the event of such an accident, we could be held liable for any damages that result, and any liability could exceed the limits or fall outside the coverage of any insurance we may obtain and exceed our financial resources. We may incur significant costs to comply with current or future environmental laws and regulations.

Risks Related to our Impact Investing Strategy

If we are unable to identify and acquire businesses or assets in furtherance of our impact investing strategy, we may be unable to generate significant revenue.

We intend to acquire additional businesses and assets that will generate revenue related to our impact investing strategy and there can no assurance that we will be able to do so, or to do so on terms that are acceptable to us, or in a manner that will provide us with the revenue we expect.

Our consideration of sustainability and environmental criteria as the pre-eminent part of our business and investment strategy will limit the types and number of business opportunities available to the Company and may result in the Company engaging in industry sectors that underperform the market as a whole, or forgoing opportunities to invest available capital in businesses that might otherwise be advantageous to acquire or develop. If we are not successful in acquiring or developing desirable businesses or assets which fit within our business strategy or if those businesses do not generate sufficient revenue, our business, financial condition and results of operations could be materially adversely affected.

Our impact investing strategy is new, untested and may not be successful.

Our impact investing strategy is qualitative and subjective by nature, and there is no guarantee that the factors we utilize in making capital and other resource allocation decisions or any judgment exercised by our management or board will reflect the opinions of any particular shareholder, and the investment criteria utilized by the Company may differ from the investment criteria that any particular shareholder considers relevant in evaluating a company's sustainability or impact investing practices. In making allocation and investment decisions, Company management will be dependent upon information and data obtained through voluntary or third-party reporting, if available, that may be incomplete, inaccurate or present conflicting information and data with respect to a particular opportunity, which in each case could cause the Company to incorrectly assess a potential target's business practices with respect to its sustainability and impact investing practices. Socially and environmentally-responsible norms differ by region. In implementing its impact investing strategy, management will seek to exclude businesses deemed to be fundamentally misaligned with the Company's sustainability principles. In addition, as a result of the Company's engagement activities, the Company may make an investment in activities or companies that do not currently engage in sustainability or impact investing practices that meet criteria established by the Company in an effort to improve such target's impact investing practices. Successful application of the Company's impact investing strategy and management's engagement efforts will depend on management's skill in properly identifying and analyzing material sustainability issues, and there can be no assurance that the strategy or techniques employed will be successful.

We have limited experience operating an impact investing strategy and may be subject to increased business and economic risks that could affect our financial results.

We have limited experience operating a business with an impact investing strategy. If we are unable to manage our impact investing operations successfully, our financial results could be adversely affected.

We may be unable to obtain the financing we need to pursue our impact investing strategy and any future financing we receive may be less favorable to us than our current financing arrangements, either of which may adversely affect our ability to expand our operations.

Sustainability-focused businesses we may seek to acquire or develop will require substantial capital investment. Our access to capital on acceptable or favorable terms to us is necessary for the success of our impact investing strategy, particularly in enhancing our portfolio through M&A activities. Our attempts to obtain the necessary future financing may not be successful or result in financing available on favorable terms. Our ability to arrange for financing on a substantially non-recourse or limited recourse basis, and the costs of such financing, are dependent on numerous factors, including general economic conditions, conditions in the global capital and credit markets, investor confidence, the success of our business, the credit quality of the businesses being financed, and the continued existence of tax laws which are conducive to raising capital for these types of activities. If we are not able to obtain financing on a substantially non-recourse or limited recourse basis, we may have to finance our M&A activities using recourse capital such as direct equity investments or the incurrence of additional debt by us. Also, in the absence of favorable financing options, we may decide not to develop or acquire facilities or businesses from third parties. Any of these alternatives could have a material adverse effect on our growth prospects.

We may also need additional financing to implement our impact investing strategic plan. For example, our cash flow from operations and existing liquidity facilities may not be adequate to finance any acquisitions we may seek to pursue or new technologies we may seek to develop or acquire. Financing for acquisitions or technology development activities may not be available on terms we find acceptable.

Unfavorable legislative changes could affect our financial results.

The environmental assets we are considering purchasing are often subject to environmental regulations, and we expect such regulatory conditions to influence the assumptions we will make regarding the future revenues and expenses associated with such proposed acquisitions. If those regulatory conditions change, our revenues may decrease and our expenses may increase, adversely affecting our financial results.

The reduction or elimination of government incentives could adversely affect our business, financial condition, future results and cash flows.

Our impact investing strategy benefits from those public policies and government incentives that support renewable energy and enhance the economic feasibility of sustainability-based projects in regions where we operate. Such policies and incentives include tax credits, accelerated depreciation tax benefits, renewable portfolio standards, carbon trading mechanisms, rebates, and may include similar or other incentives to end users, distributors, or other participants in the energy or mining industry. Some of these measures have been implemented at the federal level, while others have been implemented by various states within the United States. The availability and continuation of these public policies and government incentives are likely to have a significant effect on the economics and viability of our environmental businesses. Changes to such public policies or any reduction in or elimination or expiration of such government incentives supporting or deregulating the exploration, production and use of fossil fuels may create regulatory uncertainty in the renewable energy industry, which could have a material adverse effect on our business, financial condition, future results, and cash flows.

We may decide not to implement, or may not be successful in implementing, one or more elements of our multi-year strategic plan, and the plan as implemented may not achieve its goal of enhancing shareholder value through the long-term growth of our Company.

We are implementing a multi-year strategic plan to develop an impact investing business engaged in a number of complimentary impact investing businesses in the United States which will permit us to explore synergistic growth opportunities utilizing our core competencies.

There are uncertainties and risks associated with our strategic plan, including with respect to implementation and outcome. We may decide to change, or to not implement, one or more elements of the plan over time or we may not be successful in implementing one or more elements of the plan, in each case for a number of reasons. For example, we may face significant challenges and risks expanding into an impact investing business including:

- our ability to compete with the large number of other companies pursuing similar business opportunities, many of which already have established businesses in the geographic regions we are targeting and/or have greater financial, strategic, technological or other resources than we have;
- our ability to obtain financing on terms we consider acceptable, or at all, which we may need, for example, to develop new projects, to obtain desired technology, personnel, or intellectual property, to acquire one or more existing businesses as a platform for our expansion, or to fund internal research and development;
- our ability to provide services or products that keep pace with rapidly changing technology, customer preferences, equipment costs, increasing raw materials and transportation costs, market conditions and other factors that currently are unknown to us that will impact these markets;

- our ability to manage the risks and uncertainties associated with our operating the facilities and projects in this line of business, including the variability of revenues and profitability of such projects;
- our ability to devote the management and other resources required to successfully implement this plan; and
- our ability to recruit appropriate employees and address labor market challenges in those geographic regions in which we intend to operate.

Apart from the risks associated with implementing the plan, the plan itself will expose us to other risks and uncertainties once implemented. Expanding our customer base may expose us to customers with different credit profiles than our current customers. Expanding our geographic base will subject us to risks associated with doing business in new regions where we will have to learn the local business and political environment. In addition, expanding into new technologies will expose us to new risks and uncertainties that are unknown to us now in addition to the risks and uncertainties that may be similar to those we now face. The success of the plan, once implemented, will depend, among other things, on our ability to manage these risks effectively. There is no assurance that the plan will enhance shareholder value through long-term growth of the Company to the extent currently anticipated by our management or at all.

We may engage in transactions with businesses or entities affiliated with our executive officers, directors or major shareholders which may raise potential conflicts of interest.

In carrying out our impact investing strategy, we may decide to enter into a transaction or acquire a business affiliated with our executive officers, directors or one or more of our major shareholders. We would pursue a transaction with an affiliated entity if we determined that such affiliated entity met our criteria and guidelines for a business combination or other transaction, and such transaction was approved by a majority of our independent and disinterested directors. We may not obtain an opinion from an independent investment banking firm or another independent entity regarding the fairness to the Company from a financial point of view of such a business combination or transaction. In the event of a transaction with an affiliated entity, potential conflicts of interest may exist and, as a result, the terms of the transaction may not be as advantageous to our public shareholders as they would be absent any conflicts of interest.

We may not be able to successfully conclude the transactions or integrate the companies which we may acquire in the future, which could materially and adversely affect our business, financial condition, future results and cash flow.

We intend to carry out our impact investing strategy primarily through acquisitions. Integrating acquisitions is often costly, and we may be unable to successfully integrate our acquired businesses with our existing operations without substantial costs, delays or other adverse operational or financial consequences. Integrating our acquired companies involves a number of risks that could materially and adversely affect our business, including:

- failure of the acquired companies to achieve the results we expect;
- inability to retain key personnel of the acquired companies;
- risks associated with unanticipated events or liabilities; and
- the difficulty of establishing and maintaining uniform standards, controls, procedures and policies, including accounting controls and procedures.

If any of our acquired companies suffers customer dissatisfaction or performance problems, this could adversely affect our reputation and could materially and adversely affect our business, financial condition, future results and cash flow.

Concentration of customers, specific projects and regions may expose us to heightened financial exposure.

The success of our impact investing strategy may be heavily dependent on one or a limited number of customers. The financial performance of those businesses depends on the ability of each customer to perform its respective obligations, possibly under a long-term agreement between the parties. Our financial results could be materially and adversely affected if any of our customers fail to fulfill its contractual obligations and we are unable to find other customers in the marketplace to purchase at the same level of profitability. We cannot be assured that such performance failures by our customers will not occur, or that if they do occur, such failures will not adversely affect the cash flows or profitability of our businesses. Moreover, there can be no assurance that we will be able to enter into replacement agreements on favorable terms or at all.

Although we have identified general criteria and guidelines that we believe are important in evaluating prospective target businesses, we may enter into business combinations that do not have attributes entirely consistent with our general criteria and guidelines.

Although we have identified general criteria and guidelines for evaluating prospective target businesses that fall within our impact investing strategy, it is possible that we may acquire or enter into transactions with a target business which will not meet all of these criteria. If shareholder approval of the transaction is required by applicable law or other requirements, or we decide to obtain shareholder approval for business or other reasons, it may be more difficult for us to attain shareholder approval of those business combinations if the target business does not meet our general criteria and guidelines.

We may make future acquisitions or form partnerships and joint ventures that may involve numerous risks that could impact our financial condition, results of operations and cash flows.

Our impact investing strategy may include expanding our scope of products and services organically or through selective acquisitions, investments or creating partnerships and joint ventures. We may selectively acquire other businesses, product or service lines, assets or technologies that are complementary to our business. We may be unable to find or consummate future acquisitions at acceptable prices and terms, or we may be unable to integrate existing or future acquisitions effectively and efficiently and may need to divest those acquisitions. We expect to continually evaluate potential acquisition opportunities in the ordinary course of business. Acquisitions involve numerous risks, including among others:

- our evaluation of the synergies and/or long-term benefits of an acquired business;
- integration difficulties, including challenges and costs associated with implementing systems, processes and controls to comply with the requirements of a publicly-traded company;
- diverting management's attention;
- litigation arising from acquisition activity;
- potential increased debt leverage;
- potential issuance of dilutive equity securities;
- entering markets in which we have no or limited direct prior experience and where competitors in such markets have stronger market positions;
- unanticipated costs and exposure to undisclosed or unforeseen liabilities or operating challenges;
- potential goodwill or other intangible asset impairments;
- potential loss of key employees and customers of the acquired businesses, product or service lines, assets or technologies;
- our ability to properly establish and maintain effective internal controls over an acquired company; and
- increasing demands on our operational and IT systems.

The success of acquisitions of businesses, new technologies and products, or arrangements with third parties is not always predictable and we may not be successful in realizing our objectives as anticipated. Furthermore, any future credit facility entered into in connection with such acquisitions may contain certain financial and operational covenants that limit, or that may have the effect of limiting, among other things, the payment of dividends, acquisitions, capital expenditures, the sale of assets and the incurrence of additional indebtedness.

We could be exposed to significant liability for violations of hazardous substances laws because of the use or presence of such substances at our facilities or properties.

Our impact investing business operations will be subject to numerous federal, regional, state and local statutory and regulatory standards relating to the generation, handling, transportation, use, storage, treatment and disposal of hazardous substances. If any hazardous substances are found to have been released into the environment at or by one of our facilities or on one of our properties in concentrations that exceed regulatory limits, we could become liable for the investigation and removal of those substances, regardless of their source and time of release. If we fail to comply with these laws, ordinances or regulations (or any change thereto), we could be subject to, among other things, civil or criminal liability, the imposition of liens or fines, the cessation of operations, or substantial expenditures necessary to bring our operations into compliance. Furthermore, under certain federal and states laws, we can be held liable for the cleanup of releases of hazardous substances at any of our current or former facilities or at any other locations where we arranged for disposal of those substances, even if we did not cause the release at that location or if the release complied with applicable law at the time it occurred. Liability under these laws can be joint and several. The cost of any remediation activities in connection with a spill or other release of such substances could be significant and could expose us to significant liability.

Our operations could be adversely impacted by climate change.

Our environmental services operations may be susceptible to losses and interruptions caused by extreme weather conditions such as droughts, hurricanes, floods, wildfires, and water or other natural resource shortages, occurrences of which may increase in frequency and severity as a result of climate change. Climate change may also produce general changes in weather or other environmental conditions, including temperature or precipitation levels. To the extent weather conditions continue to be impacted by climate change, our environmental services operations and facilities may be adversely impacted in a manner that we could not predict which may in turn adversely impact our results of operations. In addition, the potential physical effects of climate change, such as increased frequency and severity of storms, floods, and other climatic events, could disrupt our operations and cause us to incur significant costs to prepare for or respond to these effects.

If we are deemed to be an investment company under the Investment Company Act, we may be required to institute burdensome compliance requirements and our activities may be restricted, which may make it difficult for us to carry out our impact investing strategy.

If we are deemed to be an investment company under the Investment Company Act, our activities may be subject to, among other things, restrictions on the nature of our investments and the issuance of securities, each of which may make it difficult for us to carry out our planned impact investing strategy. In addition, we may be subject to additional requirements including: (i) registration as an investment company with the SEC; (ii) adoption of a specific form of corporate structure; and (iii) reporting, record keeping, voting, proxy and disclosure requirements and other rules and regulations that we are currently not subject to. Compliance with these additional regulatory burdens would require additional expenses for which we have not allotted funds and may hinder our ability to carry out our impact investing strategy.

In order not to be regulated as an investment company under the Investment Company Act, unless we can qualify for an exclusion, we must ensure that we are engaged primarily in a business other than investing, reinvesting or trading of securities and that our activities do not include investing, reinvesting, owning, holding or trading "investment securities" constituting more than 40% of our assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. Our business will include identifying and completing business combination and thereafter to operate the post-transaction business or assets for the long term. We do not plan to buy businesses or assets with a view to resale or profit from their resale. We do not plan to buy unrelated businesses or assets or to be a passive investor. We do not believe that our principal activities will subject us to registration under the Investment Company Act.

Risks Related to our Common Stock

Our common stock is illiquid and the price of our common stock may be negatively impacted by any negative operational results and factors unrelated to our operations.

Our common stock is quoted on the OTC and trading on the OTC is frequently highly volatile, with low trading volume. We have experienced significant fluctuations in the price and trading volume of our common stock, which may be caused by factors relating to our business and operational results and/or factors unrelated to the Company, including general market conditions. An active market for our common stock may never develop, in which case it could be difficult for stockholders to sell their common stock. The market price of our common stock could continue to fluctuate substantially.

Trading of our stock is restricted by the SEC's "penny stock" regulations and certain FINRA rules, which may limit a stockholder's ability to buy and sell our common stock.

Our securities are covered by certain "penny stock" rules, which impose additional sales practice requirements on broker-dealers who sell low-priced securities to persons other than established customers and accredited investors. For transactions covered by these rules, a broker-dealer must make a special suitability determination for the purchaser and have received the purchaser's written consent to the transaction prior to sale, among other things. These rules may affect the ability of broker-dealers and holders to sell our common stock and may negatively impact the level of trading activity for our common stock. To the extent our common stock remains subject to the penny stock regulations, such regulations may discourage investor interest in and adversely affect the market liquidity of our common stock.

The Financial Industry Regulatory Authority (FINRA) has adopted rules that require a broker-dealer, when recommending an investment to a customer, to have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low-priced securities will not be suitable for at least some customers. FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit an investor's ability to buy and sell our common stock and could have an adverse effect on the market for our shares.

If we issue and sell additional shares of our common stock in the future, our existing stockholders will be diluted and our stock price could fall.

Our articles of incorporation authorize the issuance of up to 1,000,000,000 shares of common stock, of which, as of March 28, 2024, 101,023,485 shares were outstanding and 18,855,879 shares were reserved for issuance under our stock incentive plan and other outstanding options or warrants. As a result, we have a large number of shares of common stock that are authorized for issuance that are not outstanding or otherwise reserved, and could be issued at the discretion of our Board of Directors. We expect to seek additional financing in the future in order to fund our operations, and if we issue additional shares of common stock or securities convertible into common stock, our existing stockholders will be diluted. Our Board of Directors may also choose to issue shares of our common stock or securities convertible into or exercisable for our common stock to acquire assets or companies, for compensation to employees, officers, directors, consultants and advisors, to fund capital expenditures and to enter into strategic partnerships. Additionally, shares of common stock could be issued for anti-takeover purposes or to delay or prevent changes in control or management of the Company. Our Board of Directors may determine to issue shares of our common stock on terms that our stockholders do not believe enhance stockholder value, or that may ultimately have an adverse effect on our business or the trading price of our common stock. Further, the issuance of any such shares may cause further dilution to the ownership interest of our current stockholders, reduce the book value per share of our common stock and may contribute to a reduction in the market price for our common stock.

Our principal stockholders and management own a significant percentage of our stock and will be able to exert significant control over matters subject to stockholder approval.

Certain of our executive officers, directors and stockholders own a significant percentage of our outstanding capital stock. As of March 28, 2024, our executive officers, directors, holders of 5% or more of our capital stock and their respective affiliates beneficially owned approximately 54.8% of our outstanding shares of common stock. Accordingly, our directors, executive officers and certain stockholders have significant influence over our affairs due to their substantial stock ownership coupled with their positions on our management team. For example, these stockholders may be able to control or influence elections of directors, amendments of our organizational documents, or approval of any merger, sale of assets, or other major corporate transaction. This concentration of ownership may prevent or discourage unsolicited acquisition proposals or offers for our common stock that some of our stockholders may believe is in their best interest.

We are subject to the reporting requirements of federal securities laws, compliance with which involves significant time, expense and expertise.

We are a public reporting company and are subject to the information and reporting requirements of the Exchange Act and other federal securities laws, including the obligations imposed by the Sarbanes-Oxley Act of 2002. The ongoing costs associated with preparing and filing annual, quarterly and current reports, proxy statements and other information with the SEC in the ordinary course, as well as preparing and filing audited financial statements, are significant and may cause unexpected increases in operational expenses. Our present management team is relatively small and may be unable to manage the ongoing costs and compliance effectively. It may be time consuming, difficult and costly for us to hire additional financial reporting, accounting and other finance staff in order to build and retain a management team with adequate expertise and experience in operating a public company.

We have never paid dividends on our capital stock, and we do not anticipate paying any cash dividends in the foreseeable future.

The continued operation and expansion of our business will require substantial funding. We have paid no cash dividends on any of our capital stock to date and we currently intend to retain our available cash to fund the development and growth of our business. Any determination to pay dividends in the future will be at the discretion of our Board of Directors and will depend upon our results of operations, financial condition, contractual restrictions, restrictions imposed by applicable law and other factors our Board of Directors deems relevant. We do not anticipate paying any cash dividends on our common stock in the foreseeable future. Any return to stockholders will therefore be limited to the appreciation of their stock, which may never occur.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 1C. Cybersecurity

The Company recognizes the critical importance of cybersecurity in safeguarding sensitive information, maintaining operational resilience, and protecting stakeholders' interests.

The Company is in the process of establishing a cybersecurity policy (i) designed to establish a comprehensive framework for identifying, assessing, mitigating, and responding to cybersecurity risks across the organization and (ii) which implements protocols to evaluate, recognize, and address significant risks, including those posed by cybersecurity threats. This strategy encompasses the utilization of standard traffic monitoring tools, educating personnel to identify and report abnormal activities, and partnering with reputable service providers capable of upholding security standards equivalent to or exceeding our own in order to minimize exposure to unnecessary risks across our operations. For cybersecurity, we will collaborate with expert consultants and third-party service providers to implement industry-standard strategies aimed at identifying and mitigating potential threats or vulnerabilities within our systems. Additionally, the policy strategy will have a comprehensive cyber crisis response plan to manage high severity security incidents, ensuring efficient coordination across the organization.

Cybersecurity threats have not historically impacted our operations and we do not anticipate such risks materially affecting our business, strategy, financial condition, or results of operations. However, given the escalating sophistication of cyber threats, our preventive measures may not always suffice. Despite well-designed controls, we acknowledge the inability to foresee all security breaches, including those stemming from third-party misuse of AI technologies, and the potential challenges in implementing timely preventive measures. Please see *"Cyber incidents or attacks directed at us could result in information theft, data corruption, operational disruption and/or financial loss"* in Item 1A: Risk Factors for additional disclosure regarding cyber attack-related risks.

The Chief Executive Officer will oversee our information security programs, including cybersecurity initiatives and cybersecurity incident response process. The Audit Committee of the Board of Directors oversees cybersecurity risk management activities, supported by Company management, the Board of Directors, and external consultants. We assess and prioritize risks based on potential impact, implement technical controls, and monitor third-party vendors' security practices.

Item 2. Properties

Our corporate headquarters is a leased office located at 200 Park Avenue, Suite 400, Cleveland, Ohio. Graphium Biosciences operates out of leased office and laboratory space located at 2224A Sierra Meadows Drive, Rocklin, California pursuant to a lease expiring on March 31, 2024. The Range Reclamation Entities own an office in Flatwoods, West Virginia and lease an office in Fola, West Virginia. We believe our current facilities are adequate to support our corporate strategy over the next 12 months.

Item 3. Legal Proceedings

From time to time, we may become involved in litigation that arises in the ordinary course of our business. Neither we nor any of our property is currently subject to any proceedings the adverse outcome of which, individually or in the aggregate, would have a material adverse effect on our financial position or results of operations.

Item 4. Mine Safety Disclosures

The information concerning mine safety violations and other regulatory matters is filed as Exhibit 95 to this Form 10-K/A pursuant to the requirements of Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K (17 CFR 229.104).

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock has been quoted through various over-the-counter quotation systems at various times since 2009. Our common stock currently trades on the OTC Markets under the symbol "RNGE."

The following table sets forth the range of reported high and low closing bid quotations for our common stock for the fiscal quarters indicated as reported by OTC Markets Group. Common stock price reflects inter-dealer quotations, does not include retail markups, markdowns or commissions and does not necessarily represent actual transactions.

	<u>High</u>	<u>Low</u>
Fiscal Year Ended December 31, 2022		
First Quarter ended March 31, 2022	\$ 0.37	\$ 0.13
Second Quarter ended June 30, 2022	0.25	0.12
Third Quarter ended September 30, 2022	0.20	0.13
Fourth Quarter ended December 31, 2022	0.21	0.13
Fiscal Year Ended December 31, 2023		
First Quarter ended March 31, 2023	\$ 0.20	\$ 0.15
Second Quarter ended June 30, 2023	0.20	0.15
Third Quarter ended September 30, 2023	0.20	0.10
Fourth Quarter ended December 31, 2023	0.37	0.12

Transfer Agent

The transfer agent and registrar for our common stock is Securities Transfer Corporation, 2901 North Dallas Parkway, Suite 380, Plano, Texas 75093.

Holders of Common Stock

As of March 28, 2024, there were 70 holders of record of our common stock.

Dividends

We have never declared or paid any cash dividends or distributions on our common stock. We currently intend to retain our future earnings, if any, to support operations and to finance expansion, and we do not anticipate paying any cash dividends on our common stock in the foreseeable future.

Equity Compensation Plan Information

During the year ended December 31, 2023, we issued options to purchase 2,050,000 shares of the Company's common stock under the Range Impact, Inc. 2021 Stock Incentive Plan. Except as listed in the table below, as of December 31, 2023, we do not have any equity-based plans, including individual compensation arrangements, which have not been approved by our stockholders.

The following table provides information as of December 31, 2023 with respect to our equity compensation plans:

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	11,392,544	\$ 0.47	4,150,000
Total	11,392,544	\$ 0.47	4,150,000

Item 6. Selected Financial Data

Not applicable.

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Certain statements contained in this Annual Report are “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act, and are subject to the “safe harbor” created by these sections. Future filings with the SEC, future press releases and future oral or written statements made by us or with our approval, which are not statements of historical fact, may also contain forward-looking statements. Because such statements include risks and uncertainties, many of which are beyond our control, actual results may differ materially from those expressed or implied by such forward-looking statements. Some of the factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements can be found under the caption “Risk Factors” in Part I, Item 1A, and elsewhere in this Annual Report. The forward-looking statements speak only as of the date on which they are made, and we undertake no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they are made.

The following discussion should be read in conjunction with the financial statements and the accompanying notes for the periods ended December 31, 2023 and December 31, 2022 appearing elsewhere in this Annual Report. Our actual results could differ materially from those expressed or implied in any forward-looking statements as a result of various factors, including those set forth under the caption “Risk Factors” in Part I, Item 1A.

Items Affecting Comparability of Financial Results

During the year ended December 31, 2023, we purchased Collins Building, as described in Note 2 to our Consolidated Financial Statements. During the year ended December 31, 2022, we purchased the Range Reclamation Entities, as described in Note 3 to our Consolidated Financial Statements.

Plan of Operations

We are a public company dedicated to improving the health and wellness of people and the planet through a novel and innovative approach to impact investing. We own and operate several complementary operating businesses focused on developing long-term solutions to environmental, social, and health challenges, with a particular focus on acquiring, reclaiming and repurposing mine sites and other undervalued land in economically disadvantaged communities throughout Appalachia. We take an opportunistic approach to impact investing by leveraging our competitive advantages and looking at solving old problems in new ways. We seek to thoughtfully allocate our capital into strategic opportunities that are expected to make a positive impact on the people-planet ecosystem and generate strong investment returns for our shareholders.

Critical Accounting Policies

We believe the following critical accounting policies require us to make significant judgments and estimates in the preparation of our financial statements.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Business Combinations

Business combinations are accounted for using the purchase method of accounting under ASC 805, "Business Combinations." This method requires the Company to record assets and liabilities of the businesses acquired at their estimated fair values as of the acquisition date. Any excess of the cost of the acquisition over the fair value of the net assets acquired is recorded as goodwill. Determining the fair value requires management to make estimates and assumptions including discount rates, rates of return on assets, and long-term sales growth rates.

Goodwill

As referenced by ASC 350 "Intangibles- Goodwill and other" ("ASC 350"), management performs its annual test for goodwill at least annually or more frequently, if impairment indicators arise.

Stock-Based Compensation

The Company periodically issues stock options and restricted stock awards to employees and non-employees in non-capital raising transactions for services and for financing costs. The Company accounts for such grants issued and vesting based on ASC 718, Compensation-Stock Compensation whereby the value of the award is measured on the date of grant and recognized for employees as compensation expense on the straight-line basis over the vesting period. Recognition of compensation expense for non-employees is in the same period and manner as if the Company had paid cash for the services.

Revenue

The Company recognizes revenue under ASC 606, "Revenue from Contracts with Customers". The core principle of the revenue standard is that a company should recognize revenue by analyzing the following five steps; (1) identify the contract with the customer; 2) identify the performance obligations in the contract; 3) determine the transaction price; 4) allocate the transaction price to the performance obligations; and 5) recognize revenue when (or as) each performance obligation is satisfied. The Company primarily invoices customers and recognizes revenue on a periodic basis for equipment and labor hours provided to a customer on a particular job based on an agreed-upon hourly rate sheet or a fixed amount for a project. The Company also invoices customers and recognizes revenue for equipment mobilization fees and materials and supplies required to complete a project. The Company invoices for the sales of chemicals and recognizes revenue when the products are delivered to the customer's designated site. Costs for equipment, labor and chemicals are generally expensed as incurred since the projects are generally short-term and not subject to a contract. The Company also invoices customers for the provision of environmental security services on an agreed-upon hourly rate for each project.

The Company recognizes revenue from contracts for financial reporting purposes over time. Progress toward completion of the Company's contracts is measured by the percentage of cost incurred to date compared to estimated total costs for each contract. This method is used because management considers total cost to be the best available measure of progress on contracts. Because of inherent uncertainties in estimating costs, it is at least reasonably possible that the estimates used will change significantly within the near term.

Recent Accounting Pronouncements

Please refer to Footnote 1 of the accompanying financial statements for management's discussion of recent accounting pronouncements.

Results of Operations

Years Ended December 31, 2023 and December 31, 2022

The following table sets forth our results of operations for the years ended December 31, 2023 and 2022.

	Year Ended December 31, 2023	Year Ended December 31, 2022
Revenues	\$ 19,346,306	\$ 4,832,278
Cost of services	13,111,497	3,439,026
Gross profit	6,234,809	1,393,252
Operating Expenses:		
General and administrative	4,021,556	2,022,882
Research and development	458,889	470,803
Income (loss) from operations	1,754,364	(1,100,433)
Other Income:		
Gain on bargain purchase	1,875,150	-
Gain on loan forgiveness	-	109,435
Interest expense	(505,917)	(81,178)
Interest income	7,458	-
Total other income (expense)	1,376,691	28,257
Net income (loss)	\$ 3,131,055	\$ (1,072,176)

The Company's revenue during the year ended December 31, 2023 was \$19,346,306 compared to \$4,832,278 for the year ended December 31, 2022 (an increase of \$14,514,028). The Company's increase in revenue was the result of (i) an increase in revenue from its mining activities of \$9,143,598 compared to \$0 in revenue from its mining activities during the prior year period, (ii) an increase in revenues from its reclamation services provided at coal mine sites of \$2,380,701 due to additional reclamation services provided to its largest customer at the mine site in Fola, West Virginia, (iii) an increase in revenues from reclamation activities related to abandoned mine land sites of \$2,305,534, which reflects an entirely new line of business resulting from the acquisition of Collins Building and Contracting, Inc. in August 2023, and (iv) increase in revenues from security services at coal mine sites of \$684,195 compared to \$0 in revenue from security services during the prior year period. During the year ended December 31, 2023, we earned a gross profit of \$6,234,809 compared to \$1,393,252 during the year ended December 31, 2022 (an increase of \$4,841,557), with \$4,459,869 of the increase in gross profit earned through the Company's reclamation and mining business segments, and \$381,688 of the increase in gross profit earned through the Company's new security services business segment.

During the year ended December 31, 2023, we incurred general and administrative expenses in the aggregate amount of \$4,021,556 compared to \$2,022,882 for the year ended December 31, 2022 (an increase of \$1,998,674). General and administrative expenses generally include corporate overhead, salaries and other compensation costs, financial and administrative contracted services, consulting costs and travel expenses. The higher general and administrative expenses for the year ended December 31, 2023 was due primarily to an increase in general and administrative expenses in our Range Reclaim segment of \$1,426,857 which was due to added salaries, overhead and other contracted services as a result of the acquisition of Collins Building in 2023 and the resulting increased activity in that segment. We recorded wages for the Corporate segment in the amount of \$465,057 during the year ended December 31, 2023 compared to \$392,344 during the year ended December 31, 2022 (an increase of \$72,713), which was primarily due to additional wages resulting from two new accounting professionals hired during the year ended December 31, 2023.

During the year ended December 31, 2023, we incurred research and development expenses of \$458,889 compared to \$470,803 incurred during the year ended December 31, 2022 (a decrease of \$11,914). All of these expenses were incurred by the Company's Drug Development segment. The Company's research and development personnel expenses were \$274,912 during the year ended December 31, 2023, compared to \$331,202 for the year ended December 31, 2022 (a decrease of \$56,290), and consulting expenses totaled \$87,000 during the year ended December 31, 2023 compared to \$0 during the year ended December 31, 2022.

During the year ended December 31, 2023, we recorded other income of \$1,376,691, consisting of a gain on bargain purchase of \$1,875,150 and interest income of \$7,458, offset by interest expense of \$505,917, compared to other income of \$28,257 during the year ended December 31, 2022, consisting of a gain on loan forgiveness of \$109,435 offset by interest expense of \$81,178 during the year ended December 31, 2022 (an increase of \$1,348,434).

Our net income during the year ended December 31, 2023 was \$3,131,055 compared to a net loss of \$1,072,176 for the year ended December 31, 2022 (an improvement of \$4,203,231). The Company's increase in net income was primarily the result of: (i) an increase in the Company's reclamation and mining business segments of \$2,591,077, primarily driven by new mining services and new abandoned mine land reclamation services, and an increase in reclamation services provided to its largest customer at the mine site in Fola, West Virginia, (ii) an increase in the Company's new security services business segment of \$269,772, and (iii) a reduction in the Company's corporate expenses of \$1,413,666, primarily due to the gain on bargain purchase of \$1,875,150 related to the acquisition of Collins Building and Contracting, Inc., which is partially offset by higher general and administrative costs.

Liquidity and Capital Resources

As of December 31, 2023, we had an accumulated deficit of \$47,081,799.

As of December 31, 2023, we had total current assets of \$9,724,845, primarily comprised of cash in the amount of \$2,176,800 and accounts receivable of \$7,185,411. As of December 31, 2023, we had total current liabilities of \$8,971,089, primarily consisting of the current portion of long-term debt in the amount of \$2,755,792, accounts payable of \$3,714,014 and lines of credit of \$2,400,000. As a result, on December 31, 2023, the Company had working capital of \$753,756. At December 31, 2022, the Company had negative working capital of \$(128,371).

As of December 31, 2023, the Company had long-term assets of \$14,063,299, comprised of net equipment assets of \$13,301,902, goodwill of \$751,421, and deposits of \$9,976. As of December 31, 2023, the Company had long-term liabilities of \$5,250,027 wholly-comprised of long-term debt, net of current portion.

Sources of Capital

Based on the Company's current corporate strategy, its net operating income for the 12 months following December 31, 2023 is expected to be approximately \$1,200,000, which is comprised of revenue generated by the Range Reclaim and Range Security business segments partially offset by general operating and research and development expenses. Based on the Company's cash balance of \$2,176,800, and its estimated net operating income of approximately \$1,200,000 for the 12-month period ending December 31, 2024, the Company expects to have sufficient funds to operate its business over the next 12 months. The Company expects to generate positive cash flow from its operating businesses, other than its Drug Development business, but may also seek additional financing and other sources of capital to accelerate the funding and execution of its growth strategy and value creation plan.

As we have disclosed in our previously-filed quarterly reports, we are actively seeking capital to advance our leading drug candidate, VBX-100, through Phase II clinical trials. We have no assurance that we will be successful in these capital-raising efforts or whether, as a result of such fund-raising, Graphium would continue as a wholly-owned subsidiary of the Company. In the event that we fail to raise the desired amount of capital, the Company will likely explore a strategic alternative for our Drug Development business so the Company can focus on our income-producing environmental services business. Such a disposition of the Drug Development business, were it to occur, would likely have a material effect on the Company's operations and financial condition.

Our estimated total expenditures for the 12-month period ending December 31, 2024 could increase if we encounter unanticipated expenses in connection with operating our business as presently planned. In addition, our estimates of the amount of cash necessary to fund our business may prove to be too low, and we could spend our available financial resources much faster than we currently expect. If we cannot raise the capital necessary to continue to develop our business, we will be forced to delay, scale back or eliminate some or all of our proposed operations. If any of these were to occur, there is a substantial risk that our business would fail.

Since inception, we have primarily funded our operations through equity and debt financings. Until such time as our operating businesses are consistently cash flow positive, we expect to continue funding our operations, at least in part, through equity and debt financings. However, sources of additional funds may not be available when needed, on acceptable terms, or at all. If we issue equity or convertible debt securities to raise additional funds or to fund, in whole or in part, acquisitions in furtherance of our business strategy, our existing stockholders may experience substantial dilution, and the new equity or debt securities may have rights, preferences and privileges senior to those of our existing stockholders. If we incur additional debt, it may increase our leverage relative to our earnings or to our equity capitalization, requiring us to pay additional interest expenses. Obtaining commercial loans, assuming those loans would be available, would increase our liabilities and future cash commitments. Moreover, regardless of the manner in which we seek to raise capital, we may incur substantial costs in those pursuits, including investment banking fees, legal fees, accounting fees, and other related costs.

Net Cash Provided By (Used in) Operating Activities

For the year ended December 31, 2023, net cash provided by operating activities was \$438,637 compared to net cash used in operating activities of \$603,778 for the year ended December 31, 2022 (an improvement of \$1,042,415). This improvement was primarily attributable to (i) our net income of \$3,131,055 for the year ended December 31, 2023 compared to a net loss of \$1,072,176 for the year ended December 31, 2022, (ii) an increase in accounts payable of \$3,480,206, and (iii) an increase in the cash adjustment for depreciation expense of \$1,781,573 during the year ended December 31, 2023 compared to \$395,543 during the year ended December 31, 2022, offset by an increase in accounts receivable of \$6,204,026 in the year ending December 31, 2023. Net cash used in operating activities during the year ended December 31, 2022, consisted primarily of a net loss of \$1,072,176, offset by stock-based compensation of \$393,260 and depreciation of \$395,543.

Net Cash Used in Investing Activities

For the year ended December 31, 2023, net cash used in investing activities was \$7,162,811, which consisted primarily of \$4,035,250 of long-term debt incurred and \$1,000,000 in cash paid by the Company arising from the Collins Building acquisition, \$1,118,664 for equipment purchased primarily by the Range Reclaim segment, and \$1,008,897 for land purchases by the Range Land segment. For the year ended December 31, 2022, net cash used in investing activities was \$6,547,230, which consisted primarily of \$5,813,057 for equipment purchased by the Range Reclaim segment and \$750,000 paid in connection with the acquisition of the Range Reclamation Entities.

Net Cash Provided By Financing Activities

For the year ended December 31, 2023, net cash provided by financing activities was \$8,458,605, compared to net cash provided from financing activities of \$7,555,034 for the year ended December 31, 2022. Net cash provided by financing activities for the year ended December 31, 2023 consisted of \$3,110,000 received from the issuance of common stock and warrants, proceeds of \$4,035,250 from long-term debt issued for the Collins Building acquisition and proceeds of \$2,400,000 from lines of credit, offset by the repayment of long-term debt of \$1,650,659. Net cash provided by financing activities for the year ended December 31, 2022 consisted of \$3,250,000 received from the issuance of common stock and warrants, proceeds of \$5,091,177 from long-term debt, offset by the payoff of an SBA Disaster Loan of \$158,815, the payoff of a revolving line of credit of \$350,000 and repayment of long-term debt of \$277,328.

Indebtedness

In November 2023, the Company entered into an Amended and Restated Promissory Note with an Ohio-based bank providing for a \$1,000,000 line of credit (the "2023 Line of Credit"). The 2023 Line of Credit has a maturity date of November 30, 2024 and bears interest at one percent (1%) above the bank's prime lending rate (9.50% at December 31, 2023). As of December 31, 2023, the balance due under the 2023 Line of Credit was \$1,000,000.

In June 2023, Range Environmental, one of the Company's wholly-owned subsidiaries, entered in a secured a bank loan with a limit of \$1,000,000. In November 2023, the loan amount was increased to \$1,400,000. Principal and accrued interest payments are required in March, June, September and December 2024. The loan has a maturity date of December 31, 2024, and bears interest at the prime rate (8.50% at December 31, 2023). As of December 31, 2023, the balance due under the loan was \$1,400,000.

In addition to the line of credit and bank loan discussed above, the Company's long-term debt consists of debt on vehicles and equipment, which serves as the collateral, and debt issued in connection with the acquisition of Collins Building. The Collins Building debt consists of (i) a five-year secured promissory note in the principal amount of \$2,000,000, bearing interest at 7.0% per annum (the "First Promissory Note") and (ii) a two-year secured promissory note in the original principal amount of \$2,035,250, bearing interest at 8.25% per annum (the "Second Promissory Note", and, together with the First Promissory Note, the "Collins Promissory Notes"). The First Promissory Note is secured by the acquired real property and quarry infrastructure and the Second Promissory Note is secured by the acquired equipment. At December 31, 2023, the First Promissory Note had an outstanding balance of \$1,887,395 and the Second Promissory Note had an outstanding balance of \$1,798,633.

Interest rates on the Company's vehicle and equipment financings range from 3.69% to 9.95% in 2023 and mature between 2024 through 2028. As of December 31, 2023, the total balance due under all of the debt on vehicles and equipment, other than the debt reflected by the Collins Promissory Notes, was \$4,319,791.

Off-Balance Sheet Arrangements

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that would be material to stockholders.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 8. Financial Statements and Supplementary Data

The financial statements required by this item are set forth at the end of this Annual Report beginning on page F-1 and are incorporated herein by reference.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures*Evaluation of Disclosure Controls and Procedures*

We have established disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that information relating to the Company is accumulated and communicated to management, including our principal officers, as appropriate to allow timely decisions regarding required disclosure. Our Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2023 and have concluded that our disclosure controls and procedures were effective as of December 31, 2023.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rule 13a-15. Internal control over financial reporting is defined in Rule 13a-15(f) and 15(d)-15(f) under the Exchange Act as a process designed to provide reasonable assurance to the Company's management and Board of Directors regarding the preparation and fair presentation of published financial statements. Management conducted an assessment of the Company's internal control over financial reporting as of December 31, 2023 based on the framework and criteria established by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control-Integrated Framework (COSO). Based on the assessment, management concluded that, as of December 31, 2023, the Company's internal controls over financial reporting were effective.

Changes in Internal Control over Financial Reporting

There are no changes in our internal control over financial reporting during the year ended December 31, 2023, that have materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Set forth below is certain information regarding our current directors and executive officers:

<u>Name</u>	<u>Position</u>	<u>Age</u>	<u>Director/Executive Officer Since</u>
Edward Feighan (2)(3)	Chairman of the Board of Directors	76	November 2018
Richard Celeste (1)(2)(3)	Director	86	January 2019
Michael Cavanaugh	Director and Chief Executive Officer	49	November 2018 / May 2019
Richard McKilligan	Chief Financial Officer and Counsel	60	May 2019
Dr. Brandon Zipp	Chief Science Officer	42	September 2020

- (1) Member of Audit Committee
- (2) Member of Compensation Committee
- (3) Member of Nomination and Corporate Governance Committee

Business Experience

The following is a brief account of the education and business experience of our current directors and executive officers:

Edward Feighan, Chairman, is currently the Chairman and CEO of Covius LLC, a privately-held firm providing a range of services to the mortgage securitization industry. Mr. Feighan has been an owner and Director of Continental Heritage Insurance Company, an early leader in the cannabis insurance market which provides surety bonds and other insurance solutions to the emerging cannabis markets, for more than twenty years. Previously, Mr. Feighan served as Chairman and CEO of ProCentury Insurance Corporation (NASDAQ: PROS) from its IPO in 2004 until the sale of the company to another public insurance group in 2008. In 1996, Mr. Feighan was the founding CEO of Century Business Services (NYSE: CBZ). Mr. Feighan held elective office in Cleveland, Ohio for twenty consecutive years from 1973 to 1993. After being elected to three terms in the Ohio House of Representatives from 1973 to 1979, Mr. Feighan served a four-year term as a Cuyahoga County Commissioner in the State of Ohio. Subsequently, Mr. Feighan served five terms as a Member of the United States House of Representatives from 1983 to 1993. During those ten years, Mr. Feighan served on the U.S. House Judiciary Committee and Foreign Affairs Committee. Mr. Feighan earned his law degree from Cleveland State University in 1978. The Board believes Mr. Feighan's extensive operational and executive experience with growth companies pursuing business combination transactions, as well as his fundraising and regulatory insight and public service experience, provides the Company a critical voice and perspective as the Company continues to develop its business and grow its operations.

Richard Celeste, Director, is a consultant and Founding Chair and Member of the Board of the US Olympic Museum (Colorado Springs, CO), Chair of the Board of Global Communities (Silver Spring, MD), Chair of Organic India Pvt Ltd. (India), and Chair of Organic India USA (Boulder, CO). In addition, Mr. Celeste serves on the Boards of Battelle for Kids (Columbus, OH), The Gates Family Foundation (Denver, CO), and Fabindia Ltd. (India). Mr. Celeste served as the Director of the Peace Corps from 1979-1981, as Governor of Ohio from 1983 to 1991, and as the United States Ambassador to India from 1997 to 2001. Mr. Celeste also served as the President of Colorado College from 2002-2011. The Board believes Mr. Celeste's fundraising and regulatory insight and public service experience provides the Company a critical voice and perspective as the Company continues to develop its business and grow its operations.

Michael Cavanaugh, Chief Executive Officer and Director, is currently the Chief Investment Officer of Tower 1 Partnership, LLC, an investment firm focused on private and public investments in a variety of industries and manager of several affiliated investment partnerships. In 2018, Mr. Cavanaugh was Managing Director and Chief Financial Officer of Kaulig Companies, a single-member family office with interests in private equity, real estate and wealth management. From 2016 to 2018, Mr. Cavanaugh was Managing Director of Conway MacKenzie, a national turnaround consulting firm, where he established and managed the firm's Cleveland, Ohio office and provided interim management and restructuring services to distressed and underperforming businesses. From 2006 to 2009 and 2011 to 2015, Mr. Cavanaugh was an executive with Resilience Capital Partners, a private equity firm focused on special situation control equity investments, where he served in several capacities, including as a Partner and member of the firm's Investment Committee and as an officer and director of numerous portfolio companies. Mr. Cavanaugh received a B.A. from Columbia University in 1996, an M.B.A. from the University of Michigan Business School in 2003, and a J.D. from the University of Michigan Law School in 2003. The Board believes Mr. Cavanaugh's extensive executive management experience and financial, legal and capital raising expertise will be valuable to the Company as it continues to develop its business and grow its operations.

Richard McKilligan, Chief Financial Officer and Counsel, joined the Company in April 2012 as Controller, Counsel and Secretary. Mr. McKilligan is also a director of Bristol Investment Fund, Ltd, a private investment fund. He served as Chief Financial Officer, General Counsel and Secretary of Research Solutions, Inc. (NASDAQ: RSSS) from 2007 to 2011 and Chief Compliance Officer and Counsel to Bristol Capital Advisors, LLC, an SEC-registered investment adviser, from 2006 to 2008. Mr. McKilligan earned his law degree from Cornell Law School, his MBA from the University of Chicago Booth School of Business, and his undergraduate degree in Accountancy from the University of Illinois at Urbana-Champaign. He is a member of the State Bar of California, the New York State Bar Association and the Florida Bar.

Dr. Brandon Zipp, Chief Science Officer, joined the Company in December 2012 as Staff Scientist. Dr. Zipp became Director of Research and Development in 2014, and was appointed as Chief Science Officer in 2020. Dr. Zipp received a Ph.D. in Biochemistry and Molecular Biology and a B.S. in Molecular and Cellular Biology from the University of California at Davis.

Term of Office

In accordance with our Bylaws, our directors are elected at each annual meeting of stockholders and serve until the next annual meeting of stockholders or until their successor has been duly elected and qualified, or until their earlier death, resignation or removal.

Director Independence

Pursuant to its charter, the Nomination and Corporate Governance Committee reviews the independence of each director annually and makes recommendations to the Board based on its findings. During these reviews, the Nomination and Corporate Governance Committee is to consider transactions and relationships between each director (and his or her immediate family and affiliates) and the Company and our management in order to determine whether any such transactions or relationships are inconsistent with a determination that the director was independent under the independence standards established by the Board from time to time and under the applicable rules of any applicable stock exchange, except to the extent permitted by such rules. While the Nomination and Corporate Governance Committee did not conduct its annual review of director independence in 2023, the Board has determined that all of our directors are independent other than Mr. Cavanaugh, our Chief Executive Officer. Accordingly, our Board of Directors is comprised of a majority of independent directors.

Board and Committee Meetings

The Board of Directors held four meetings during the year ended December 31, 2023. The directors also, on occasion, communicate informally to discuss the affairs of the Company and, when appropriate, take formal action by written consent of all of the directors, in accordance with our Certificate of Incorporation, Bylaws and Nevada law. Our Board has three standing committees: the Audit Committee, the Compensation Committee and the Nomination and Corporate Governance Committee. Members of such committees met formally and informally from time to time throughout the year ended December 31, 2023 on committee matters, with the Audit Committee holding four meetings, the Compensation Committee holding one meeting, and the Nomination and Corporate Governance Committee holding no meetings. Each director attended, in person or by telephone, 100% of the meetings of the Board and any committee of which he or she was a member.

Attendance at Annual Meeting

Although the Company does not have a policy with respect to attendance by members of the Board of Directors at its annual meeting of stockholders, all directors are encouraged to attend.

Committees

General. The Board of Directors has three standing committees: an Audit Committee, a Compensation Committee, and a Nomination and Corporate Governance Committee.

Audit Committee. Mr. Celeste is currently the sole member of our Audit Committee. Our Board has determined that Mr. Celeste is independent within the meaning of applicable SEC rules and qualifies as an audit committee financial expert, as such term is defined in Item 407(d)(5)(ii) of SEC Regulation S-K. The Audit Committee has oversight responsibilities for, among other things: the preparation of our financial statements; oversight of our financial reporting and disclosure processes; the administration, maintenance and review of our system of internal controls regarding accounting compliance; the appointment of our independent registered public accounting firm and review of its qualifications and independence; the review of reports, written statements and letters from our independent registered public accounting firm; and our compliance with legal and regulatory requirements in connection with the foregoing.

Compensation Committee. The Compensation Committee currently consists of Messrs. Feighan and Celeste, with Mr. Feighan serving as Chairman. Our Board has determined that Messrs. Feighan and Celeste meet the definition of a “non-employee director” under Rule 16b-3 under the Securities Exchange Act of 1934, as amended, the requirements of Section 162(m) of the Internal Revenue Code for “outside directors.” The duties of our Compensation Committee include, without limitation: reviewing, approving and administering our compensation programs and arrangements to ensure that they are effective in attracting and retaining key employees and reinforcing business strategies and objectives; determining the objectives of our executive officer compensation programs and the specific objectives relating to CEO compensation, including evaluating the performance of the CEO in light of those objectives; approving the compensation of our other executive officers and our directors; review and recommend for approval by the Board the frequency with which the Company should submit to the stockholders an advisory vote on the compensation of the Company’s named executive officers, taking into account any prior stockholder advisory vote on the frequency with which the Company shall hold a stockholder advisory vote on compensation of the Company’s named executive officers; and administering our as-in-effect incentive-compensation and equity-based plans. In making its compensation decisions and recommendations (other than with respect to the compensation of our Chief Executive Officer), the Compensation Committee takes into account the recommendation of our Chief Executive Officer. Other than giving his recommendation, our Chief Executive Officer does not participate in the Compensation Committee’s decisions regarding his own compensation.

Nomination and Corporate Governance Committee. The Nomination and Corporate Governance Committee of our Board of Directors currently consists of Messrs. Feighan and Celeste, with Mr. Feighan serving as Chairman. The responsibilities of the Nomination and Corporate Governance Committee include, without limitation: assisting in the identification of nominees for election to our Board of Directors, consistent with approved qualifications and criteria; determining the composition of the Board of Directors and its committees; recommending to the Board of Directors the director nominees for the annual meeting of stockholders; establishing and monitoring a process of assessing the effectiveness of the Board of Directors; developing and overseeing a set of corporate governance guidelines and procedures; and overseeing the evaluation of our directors and executive officers. In considering potential new directors, the Committee may review individuals from various disciplines and backgrounds. Among the qualifications to be considered in the selection of candidates are broad experience in business, finance or administration; familiarity with the Company’s industry; and prominence and reputation. Our Board of Directors does not assign specific weights to particular criteria and no particular criterion is a prerequisite for each prospective nominee. Our Board of Directors does not have a policy with regard to the consideration of diversity in identifying director candidates, but our Board of Directors believes that the backgrounds and qualifications of its directors, considered as a whole, should provide a composite mix of experience, knowledge, and abilities that will allow our Board of Directors to fulfill its responsibilities. The Board does not currently use an independent search firm in identifying candidates for service on the Board.

Board Leadership Structure

Mr. Feighan serves as Chairman of the Board, a position he has held since November 2018. The Company has determined its current structure to be most effective as the Chairman serves as a liaison between its directors and management and helps to maintain communication and discussion among the Board and management, while allowing the CEO to focus on the execution of business strategy, growth and development. The Chairman serves in a presiding capacity at Board meetings and has such other duties as are determined by the Board from time to time.

The Board's Role in Risk Oversight

Our Board oversees the Company's risk management efforts by reviewing information provided by management in order to oversee risk identification, risk management, and risk mitigation strategies. Our Board committees assist the Board in overseeing our material risks by focusing on risks related to the particular area of concentration of that committee. For example, our Compensation Committee oversees risks related to our executive compensation plans and arrangements, our Audit Committee oversees the financial reporting, internal control and related-party transaction risks, and our Nomination and Corporate Governance Committee oversees risks associated with the business conduct of the Company. Each committee reports its discussions of the applicable relevant risks at such Board meetings as appropriate. The full Board of Directors incorporates the insight provided by these reports into its overall risk management analysis.

Communications with Directors

Stockholders may communicate their concerns directly to the entire Board of Directors or specifically to non-management directors. Such communication can be confidential or anonymous, if so designated, and may be submitted in writing to the following address:

Board of Directors
Range Impact, Inc.
c/o Richard McKilligan, Corporate Secretary
200 Park Avenue, Suite 400
Cleveland, Ohio 44122

All communications received as described above will be opened by our Secretary for the sole purpose of determining whether the contents constitute a communication to our directors. Any contents that are not in the nature of advertising, promotions of a product or service, or patently offensive material will be forwarded promptly to the director or directors to whom it is addressed. In the case of communications to our Board of Directors or to any group of directors, our Secretary will make sufficient copies of the contents to send to each addressee.

Compensation Committee Interlocks and Insider Participation

During the year ended December 31, 2023, none of our executive officers or directors was a member of the board of directors of any other company where the relationship would be construed to constitute an interlocking relationship (as described in Item 407(e)(iii) of SEC Regulation S-K).

Code of Business Conduct and Ethics

The Company's Code of Business Conduct and Ethics applies to all of its employees, including its Chief Executive Officer and its Chief Financial Officer. The Code of Business Conduct and Ethics and all Committee charters are posted on the Company's website at <https://rangeimpact.com/investors/>

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors and executive officers and persons who own more than 10% of a registered class of our equity securities (the "Reporting Persons") to file with the SEC reports on Forms 3, 4 and 5 concerning their ownership of and transactions in our common stock and other equity securities.

Based solely on a review of SEC filings and other procedures performed as deemed necessary, we believe that all Reporting Persons complied with these requirements during the year ended December 31, 2023, except that each of our directors, including our Chief Executive Officer, failed to timely file a Form 4 reporting their receipt of options to purchase the Company's common stock under the under the Range Impact, Inc. 2021 Stock Incentive Plan on December 21, 2023 as reported in a Form 4 filed by each such person on January 12, 2024.

Item 11. Executive Compensation

The following table summarizes all compensation recorded by us during the years ended December 31, 2023 and December 31, 2022, for (i) our current principal executive officer and principal financial officer, and (ii) our next most highly compensated executive officer other than our principal executive officer and principal financial officer serving as an executive officer at the end of our 2023 fiscal year and whose total compensation exceeded \$100,000 during the year ended December 31, 2023.

Summary Compensation Table

<u>Name</u>	<u>Period Ending</u>	<u>Salary (\$)</u>	<u>Option Awards (non-cash) (1)</u>	<u>Total (\$)</u>
Michael Cavanaugh, Chief Executive Officer (2) (principal executive officer)	Year Ended 12/31/23	236,000	211,800	447,800
	Year Ended 12/31/22	236,000	111,300	347,300
Richard McKilligan, Chief Financial Officer (3) (principal financial officer)	Year Ended 12/31/23	180,000	-	180,000
	Year Ended 12/31/22	180,000	37,100	217,100
Dr. Brandon Zipp, Chief Science Officer (4)	Year Ended 12/31/23	180,000	-	180,000
	Year Ended 12/31/22	180,000	37,100	217,100

(1) The method used and the assumptions made to calculate the fair value of option awards included in this table are described in Footnote 6 of the financial statements and the accompanying notes for the years ended December 31, 2023 and December 31, 2022 appearing elsewhere in this Annual Report.

(2) Based on the fair value of (i) an option to purchase 750,000 shares of common stock with an exercise price of \$0.18 per share, granted in November 2022, and (ii) an option to purchase 1,000,000 shares of common stock with an exercise price of \$0.212 per share, granted in December 2023.

(3) Based on the fair value of an option to purchase 250,000 shares of common stock with an exercise price of \$0.18 per share, granted in November 2022.

(4) Based on the fair value of an option to purchase 250,000 shares of common stock with an exercise price of \$0.18 per share, granted in November 2022.

Outstanding Equity Awards at December 31, 2023

	Option Awards				
	Grant Date	Number of securities underlying unexercised option		Option Exercise Price (\$)	Option Expiration Date
		Exercisable	Unexercisable		
Michael Cavanaugh (1)	5/8/2019	500,000	-	0.35	5/8/2029
	6/27/2019	250,000	-	0.30	6/27/2029
	12/10/2021	350,000	-	0.277	12/10/2031
	11/30/2022	750,000	-	0.18	11/30/2032
	12/21/2023	1,000,000	-	0.212	12/21/2033
Richard McKilligan (2)	7/18/2016	370,234	-	0.50	7/18/2026
	6/27/2019	250,000	-	0.30	6/27/2029
	12/10/2021	150,000	-	0.277	12/10/2031
	11/30/2022	250,000	-	0.18	11/30/2032
Brandon Zipp (3)	7/18/2016	370,234	-	0.50	7/18/2026
	5/8/2019	500,000	-	0.35	5/8/2029
	12/10/2021	150,000	-	0.277	12/10/2031
	11/30/2022	250,000	-	0.18	11/30/2032

- (1) Granted under the Company's Equity Incentive Plan, the awards consist of (i) an option to purchase 500,000 shares of common stock, 250,000 of which became fully exercisable in May 2020 and 250,000 of which became fully exercisable in May 2021, (ii) an option to purchase 250,000 shares of common stock, 125,000 of which became fully exercisable in June 2020 and 125,000 of which became fully exercisable in June 2021, (iii) an option to purchase 350,000 shares of common stock, all of which became fully exercisable in December 2021, (iv) an option to purchase 750,000 shares of common stock all of which became fully exercisable in November 2022, and (v) an option to purchase 1,000,000 shares of common stock all of which became fully exercisable in December 2023.
- (2) Granted under the Company's Equity Incentive Plan, the awards consist of (i) an option to purchase 370,234 shares of common stock, all of which became fully exercisable in July 2018, (ii) an option to purchase 250,000 shares of common stock, 125,000 of which became fully exercisable in June 2020 and 125,000 of which became fully exercisable in June 2021, (iii) an option to purchase 150,000 shares of common stock, all of which became fully exercisable in December 2021, and (iv) an option to purchase 250,000 shares of common stock, all of which became fully exercisable in November 2022.
- (3) Granted under the Company's Equity Incentive Plan, the awards consist of (i) an option to purchase 370,234 shares of common stock, all of which were became fully exercisable in July 2018, (ii) an option to purchase 500,000 shares of common stock, 250,000 of which became fully exercisable in May 2020, and 250,000 of which became fully exercisable in May 2021, (iii) an option to purchase 150,000 shares of common stock, all of which became fully exercisable in December 2021, and (iv) an option to purchase 250,000 shares of common stock, all of which became fully exercisable in November 2022.

Compensation of Directors

Directors receive a combination of cash and equity awards as compensation for their service. There are no additional fees paid for meetings attended although our directors are entitled to reimbursement for reasonable travel and other out-of-pocket expenses incurred in connection with attendance at meetings of our Board of Directors and committees.

Director Compensation Table

The following table shows compensation paid to our non-employee directors during the year ended December 31, 2023:

Name	Fees earned or paid in cash	Option awards (non-cash) ⁽¹⁾	All other compensation	Total
Richard Celeste (1)	\$ 36,000	\$ 52,950	\$ -	\$ 88,950
Edward Feighan (1)	\$ 136,000	\$ 52,950	-	\$ 188,950

(1) As of December 31, 2023, the aggregate number of stock and option awards held by each of our non-employee directors was as follows: (i) Mr. Celeste held an option award to purchase 500,000 shares of our common stock with an exercise price of \$0.35 per share, an option to purchase 250,000 shares of our common stock with an exercise price of \$0.277 per share, an option to purchase 250,000 shares of our common stock with an exercise price of \$0.18 per share, and an option to purchase 250,000 shares of our common stock with an exercise price of \$0.18 per share, all of which are fully vested, and (ii) Mr. Feighan held an option award to purchase 500,000 shares of our common stock with an exercise price of \$0.35 per share, an option to purchase 250,000 shares of our common stock with an exercise price of \$0.30 per share, and an option to purchase 250,000 shares of our common stock with an exercise price of \$0.277 per share, an option to purchase 250,000 shares of our common stock with an exercise price of \$0.18 per share, and an option to purchase 250,000 shares of our common stock with an exercise price of \$0.212 per share, all of which are fully vested. The method used and the assumptions made to calculate the fair value of the options are described in Footnote 6 of the financial statements and the accompanying notes for the years ended December 31, 2023 and December 31, 2022 appearing elsewhere in this Annual Report.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth certain information regarding the beneficial ownership of our common stock by (i) each person who, to our knowledge, beneficially owns more than 5% of our common stock, (ii) each of our directors and named executive officers, and (iii) all of our current executive officers and directors as a group. Unless otherwise indicated in the footnotes to the following table, the address of each person named in the table is: c/o Range Impact, Inc., 200 Park Avenue, Suite 400, Cleveland, Ohio 44122. Shares of our common stock subject to options, warrants or other rights currently exercisable or exercisable within 60 days after December 31, 2023, are deemed to be beneficially owned and outstanding for computing the share ownership and percentage of the person holding such options, warrants, convertible notes or other rights, but are not deemed outstanding for computing the beneficial ownership percentage of any other person.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage Beneficially Owned (1)
Directors and Named Executive Officers:		
Edward Feighan (2)	4,857,584	4.8
Michael Cavanaugh (3)	4,729,791	4.7
Dr. Brandon Zipp (4)	1,334,234	1.3
Richard Celeste (5)	1,250,000	1.2
Richard McKilligan (6)	1,030,234	1.0
All Directors and Executive Officers as a Group (5 persons)	13,201,843	13.1
Joseph E. LoConti (7)	20,827,180	20.6
Indemnity National Insurance Company (8)	21,333,333	21.1

(1) Based on 101,023,485 shares of our common stock issued and outstanding as of March 28, 2024. Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities.

(2) Includes (i) 2,672,365 shares of the Company's common stock held directly by Mr. Feighan, (ii) currently exercisable options to purchase 1,500,000 shares of common stock, and (iii) 685,228 shares of the Company's common stock held by The Feighan Family Fund, LLC (the "Feighan Fund"), an entity beneficially owned by Mr. Feighan.

- (3) Consists of (i) 1,879,791 shares of common stock and (ii) currently exercisable options to purchase 2,850,000 shares of common stock.
- (4) Consists of (i) 64,000 shares of common stock and (ii) currently exercisable options to purchase 1,270,234 shares of common stock.
- (5) Represents currently exercisable options to purchase 1,250,000 shares of common stock.
- (6) Consists of (i) 10,000 shares of common stock and (ii) currently exercisable options to purchase 1,020,234 shares of common stock.
- (7) This information is based solely on the Form 4 filed on Mr. LoConti on December 14, 2023. Mr. LoConti's address is 200 Park Avenue, Suite 400, Orange Village, Ohio 44122.
- (8) This information is based solely on the Schedule 13G filed by Indemnity National Insurance Company ("INIC") on November 7, 2023. INIC's address is 238 Bedford Way, Franklin, Tennessee 37064. David Wiley, the Chairman of INIC, indirectly has sole voting and investment powers with respect to the Company's shares owned by INIC.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Transactions with Related Persons

During the years ended December 31, 2023 and 2022, and through the filing of this Annual Report, there have been no transactions, and there are no currently proposed transactions, in which we were or are to be a participant and the amount involved exceeds the lesser of \$120,000 or one percent of the average of our total assets at year-end for the last two completed fiscal years and in which any related person had or will have a direct or indirect material interest.

Director Independence

Our Board of Directors has determined that Messrs. Feighan and Celeste would qualify as "independent" as that term is defined by Nasdaq Listing Rule 5605(a)(2). Mr. Cavanaugh would not qualify as "independent" because he currently serves as our Chief Executive Officer.

Item 14. Principal Accounting Fees and Services

Independent Registered Public Accounting Firm's Fee Summary

The following table provides information regarding the fees billed to us by Meaden & Moore, Ltd., our independent registered public accounting firms, for services rendered in the years ended December 31, 2023 and 2022. All fees described below were approved by our Board of Directors:

	For the year ended December 31, 2023	For the year ended December 31, 2022
Audit Fees	\$ 183,350	\$ 143,200
Tax Fees	32,800	13,671
All Other Fees	-	1,900
Total Fees	<u>\$ 216,150</u>	<u>\$ 158,771</u>

Audit Fees. The fees identified under this caption were for professional services rendered by Meaden & Moore, Ltd. for the audit of our annual financial statements. The fees identified under this caption also include fees for professional services rendered by Meaden & Moore, Ltd. for the review of the financial statements included in our quarterly reports on Forms 10-Q. In addition, the amounts include fees for services that are normally provided by the auditor in connection with regulatory filings and engagements for the years identified.

Tax Fees. Tax fees consist principally of assistance related to tax compliance and reporting.

All Other Fees. These fees consist primarily of accounting consultation fees related to potential collaborative agreements. We incurred no such fees during the year ended December 31, 2023.

Pre-Approval Policies and Procedures

Our Audit Committee's charter requires our Audit Committee to pre-approve all audit and permissible non-audit services to be performed for the Company by our independent registered public accounting firm, giving effect to the "de minimis" exception for ratification of certain non-audit services allowed by the applicable rules of the SEC, in order to assure that the provision of such services does not impair the auditor's independence. Since the establishment of our Audit Committee on August 24, 2012, the Audit Committee approved in advance all services provided by our independent registered public accounting firm. All engagements of our independent registered public accounting firm for 2012 entered into prior to the establishment of the Audit Committee were pre-approved by the Board of Directors.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) (1) The financial statements filed as a part of this Annual Report are as follows:

Report of Independent Registered Public Accounting Firm (PCAOB ID 314)	F-2
Consolidated Balance Sheets as of December 31, 2023 and 2022	F-4
Consolidated Statements of Operations for the years ended December 31, 2023 and 2022	F-5
Consolidated Statements of Stockholders' Equity for the years ended December 31, 2023 and 2022	F-6
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(2) Schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

(3) The exhibits filed with this Annual Report are set forth in the Exhibit Index included at the end of this Annual Report, which is incorporated herein by reference.

Item 16. Form 10-K Summary

None.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

RANGE IMPACT, INC.

Date: August 8, 2024

By: /s/ Michael Cavanaugh
Michael Cavanaugh
Chief Executive Officer
(Principal Executive Officer)

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Michael Cavanaugh as his or her true and lawful attorney-in-fact and agent, each with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this report and to file the same, with all exhibits thereto and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that such attorney-in-fact and agent, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report is signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<u>SIGNATURE</u>	<u>TITLE</u>	<u>DATE</u>
<u>/s/ Michael Cavanaugh</u> Michael Cavanaugh	Chief Executive Officer and Director (Principal Executive Officer)	August 8, 2024
<u>/s/ Patricia Missal</u> Patricia Missal	Chief Financial Officer (Principal Financial and Accounting Officer)	August 8, 2024
<u>/s/ Edward Feighan</u> Edward Feighan	Director	August 8, 2024
<u>/s/ Richard Celeste</u> Richard Celeste	Director	August 8, 2024

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EXHIBIT INDEX

- 2.1 [Agreement and Plan of Merger, dated September 14, 2011, by and between Stevia First Corp. and Legend Mining Inc. \(Incorporated by reference to Exhibit 3.1 to the registrant's Current Report on Form 8-K filed with the SEC on October 14, 2011.\)](#)
 - 3.1.1 [Articles of Incorporation of Stevia First Corp. \(Incorporated by reference to Exhibit 3.1 to the registrant's Registration Statement on Form S-1 filed with the SEC on August 6, 2008 \(File No. 333-152830\).\)](#)
 - 3.1.2 [Certificate of Amendment of Articles of Incorporation of Vitality Biopharma, Inc. \(Incorporated by reference to Exhibit 3.1 to the registrant's Current Report on Form 8-K filed with the SEC on July 19, 2016.\)](#)
 - 3.1.3 [Articles of Merger, effective October 10, 2011 \(Incorporated by reference to Exhibit 3.1 to the registrant's Current Report on Form 8-K filed with the SEC on October 14, 2011.\)](#)
 - 3.1.4 [Certificate of Change, effective October 10, 2011 \(Incorporated by reference to Exhibit 3.2 to the registrant's Current Report on Form 8-K filed with the SEC on October 14, 2011.\)](#)
 - 3.1.5 [Articles of Merger, dated as of September 30, 2021, \(Incorporated by reference to Exhibit 2.1.1 to the registrant's Current Report on Form 8-K filed with the SEC on October 12, 2021.\)](#)
 - 3.2.1 [Bylaws of Stevia First Corp. \(Incorporated by reference to Exhibit 3.2 to the registrant's Registration Statement on Form S-1 filed with the SEC on August 6, 2008 \(File No. 333-152830\).\)](#)
 - 3.2.2 [Certificate of Amendment of Bylaws of Stevia First Corp. \(Incorporated by reference to Exhibit 3.1 to the registrant's Current Report on Form 8-K filed with the SEC on February 7, 2012.\)](#)
 - 3.2.3 [Bylaws of Malachite Innovations, Inc., effective as of November 10, 2021 \(Incorporated by reference to Exhibit 3.2.3 to the registrant's Quarterly Report on Form 10-Q filed with the SEC on November 15, 2021.\)](#)
 - 10.10 [Form of Common Stock Purchase Warrant \(Incorporated by reference to Exhibit 10.10 to the registrant's Registration Statement on Form S-1 filed with the SEC on August 31, 2021 \(File No. 333-259010\).\)](#)
 - 10.11# [Vitality Biopharma, Inc. 2021 Stock Incentive Plan \(Incorporated by reference to Exhibit 99.1 to the registrant's Registration Statement on Form S-8 filed with the SEC on September 3, 2021.\)](#)
 - 10.12 [Amended and Restated Revolving Promissory Note, dated as December 4, 2023, made by the Company, in favor of Independence Bank in the amount of \\$1,000,000 *](#)
 - 10.13 [Revolving Collateral Note, dated as June 16, 2023, made by Range Environmental Resources, Inc. and Range Natural Resources, Inc., in favor of Independence Bank in the amount of \\$1,000,000 *](#)
 - 10.14 [Secured Promissory Note, dated August 31, 2023, made by Collins Building and Contracting, Inc., in favor of Roger Collins in the principal amount of \\$2,035,250 *](#)
 - 10.15 [Secured Promissory Note, dated August 31, 2023, made by Collins Building and Contracting, Inc., in favor of Roger Collins in the principal amount of \\$2,000,000 *](#)
 - 21.1* [Subsidiaries](#)
 - 23.1* [Consent of Meaden & Moore, Ltd.](#)
 - 23.3* [Power of Attorney \(included on the signature page to this Annual Report.\)](#)
 - 31.1* [Certification of Principal Executive Officer pursuant to Rule 13a-14\(a\) or 15d-14\(a\) under the Securities and Exchange Act of 1934](#)
 - 31.2* [Certification of Principal Financial Officer pursuant to Rule 13a-14\(a\) or 15d-14\(a\) under the Securities and Exchange Act of 1934](#)
 - 32.1* [Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
 - 32.2* [Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
 - 95 [Mine Safety Disclosures](#)
-
- 101.INS* [Inline XBRL Instance Document](#)
 - 101.SCH* [Inline XBRL Taxonomy Extension Schema Document](#)
 - 101.CAL* [Inline XBRL Taxonomy Extension Calculation Linkbase Document](#)
 - 101.DEF* [Inline XBRL Taxonomy Extension Definition Linkbase Document](#)
 - 101.LAB* [Inline XBRL Taxonomy Extension Label Linkbase Document](#)
 - 101.PRE* [Inline XBRL Taxonomy Extension Presentation Linkbase Document](#)

* Filed herewith

Management contract or compensatory plan or arrangement.

Financial Statements

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Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of
Range Impact, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Range Impact, Inc. (the “Company”) as of December 31, 2023 and 2022, and the related consolidated statements of operations, stockholders’ equity, and cash flows for the years then ended, and the related notes and schedules (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) related to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgements. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Critical Audit Matter Description

During the year ended December 31, 2023, the Company completed a business acquisition. On August 31, 2023, the Company acquired 100% of the outstanding common stock of Collins Building & Contracting, Inc., for an aggregate purchase price of \$5,035,250. The Company accounted for this acquisition as a business combination. Accordingly, the purchase price was allocated to the assets acquired at fair value as of the transaction date. The Company utilized a third-party valuation specialist to assist in determining the fair value of the consideration granted and assets acquired in the acquisition, specifically the equipment and building assets acquired. The Company also utilized property tax assessments to assist in determining the fair value of the land assets acquired. We identified the estimation of the fair value of the consideration transferred and assets acquired, and the gain on bargain purchase in this acquisition as a critical audit matter.

We identified the valuation of the consideration transferred, assets acquired, and gain on bargain purchase as a critical audit matter because of the significant estimates and assumptions management made to determine the fair value of certain of these assets. This required a high degree of auditor judgment and an increased extent of effort when performing audit procedures to evaluate the reasonableness of valuation methodologies applied and the assumptions used such as market conditions and condition of the equipment and buildings, functionality of the equipment and buildings, and assessed property valuations from local taxing authorities.

How the Critical Audit Matter was Addressed in the Audit

Our audit procedures related to the following:

- We evaluated management's and the appraiser's identification of assets acquired in the appraiser's report.
- We obtained management's purchase price allocation detailing fair values assigned to acquired assets.
- We obtained a valuation report prepared by a certified equipment appraiser engaged by management to assist in the purchase price allocation, including determination of fair values assigned to acquired assets, and examined valuation methods used and credentials, qualifications, and independence of the specialist.
- We examined the completeness and accuracy of the underlying data supporting the significant assumptions and estimates used in the valuation report. We evaluated the accuracy and completeness of the financial statement presentation and disclosures of the acquisition.

In addition, the audit effort involved the use of professionals with specialized skill and knowledge to assist in the evaluations of the valuation methodologies deployed and the reasonableness of the significant assumptions used.

/s/ Meaden & Moore, Ltd.

MEADEN & MOORE, LTD.

We have served as the Company's auditor since 2021.

Cleveland, Ohio
March 29, 2024

**RANGE IMPACT, INC.
CONSOLIDATED BALANCE SHEETS**

	December 31	
	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,176,800	\$ 442,369
Accounts receivable	7,185,411	981,385
Contract assets	247,310	-
Prepaid expenses	115,324	884
Total current assets	<u>9,724,845</u>	<u>1,424,638</u>
Long-term Assets		
Property and equipment, net of accumulated depreciation	13,301,902	6,045,514
Goodwill	751,421	751,421
Deposits	9,976	8,892
Total long-term assets	<u>14,063,299</u>	<u>6,805,827</u>
Total Assets	<u>\$ 23,788,144</u>	<u>\$ 8,230,465</u>
Liabilities and Stockholders' Equity		
Current Liabilities		
Line of credit	\$ 2,400,000	\$ -
Current portion of long-term debt	2,755,792	1,319,201
Accounts payable	3,714,014	233,808
Accrued expenses	101,283	-
Total current liabilities	<u>8,971,089</u>	<u>1,553,009</u>
Long-term Liabilities		
Long-term debt, net of current portion	<u>5,250,027</u>	<u>3,738,013</u>
Total long-term debt	<u>5,250,027</u>	<u>3,738,013</u>
Total liabilities	<u>14,221,116</u>	<u>5,291,022</u>
Stockholders' Equity		
Common stock, par value \$0.001 per share; 1,000,000,000 shares authorized; 101,023,485 and 78,116,814 shares issued and outstanding, respectively	101,023	78,117
Additional paid-in-capital	56,547,804	53,074,180
Accumulated deficit	(47,081,799)	(50,212,854)
Total stockholders' equity	<u>9,567,028</u>	<u>2,939,443</u>
Total Liabilities and Stockholders' Equity	<u>\$ 23,788,144</u>	<u>\$ 8,230,465</u>

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

RANGE IMPACT, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	<u>Year Ended December 31, 2023</u>	<u>Year Ended December 31, 2022</u>
Revenues	\$ 19,346,306	\$ 4,832,278
Cost of services	13,111,497	3,439,026
Gross profit	<u>6,234,809</u>	<u>1,393,252</u>
Operating Expenses:		
General and administrative	4,021,556	2,022,882
Research and development	458,889	470,803
Total operating expenses	<u>4,480,445</u>	<u>2,493,685</u>
Income (loss) from operations	<u>1,754,364</u>	<u>(1,100,433)</u>
Other income (expense):		
Gain on bargain purchase	1,875,150	-
Gain on loan forgiveness	-	109,435
Interest expense	(505,917)	(81,178)
Interest income	7,458	-
Total other income	<u>1,376,691</u>	<u>28,257</u>
Net income (loss)	<u>\$ 3,131,055</u>	<u>\$ (1,072,176)</u>
Net income (loss) per share – basic and diluted	<u>\$ 0.04</u>	<u>\$ (0.02)</u>
Weighted average number of common shares outstanding – basic and diluted	<u>83,129,637</u>	<u>68,112,248</u>

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

RANGE IMPACT, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock		Additional Paid-in- Capital	Accumulated Deficit	Total
	Shares	Amount			
Balance, December 31, 2021	51,450,147	\$ 51,450	\$ 48,707,587	\$ (49,140,678)	\$ (381,641)
Shares and warrants issued for cash	21,666,667	21,667	3,228,333	-	3,250,000
Shares issued in exchange for Range	5,000,000	5,000	745,000	-	750,000
Stock based compensation	-	-	393,260	-	393,260
Net loss	-	-	-	(1,072,176)	(1,072,176)
Balance, December 31, 2022	78,116,814	\$ 78,117	\$ 53,074,180	\$ (50,212,854)	\$ 2,939,443
Shares and warrants issued for cash	20,733,337	20,733	3,089,267	-	3,110,000
Shares issued in exchange for warrants	2,173,334	2,173	(2,173)	-	-
Stock based compensation	-	-	386,530	-	386,530
Net income	-	-	-	3,131,055	3,131,055
Balance, December 31, 2023	101,023,485	\$ 101,023	\$ 56,547,804	\$ (47,081,799)	\$ 9,567,028

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

RANGE IMPACT, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2023	Year Ended December 31, 2022
Cash flows from operating activities:		
Net income (loss)	\$ 3,131,055	\$ (1,072,176)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Gain on bargain purchase	(1,875,150)	-
Fair value of vested stock options	386,530	393,260
Depreciation	1,781,573	395,543
Changes in operating assets and liabilities:		
Accounts receivable	(6,204,026)	(91,466)
Contract assets	(247,310)	-
Forgiveness of PPP loan	-	(109,435)
Prepaid expense	(114,440)	3,000
Accounts payable	3,480,206	(122,304)
Accrued expenses	101,283	-
Deposits	(1,084)	(200)
Net cash provided by (used in) operating activities	<u>438,637</u>	<u>(603,778)</u>
Cash flows from investing activities:		
Capital expenditures	(1,118,664)	(5,813,057)
Cash paid in consideration for Collins Building acquisition	(1,000,000)	-
Long-term debt issued for Collins Building acquisition	(4,035,250)	-
Cash paid for acquisition of land	(1,008,897)	-
Cash acquired in acquisition of Range Environmental Resources	-	15,827
Cash paid for acquisition of Range Environmental Resources	-	(750,000)
Net cash used in investing activities	<u>(7,162,811)</u>	<u>(6,547,230)</u>
Cash provided by financing activities:		
Proceeds from issuance of common shares and warrants	3,110,000	3,250,000
Proceeds from notes issued in acquisition of Collins Building	4,035,250	-
Proceeds from long-term debt	564,014	5,091,177
Repayment of long-term debt	(1,650,659)	(277,328)
Payoff of SBA disaster loan	-	(158,815)
Proceeds from (payoff of) line of credit	2,400,000	(350,000)
Net cash provided by financing activities	<u>8,458,605</u>	<u>7,555,034</u>
Net increase in cash and cash equivalents	1,734,431	404,026
Cash and cash equivalents - beginning of period	<u>442,369</u>	<u>38,343</u>
Cash and cash equivalents - end of period	<u>\$ 2,176,800</u>	<u>\$ 442,369</u>
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Income taxes	<u>\$ -</u>	<u>\$ -</u>
Supplemental non-cash investing and financing activities:		
Shares issued for acquisition	<u>\$ -</u>	<u>\$ 750,000</u>
Long-term debt from Range Reclamation Entities acquisition	<u>\$ -</u>	<u>\$ 243,365</u>
Forgiveness of PPP loan	<u>\$ -</u>	<u>(109,435)</u>

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

RANGE IMPACT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS
ENDED DECEMBER 31, 2023 AND 2022

1. BUSINESS OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Range Impact, Inc. (the “Company”, “we”, “us” or “our”), was incorporated in the State of Nevada on June 29, 2007.

Originally founded in 2007 as Legend Mining Inc., the Company began operations as a mineral extraction exploration business. In 2011, the Company changed its name to Stevia First Corp. and pursued a new strategy focused on developing stevia-based additives for the food and beverage industry. In 2015, the Company changed its name to Vitality Biopharma, Inc. and pursued a new strategy focused on developing cannabinoid-based prodrugs anticipated to treat inflammatory conditions of the gastrointestinal tract.

In October 2021, the Company changed its name to Malachite Innovations, Inc. and formed two wholly-owned operating subsidiaries: (i) Graphium Biosciences, Inc., a Nevada corporation (“Graphium”), into which the Company contributed all of its drug development assets; and (ii) Daedalus Ecosciences, Inc., a Nevada corporation (“Daedalus”) which was formed to serve as a holding company for the Company’s future impact investing businesses.

In May 2022, Daedalus acquired Range Environmental Resources, Inc., a West Virginia corporation (“Range Environmental”) and Range Natural Resources, Inc., a West Virginia corporation (“Range Natural” and together with Range Environmental, the “Range Reclamation Entities”). The Range Reclamation Entities provide land reclamation, water restoration and environmental consulting services to mining and non-mining customers throughout the Appalachian region with the goal of returning land to pre-mining conditions or repurposing the land for natural, commercial, agricultural or recreational use. The Range Reclamation Entities’ water restoration services seek to improve rivers, streams and discharges through novel and innovative treatment applications to help customers meet their various regulatory standards and requirements. The Range Reclamation Entities also provide environmental consulting services to customers typically in connection with land reclamation and water restoration projects and as an additional value-add service, sells water treatment chemicals manufactured by third parties to their customers. Range Natural also provides resource mining services for customers incidental to the reclamation and repurposing of mine sites.

In December 2022, Daedalus was merged into the Company as a result of which the Company became the parent of all of its wholly-owned operating subsidiaries.

In August 2023, the Company acquired Collins Building & Contracting, Inc., a West Virginia corporation (“Collins Building”), an environmental services business primarily focusing on the reclamation of abandoned mine land sites in West Virginia, as described in more detail in Note 2.

In December 2023, the Company changed its name to Range Impact, Inc., and reorganized into five operating business segments: (i) Range Reclaim, (ii) Range Water, (iii) Range Security, (iv) Range Land, and (v) Drug Development.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) and with the instructions to Form 10-K and Article 8 of Regulation S-X. The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Catalyst Land Ventures, LLC, CLV Azurite Land LLC, Collins Building & Contracting, Inc., Graphium Biosciences, Inc., Range Environmental Resources, Inc., Range Land, LLC, Range Minerals, LLC, Range Natural Resources, Inc., Range Reclaim, LLC, Range Security, LLC, Range Security Resources, LLC, Range Water, LLC, Terra Preta, LLC, Aether Credit Ventures, Inc. (dissolved in November 2023), Pristine Stream Ventures, Inc. (dissolved in November 2023), NextGen AgriTech, Inc. (dissolved in November 2023), and Daedalus Ecosciences, Inc. (merged into Range Impact, Inc. in December 2022), and have been prepared in accordance with accounting principles generally accepted in the United States of America. Intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Business Combinations

Business combinations are accounted for using the purchase method of accounting under ASC 805, "Business Combinations." This method requires the Company to record assets and liabilities of the businesses acquired at their estimated fair values as of the acquisition date. Any excess of the cost of the acquisition over the fair value of the net assets acquired is recorded as goodwill. Any excess of the fair value of the net assets acquired over the cost of the acquisition is accounted for as a bargain purchase gain. Determining the fair value requires management to make estimates and assumptions including discount rates, rates of return on assets, and long-term sales growth rates.

Revenue Recognition

The Company recognizes revenue under ASC 606, "Revenue from Contracts with Customers". The core principle of the ASC 606 revenue recognition standard is that a company should recognize revenue by analyzing the following five steps: (1) identify the contract with the customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations; and (5) recognize revenue when (or as) each performance obligation is satisfied.

The Company primarily invoices customers and recognizes revenue on a periodic basis for equipment and labor hours provided to a customer on a particular job based on an agreed-upon hourly rate sheet or a fixed amount for a project. The Company also invoices customers and recognizes revenue for equipment mobilization fees and materials and supplies required to complete a project. The Company invoices for the sales of chemicals and recognizes revenue when the products are delivered to the customer's designated site. Costs for equipment, labor and chemicals are generally expensed as incurred since the projects are generally short-term and not subject to a contract.

The Company recognizes revenue on reclamation contracts over time as performance obligations are satisfied due to the continuous transfer of control to the customer. The Company's contracts are generally accounted for as a single performance obligation since the Company is providing a significant service of integrating components into a single project. The Company recognizes revenue using a cost-based input method, by which actual costs incurred relative to total estimated contract costs determine, as a percentage, progress toward contract completion. This percentage is applied to the transaction price to determine the amount of revenue to recognize. The Company believes the cost-based input method is the most faithful depiction of performance because it directly measures the value of the services transferred to the customer.

Contract Estimates

Due to the nature of the Company's performance obligations, the estimation of total revenue and cost at completion is subject to many variables and requires significant judgment. Since a significant change in one or more of these variables could affect the profitability of contracts, the Company reviews and updates contract-related estimates regularly through a review process in which the Company reviews the progress and execution of performance obligations and the estimated cost at completion.

The Company recognizes adjustments in estimated profit on contracts under the cumulative catch-up method. Under this method, the impact of the adjustment on profit recorded to date is recognized in the period the adjustment is identified. Revenue and profit in future periods of contract performance is recognized using the adjusted estimate. If at any time the estimate of contract profitability indicates an anticipated loss on the contract, a provision for the entire loss is recognized in the period it is identified.

Contract Modifications

Contract modifications can occur during the performance of the Company's contracts. Contracts are modified to account for changes in contract specifications or requirements. In most instances, contract modifications are for goods or services that are not distinct, and, therefore, are accounted for as part of the existing contract.

Cost and Expense Recognition

Contract costs include all direct labor, materials, equipment mobilization, subcontractor, and equipment costs, and those indirect costs related to contract performance, such as indirect labor, tools and supplies. For stabilization contracts, costs are generally recognized as incurred.

The Company recognizes revenue from contracts for financial reporting purposes over time. Progress toward completion of the Company's contracts is measured by the percentage of cost incurred to date compared to estimated total costs for each contract. This method is used because management considers total cost to be the best available measure of progress on contracts. Because of inherent uncertainties in estimating costs, it is at least reasonably possible that the estimates used will change significantly.

Revenue earned over time compared to a point in time is as follows for the years ended December 31, 2023 and 2022.

	<u>Year ended December 31,</u> <u>2023</u>	<u>Year ended December 31,</u> <u>2022</u>
Earned over time	\$ 2,824,387	\$ -
Point in time	16,521,919	4,832,278
Total revenue	<u>19,346,306</u>	<u>4,832,278</u>

Cost of Services

Contract costs include all direct labor, materials, subcontractor, and equipment costs and those indirect costs related to contract performance, such as indirect labor, tools and supplies. For construction contracts, costs are generally recognized as incurred. Under certain circumstances, costs incurred in the period related to future activity on contracts may be capitalized.

Costs incurred that do not contribute to satisfying performance obligations are excluded from the cost input calculation for revenue recognition. Excluded costs include both uninstalled materials and abnormal costs. Abnormal costs comprise wasted materials, wasted or rework labor and other resources to fulfill a contract that were not reflected in the price of the contract. A limited allowance for material overages and labor inefficiencies is typically included in our contract costs estimates (and by extension, in the contract price).

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less at the date of acquisition to be cash equivalents. From time to time, the Company's cash account balances exceed the balances covered by the Federal Deposit Insurance System. The Company has never suffered a loss due to such excess balances.

Accounts Receivable

Included as a component of accounts receivable are contract receivables that represent the Company's unconditional right, subject only to the passage of time, to receive consideration arising from performance obligations under reclamation contracts with customers. Billed contract receivables have been invoiced to customers based on contracted amounts. Contract receivables were \$2,100,255 as of December 31, 2023. There were no reclamation contracts receivable as of December 31, 2022 and 2021.

The Company recognizes an allowance for losses on accounts and contract receivables in an amount equal to the current expected credit losses. The estimation of the allowance is based on an analysis of historical loss experience, current receivables aging and management's assessment of current conditions and reasonable and supportable expectations of future conditions, as well as an assessment of specific identifiable customer accounts considered at risk or uncollectible. Based on management's assessment, it has concluded that losses on balances outstanding as of December 31, 2023 and 2022 will be immaterial and, therefore, no allowances were recorded for the years ended December 31, 2023 or 2022. There were no accounts receivable balances at December 31, 2021. No bad debt expense was accrued in either of the years ended December 31, 2023 or 2022 and there is no allowance for credit losses as of December 31, 2023 or 2022.

Contract Assets

Billing practices are governed by the contract terms of each project based upon costs incurred, achievement of milestones or predetermined schedules. Billings do not necessarily correlate with revenue recognized over time using the percentage-of-completion method. Contract assets include unbilled amounts typically resulting from revenue under long-term contracts when the percentage-of-completion method of revenue recognition is utilized, and revenue recognition exceeds the amount billed to the customer. The Company's contract assets are reported on a contract-by-contract basis at the end of each reporting period. The Company classifies contract assets as current or noncurrent based on whether the revenue is expected to be recognized sooner or later than one year from the balance sheet date.

Details of contract assets arising from reclamation contracts in process as of December 31, 2023 are as follows:

Costs incurred on contracts in progress	\$	425,634
Estimated earnings		340,528
Revenue earned on contracts in progress		766,162
Less: Billings to date		(518,852)
Total contract assets	\$	<u>247,310</u>

There were no contract assets as of December 31, 2022 or 2021.

Property and Equipment

Property and equipment is carried at cost. Expenditures for maintenance and repairs are charged to cost of services. Additions and betterments are capitalized. The cost and related accumulated depreciation of equipment sold or otherwise disposed of are removed from the accounts and any gain or loss is reflected in the current year's earnings.

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Equipment	\$ 13,835,929	\$ 6,637,814
Land	1,563,797	-
Buildings	199,500	-
Accumulated depreciation	(2,297,324)	(592,300)
Net book value	<u>13,301,902</u>	<u>6,045,514</u>
Depreciation expense	\$ 1,781,573	\$ 395,543

The Company provides for depreciation of property and equipment using the straight-line method for both financial reporting and federal income tax purposes over the estimated six-year useful lives of the equipment. All of the Company's buildings were acquired in the purchase of Collins Building and are also being depreciated over an estimated six-year useful life due to their age at the date of acquisition.

The Company assesses the recoverability of its property and equipment by determining whether the depreciation of the assets over their remaining lives can be recovered through projected future cash flows generated by the assets. There were no assets identified for impairment.

Goodwill

U.S. GAAP requires that goodwill be tested for impairment annually and more frequently if events or changes in circumstances indicate that it is more likely than not (i.e., a likelihood greater than 50%) that the reporting unit is impaired. During interim periods, ASC 350 requires companies to focus on those events and circumstances that affect the significant inputs used to determine the fair value of the reporting unit to determine whether an interim quantitative impairment test is required.

The Company performed its annual impairment test for goodwill on December 31, 2023. The Company first assessed certain qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount, and whether it is therefore necessary to perform the quantitative impairment test. The qualitative analysis indicated that a quantitative impairment test was not necessary.

Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are recognized for the estimated tax consequences attributable to differences between the financial statement carrying values and their respective income tax basis (temporary differences). The effect on deferred income tax assets and liabilities of a change in tax rates is recognized as income (loss) in the period that includes the enactment date.

Leases

The Company determines whether a contract is, or contains, a lease at inception. Right-of-use assets represent the Company's right to use an underlying asset during the lease term, and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at lease commencement based upon the estimated present value of unpaid lease payments over the lease term. The Company uses its incremental borrowing rate based on the information available at lease commencement in determining the present value of unpaid lease payments. The Company had no lease commitments for longer than one year as of December 31, 2023 or 2022. The laboratory space lease in Rocklin, California was renewed in March 2022 and ends on March 31, 2023. The space is currently being leased on a month to month basis.

Stock-Based Compensation

The Company periodically issues stock options and restricted stock awards to employees and non-employees in non-capital raising transactions for services. The Company accounts for such grants issued and vesting based on ASC 718, Compensation-Stock Compensation, whereby the value of the award is measured on the date of grant and recognized for employees as compensation expense on the straight-line basis over the vesting period. Recognition of compensation expense for non-employees is in the same period and manner as if the Company had paid cash for the services. The Company recognizes the fair value of stock-based compensation within its Consolidated Statements of Operations with classification depending on the nature of the services rendered.

The fair value of the Company's stock options is estimated using the Black-Scholes-Merton Option Pricing model, which uses certain assumptions related to risk-free interest rates, expected volatility, expected life of the stock options or restricted stock, and future dividends. Compensation expense is recorded based upon the value derived from the Black-Scholes-Merton Option Pricing model. The assumptions used in the Black-Scholes-Merton Option Pricing model could materially affect compensation expense recorded in future periods.

Basic and Diluted Income (Loss) Per Share

Basic loss per share is computed by dividing the net loss applicable to common stockholders by the weighted average number of outstanding common shares during the period. Shares of restricted stock are included in the basic weighted average number of common shares outstanding from the time they vest. Diluted income (loss) per share is computed by dividing net income (loss) applicable to common stockholders by the weighted average number of common shares outstanding plus the number of additional common shares that would have been outstanding if all dilutive potential common shares had been issued. Diluted loss per share excludes all potential common shares if their effect is anti-dilutive. The following potentially dilutive shares were excluded from the shares used to calculate diluted earnings per share as their inclusion would be anti-dilutive:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Options	11,392,544	9,392,544
Warrants	3,313,335	22,313,335
Total	<u>14,705,879</u>	<u>31,705,879</u>

Patents and Patent Application Costs

Although the Company believes that its patents and underlying technology have continuing value, the amount of future benefits to be derived from the patents is uncertain. Accordingly, patent costs are expensed as incurred.

Research and Development

Research and development costs consist primarily of fees paid to consultants and outside service providers, patent fees and costs, and other expenses relating to the acquisition, design, development and testing of the Company's treatments and product candidates. Research and development costs are expensed as incurred.

Fair Value of Financial Instruments

FASB ASC 825, "Financial Instruments" requires that the Company disclose estimated fair values of financial instruments. Financial instruments held by the Company include, among others, accounts receivable, accounts payable and long-term debt. The carrying amounts reported in the balance sheets for assets and liabilities qualifying as financial instruments are a reasonable estimate of fair value.

Segments

As of December 31, 2023, the Company has five operating business segments: (i) Range Reclaim; (ii) Range Water; (iii) Range Security; (iv) Range Land; and (v) Drug Development. Previously, beginning in October 2021, the Company began operating under two segments: (A) the Drug Development segment, which reports the operating results of our broad portfolio of glycosylated cannabinoid prodrugs, and (B) the Range Reclaim segment, which provides land reclamation, water restoration and incidental mining to mining and non-mining customers throughout Appalachia. The Range Water, Range Security and Range Land business segments began operations in 2023.

In accordance with the "Segment Reporting" Topic of ASC 280, the Company's chief operating decision-maker has been identified as the Company's Chief Executive Officer, who reviews operating results to make decisions about allocating resources and assessing performance for the entire Company. Existing guidance, which is based on a management approach to segment reporting, establishes requirements to report selected segment information quarterly and to report annually entity-wide disclosures about products and services, major customers, and the countries in which the entity holds material assets and reports revenue. All material operating units qualify for aggregation under "Segment Reporting" due to their similar customer base and similarities in: economic characteristics; nature of products and services; and procurement, manufacturing, and distribution processes.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses. The standard requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the income statement will reflect the measurement of credit losses for newly-recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This standard was effective for smaller reporting companies for fiscal years beginning after December 15, 2022. The Company has fully adopted the standard with no material impact to the financial statements.

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures." This ASU enhances reportable segment disclosures on both an annual and interim basis primarily in regards to the disclosure of significant segment expenses that are regularly provided to the chief operating decision maker (CODM) and included within the reported measure(s) of segment profit or loss. In addition, the ASU requires disclosure, by segment, of other items included in the reported measure(s) of segment profit or loss, including qualitative information describing the composition, nature and type of each item. The ASU also expands disclosure requirements related to the CODM, including how the reported measure(s) of segment profit or loss are used to assess segment performance and allocate resources, and the method used to allocate overhead for significant segment expenses. All current required annual segment reporting disclosures under Topic 280 are now effective for interim periods. The ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is evaluating the impact of adopting this ASU.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." This ASU enhances income tax disclosures by providing information to better assess how an entity's operations, related tax risks, tax planning and operational opportunities affect its tax rate and prospects for future cash flows. This ASU requires additional disclosures to the annual effective tax rate reconciliation including specific categories and further disaggregated reconciling items that meet the quantitative threshold. Additionally, the ASU requires disclosures relating to income tax expense and payments made to federal, state, local and foreign jurisdictions. This ASU is effective for fiscal years and interim periods beginning after December 15, 2024. The Company is evaluating the impact of adopting this ASU.

2. ACQUISITION OF COLLINS BUILDING & CONTRACTING

On August 31, 2023, the Company entered into a stock purchase agreement with the owner of Collins Building & Contracting, Inc. ("Collins Building") pursuant to which the owner agreed to sell all of the outstanding common stock of Collins Building to the Company in exchange for (a) cash consideration of \$1,000,000, (b) a five-year secured promissory note in the principal amount of \$2,000,000, bearing interest at 7.0% per annum (the "First Promissory Note"), and (c) a two-year secured promissory note in the principal amount of \$2,035,250, bearing interest at 8.25% per annum (the "Second Promissory Note"). The First Promissory Note is secured by the acquired real property and quarry infrastructure, and the Second Promissory Note is secured by the acquired equipment.

The Company accounted for the transaction as a business combination in accordance ASC 805 "Business Combinations". The Company has performed an allocation of the purchase price paid for the assets acquired and the liabilities assumed. The fair values of the assets acquired are set forth below. Because the fair values exceeded the purchase price, we recognized a gain on the purchase of \$1,875,150. The allocation of the purchase price is based on management's estimates and a third party assessment of the fair value of the equipment purchased.

Fair value of assets acquired:		
Equipment	\$	6,156,000
Land		554,900
Buildings		199,500
Total assets acquired		6,910,400
Less: Gain on bargain purchase price		(1,875,150)
Purchase price	\$	5,035,250
Cash consideration		1,000,000
Long-term notes issued to the seller		4,035,250
Total purchase price	\$	5,035,250
Acquisition transaction costs incurred	\$	167,212

Collins Building contributed revenues of \$2,833,068 and net income of \$437,554 to the Company's consolidated revenues and net income for the year ended December 31, 2023.

3. ACQUISITION OF RANGE ENVIRONMENTAL RESOURCES AND RANGE NATURAL RESOURCES

In May 2022, the Company and its then wholly-owned subsidiary, Daedalus Ecosciences, Inc., entered into a share purchase agreement with Range Environmental Resources, Inc. ("Range Environmental"), and Range Natural Resources, Inc. ("Range Natural", and collectively with Range Environmental, the "Range Reclamation Entities"), and the two (2) shareholders of the Range Reclamation Entities (the "Range Shareholders") (the "Share Purchase Agreement"), pursuant to which the Company issued a total of 10,000,000 shares of the Company's common stock to the Range Shareholders and paid cash consideration of \$1,000,000 to the Range Shareholders for 80% of the outstanding common stock of each of the Range Reclamation Entities.

Subsequent to entering into the Share Purchase Agreement, the Company discovered that Joshua Justice, one of the Range Shareholders ("Justice"), made certain misrepresentations in the Share Purchase Agreement. On July 12, 2022, the Company entered into a Separation Agreement, by and among the Company, Daedalus Ecosciences, the Range Reclamation Entities, and Justice and his spouse (the "Separation Agreement") pursuant to which Justice: (a) acknowledged that his employment with the Range Reclamation Entities was terminated for cause effective June 30, 2022; (b) returned the 5,000,000 shares of the Company's common stock that had been issued to him under the terms of the Share Purchase Agreement; (c) transferred his 10% interest in each of the Range Reclamation Entities to Daedalus Ecosciences; and (d) paid Daedalus Ecosciences cash in an amount of \$250,000. As a result, only 5,000,000 of the Company's common stock issued to the Range Shareholders is considered to have been issued in exchange for 90% of the outstanding common stock of each of the Range Reclamation Entities.

Subsequently, on October 11, 2022, Daedalus Ecosciences and Jeremy Starks, the remaining Range Shareholder ("Starks"), entered into a share purchase agreement, effective as of May 11, 2022 (the "Starks Agreement"), pursuant to which Starks exchanged his 10% common stock ownership of the Range Reclamation Entities for 10% of the Cash Dividends and Sale Proceeds (as both terms are defined in the Starks Agreement) of the Range Reclamation Entities, as a result of which the Range Reclamation Entities are now wholly-owned subsidiaries of the Company and the Range Reclamation Entities are reported as wholly-owned direct subsidiaries of the Company in the Company's consolidated financial statements made part of this Form 10-K.

The Company accounted for the above-referenced transactions as a business combination in accordance ASC 805 "Business Combinations". The Company has performed an allocation of the purchase price paid for the assets acquired and the liabilities assumed. The fair values of the assets acquired are set forth below. The allocation of the purchase price is based on management's estimates.

Fair value of assets acquired:	
Cash	\$ 15,827
Accounts receivables	889,919
Property and equipment	628,000
Goodwill	751,421
Total assets acquired	2,285,167
Fair value of liabilities assumed	(785,167)
Purchase price	\$ 1,500,000
Cash consideration	750,000
Common stock consideration	750,000
Total purchase price	\$ 1,500,000
Acquisition transaction costs incurred	\$ 20,592

Goodwill has an assigned value of \$751,421 and represents the value of the Range Reclamation Entities' brand reputation, customer base and employee relations.

The Range Reclamation Entities contributed all of the Company's consolidated revenues of \$4,832,278 for the year ended December 31, 2022 and contributed \$997,405 in net income to the Company's consolidated net income for the year ended December 31, 2022.

4. GOODWILL

The increase in goodwill in the year ended December 31, 2022, was driven by the addition of the Range Reclamation Entities in the period and represents the value of the Range Reclamation Entities' employee relations. All Goodwill is included in the Range Reclaim segment as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Range Reclaim Segment:		
Beginning Balance	\$ 751,421	\$ -
Acquisitions	-	751,421
Ending Balance	<u>\$ 751,421</u>	<u>\$ 751,421</u>

5. EQUITY

Issuance of Common Stock and Warrants

In May 2022, the Company entered into two securities purchase agreements providing for the issuance and sale by the Company of (i) 20,000,000 shares of the Company's common stock (the "May 2022 Shares") at a price of \$0.15 per share and (ii) warrants to purchase up to an additional 20,000,000 shares of the Company's common stock at a price of \$0.60 per share (the "May 2022 Warrants"). The May 2022 Warrants expire on May 10, 2027. The aggregate proceeds to the Company from the sale of the May 2022 Shares and May 2022 Warrants was \$3,000,000.

In May 2022, the Company purchased 90% of the outstanding common stock of each of the Range Reclamation Entities for a combination of Company shares and cash, as described in Note 3. Only 5,000,000 of the Company's common stock issued to the Range Shareholders is considered outstanding as of December 31, 2022, in order to reflect the effects of the Separation Agreement.

In August 2022, the Company entered into a securities purchase agreement providing for the issuance and sale by the Company of (i) 1,666,667 shares of the Company's common stock (the "August 2022 Shares") at a price of \$0.15 per share and (ii) warrants to purchase up to an additional 1,666,667 shares of the Company's common stock at a price of \$0.60 per share (the "August 2022 Warrants"). The August 2022 Warrants expire on August 26, 2027. The aggregate proceeds to the Company from the sale of the August 2022 Shares and August 2022 Warrants was \$250,000.

In April 2023, the Company entered into securities purchase agreements providing for the issuance and sale by the Company of (i) 2,733,334 shares of the Company's common stock (the "April 2023 Shares") at a price of \$0.15 per share and (ii) warrants to purchase up to an additional 2,733,333 shares of the Company's common stock at a price of \$0.60 per share (the "April 2023 Warrants"). The April 2023 Warrants expire on April 11, 2028. The aggregate proceeds to the Company from the sale of the April 2023 Shares and April 2023 Warrants were approximately \$400,000.

In August 2023, the Company entered into a securities purchase agreement providing for the issuance and sale by the Company of 6,666,667 shares of the Company's common stock (the "August 2023 Shares") at a price of \$0.15 per share. After deducting for fees and expenses, the aggregate net proceeds from the sale of the August 2023 Shares were approximately \$1,000,000.

In October 2023, the Company entered into warrant exchange agreements with certain holders of warrants to exchange warrants to purchase a total of 21,733,334 shares of the Company's common stock for an aggregate of 2,173,334 shares of the Company's common stock. The warrants that were exchanged were extinguished.

In December 2023, the Company entered into securities purchase agreements providing for the issuance and sale by the Company of 11,333,336 shares of the Company's common stock (the "December 2023 Shares") at a price of \$0.15 per share. The aggregate proceeds from the sale of the December 2023 Shares were approximately \$1,700,000.

6. STOCK OPTIONS

Stock options issued during the year ended December 31, 2023

During the year ended December 31, 2023, the Company granted to directors, advisors, and employees options to purchase an aggregate of 2,050,000 shares of the Company's common stock with exercise prices of between \$0.1337 and \$0.212 per share that expire ten years from the date of grant. One option granted for 300,000 shares vests over two years, the other 1,750,000 options vested upon grant. The fair value of each option award was estimated on the date of grant using the Black-Scholes-Merton Option Pricing model based on the following assumptions: (i) a volatility rate of between 269.66% and 277.5%, (ii) a discount rate of between 1.40% and 4.27%, (iii) zero expected dividend yield, and (iv) an expected life of 5 years, which is the average of the term of the options and their vesting periods. The total fair value of the option grants to directors, advisors, and employees at their grant dates was approximately \$413,470, \$386,530 of which was allocated to general and administrative expenses during the year ended December 31, 2023, and \$26,940 of which will be amortized over two years from the date of grant. At December 31, 2023, \$22,450 of the cost of the outstanding stock-based awards remained outstanding and will be amortized over the next two years.

Stock options issued during the year ended December 31, 2022

During the year ended December 31, 2022, the Company granted to directors, advisors, and employees options to purchase an aggregate of 2,650,000 shares of the Company's common stock with exercise prices of \$0.18 per share that expire ten years from the date of grant, and vested upon grant. The fair value of each option award was estimated on the date of grant using the Black-Scholes-Merton Option Pricing model based on the following assumptions: (i) a volatility rate of 277.5%, (ii) a discount rate of 3.82%, (iii) zero expected dividend yield, and (iv) an expected life of 5 years, which is the average of the term of the options and their vesting periods. The total fair value of the option grants to directors, advisors, and employees at their grant dates was approximately \$393,260, all of which was allocated to general and administrative expenses during the year ended December 31, 2022.

A summary of the Company's stock option activity during the years ended December 31, 2023 and 2022 is as follows:

	Number of Underlying Shares		Weighted Average Exercise Price
Balance outstanding at December 31, 2021	6,882,544	\$	0.69
Granted	2,650,000		0.18
Exercised	-		-
Expired	(140,000)		1.12
Forfeited	-		-
Balance outstanding at December 31, 2022	9,392,544	\$	0.54
Granted	2,050,000		0.20
Exercised	-		-
Expired	(50,000)		3.62
Forfeited	-		-
Balance outstanding at December 31, 2023	11,392,544	\$	0.47
Balance exercisable at December 31, 2023	11,192,544	\$	0.48

At December 31, 2023, the 11,392,544 outstanding stock options had aggregate intrinsic value of \$378,030.

A summary of the Company's stock options outstanding as of December 31, 2023 is as follows:

	<u>Number of Options</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Grant- Date Stock Price</u>
Options Outstanding, December 31, 2023	100,000	\$ 0.1337	\$ 0.1337
	3,050,000	\$ 0.18	\$ 0.18
	1,550,000	\$ 0.212	\$ 0.212
	1,150,000	\$ 0.277	\$ 0.277
	750,000	\$ 0.30	\$ 0.30
	2,000,000	\$ 0.35	\$ 0.35
	1,664,542	\$ 0.50	\$ 0.50
	128,000	\$ 0.96	\$ 0.96
	350,834	\$ 1.50 - 1.95	\$ 1.50 - 1.95
	597,500	\$ 2.00 - 2.79	\$ 2.00 - 2.79
	33,334	\$ 3.10 - 3.80	\$ 3.10 - 3.80
	18,334	\$ 4.00 - 4.70	\$ 4.00 - 4.70
	<u>11,392,544</u>		

A summary of the Company's stock options outstanding and exercisable as of December 31, 2023 is as follows:

	<u>Number of Options</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Grant- Date Stock Price</u>
Options Outstanding and Exercisable, December 31, 2023	100,000	\$ 0.1337	\$ 0.1337
	2,850,000	\$ 0.18	\$ 0.18
	1,550,000	\$ 0.212	\$ 0.212
	1,150,000	\$ 0.277	\$ 0.277
	750,000	\$ 0.30	\$ 0.30
	2,000,000	\$ 0.35	\$ 0.35
	1,664,542	\$ 0.50	\$ 0.50
	128,000	\$ 0.96	\$ 0.96
	350,834	\$ 1.50 - 1.95	\$ 1.50 - 1.95
	597,500	\$ 2.00 - 2.79	\$ 2.00 - 2.79
	33,334	\$ 3.10 - 3.80	\$ 3.10 - 3.80
	18,334	\$ 4.00 - 4.70	\$ 4.00 - 4.70
	<u>11,192,544</u>		

7. WARRANTS

A summary of warrants to purchase common stock issued during the years ended December 31, 2023 and 2022 is as follows:

	<u>Number of Underlying Shares</u>	<u>Weighted Average Exercise Price</u>
Balance outstanding at December 31, 2021	646,668	\$ 1.08
Granted	21,666,667	0.60
Exercised	-	-
Expired	-	-
Balance outstanding and exercisable at December 31, 2022	<u>22,313,335</u>	<u>\$ 0.61</u>
Granted	2,733,334	0.60
Exchanged for shares of common stock	(21,733,334)	0.60
Exercised	-	-
Expired	-	-
Balance outstanding and exercisable at December 31, 2023	<u>3,313,335</u>	<u>\$ 0.66</u>

In October 2023, the Company entered into warrant exchange agreements with certain holders of warrants to exchange warrants to purchase a total of 21,733,334 shares of the Company's common stock for an aggregate of 2,173,334 shares of the Company's common stock.

At December 31, 2023 and December 31, 2022, the outstanding stock warrants had no intrinsic value.

8. NOTES PAYABLE

Range Environmental was granted a loan (the "PPP loan") from United Bank for \$109,435 on March 9, 2021, pursuant to the Paycheck Protection Program (the "PPP") under the CARES Act. The PPP loan had a maturity date of March 9, 2023 and bore interest at a rate of 1% per annum, with the first six months of interest deferred. On August 19, 2022, Range Environmental received notice that the U.S. Small Business Administration ("SBA") had reviewed the forgiveness application of the PPP loan and provided forgiveness of the entire principal of the PPP loan plus accrued interest. The Company recognized a gain on forgiveness of the PPP loan of \$109,435 during the year ended December 31, 2022.

On June 17, 2020, Range Environmental was granted an SBA Disaster Loan in the amount of \$150,000 with an interest rate of 3.75% per annum. On September 14, 2022, the Company paid the entire balance due on this loan of \$158,815, including \$8,815 in accrued interest.

The Company had no notes payable outstanding as of December 31, 2023.

9. LONG-TERM DEBT OBLIGATIONS

Long-term debt consists of debt on vehicles and equipment, which serves as the collateral, and debt issued as part of the acquisition of Collins Building.

Interest rates on the equipment financings range from 3.69% to 9.95% for 2023 and mature between 2024 through 2028.

The Collins Building debt consists of a five-year secured promissory note with an original principal amount of \$2,000,000, bearing interest at 7.0% per annum (the "First Promissory Note"), and a two-year secured promissory note with an original principal amount of \$2,035,250, bearing interest at 8.25% per annum (the "Second Promissory Note", and together with the First Promissory Note, the "Collins Promissory Notes"). The First Promissory Note is secured by the acquired real property and quarry infrastructure and the Second Promissory Note is secured by the acquired equipment. At December 31, 2023, the First Promissory Note had an outstanding balance of \$1,887,395 and the Second Promissory Note had an outstanding balance of \$1,798,633.

A summary of payments due under the long-term debt by year is as follows:

	<u>Equipment Financing</u>	<u>Collins Promissory Notes</u>
2024 – due between January 1, 2024 and December 31, 2024	\$ 1,319,219	\$ 1,436,573
2025 – due between January 1, 2025 and December 31, 2025	945,890	1,095,081
2026 – due between January 1, 2026 and December 31, 2026	785,023	408,289
2027 – due between January 1, 2027 and December 31, 2027	762,699	437,387
2028 and later – due on January 1, 2028 and thereafter	506,960	308,698
Total long-term debt	<u>\$ 4,319,791</u>	<u>\$ 3,686,028</u>

10. LINES OF CREDIT

In November 2022, the Company secured a line of credit with a bank with a limit of \$1,000,000. In November 2023, the Company amended and restated this line of credit. The line of credit has a maturity date of November 30, 2024, and bears interest at one percent (1%) above the prime rate (9.50% at December 31, 2023). As of December 31, 2023, the balance due under the line of credit was \$1,000,000. As of December 31, 2022, the balance due under the line of credit was \$0.

In June 2023, Range Environmental secured a bank loan with a limit of \$1,000,000. In November 2023, the loan amount was increased to \$1,400,000. Principal and accrued interest payments are required in March, June, September and December 2024. The loan has a maturity date of December 31, 2024, and bears interest at the prime rate (8.50% at December 31, 2023). As of December 31, 2023, the balance due under the loan was \$1,400,000.

11. INCOME TAXES

The Company had no income tax expense for the year ended December 31, 2023 and 2022 due to its history of operating losses. The following is a reconciliation of the statutory federal income tax rate to the Company's effective tax rate:

	Year-Ended December 31, 2023	Year-Ended December 31, 2022
Federal statutory tax rate	-21%	-21%
State tax rate, net of federal benefit	-7%	-7%
Total federal and state tax rate	-28%	-28%
Valuation allowance	28%	28%
Effective tax rate	-%	-%

Deferred tax assets and liabilities consist of the following:

	December 31, 2023	December 31, 2022
Net deferred tax assets:		
Net operating loss carryforwards	4,718,000	6,690,000
Stock-based compensation	3,506,000	3,514,000
Goodwill	187,000	202,000
Research credits	342,000	86,000
Other Capitalized Costs	208,000	-
Operating lease liability	-	-
Gross deferred tax assets	8,961,000	10,492,000
Less: valuation allowance	(6,944,000)	(9,174,000)
Total deferred tax assets	2,017,000	1,318,000
Deferred tax liabilities:		
Derivative income	1,108,000	1,108,000
Fixed Assets	909,000	210,000
Operating lease right-of-use asset	-	-
Total deferred tax liabilities	2,017,000	1,318,000
Net deferred income tax assets (liabilities)	-	-

The provisions of ASC Topic 740, Accounting for Income Taxes, require an assessment of both positive and negative evidence when determining whether it is more likely than not that deferred tax assets are recoverable. For the years ended December 31, 2023 and 2022, based on all available objective evidence, including the existence of cumulative losses, the Company determined that it was more likely than not that the net deferred tax assets were not fully realizable. Accordingly, the Company established a full valuation allowance against its net deferred tax assets. The Company intends to maintain a full valuation allowance on net deferred tax assets until sufficient positive evidence exists to support reversal of the valuation allowance. The valuation allowance decreased by \$2.2 million during the year ended December 31, 2023 and decreased by \$0.9 million during the year ended December 31, 2022.

At December 31, 2023 and December 31, 2022, the Company had available federal and state net operating loss carryforwards (“NOLs”) to reduce future taxable income. Due to restrictions imposed by Internal Revenue Code Section 382 regarding substantial changes in ownership of companies with loss carryforwards, the utilization of the Company’s NOLs may be limited as a result of changes in stock ownership. For Federal purposes, after considering limitations under Section 382, the net operating loss amounts available were approximately \$16.9 million and \$18.3 million as of December 31, 2023 and December 31, 2022, respectively. For state purposes, after considering limitations under Section 382, the net operating loss amounts available were approximately \$16.6 million as of December 31, 2023 and 2022. NOLs incurred subsequent to the latest change in control are not subject to the limitation. The Federal carryforwards generated prior to December 31, 2017 expire on various dates through 2037, and Federal carryforwards generated after December 31, 2017 do not expire but are limited to 80% utilization in a given period.

12. MAJOR CUSTOMER AND CONCENTRATION OF CREDIT RISK

Sales to the Company’s two largest customers were 70% and 24%, respectively, of total sales for the year ended December 31, 2023, and sales to the Company’s largest customer were 72% of total sales for the year ended December 31, 2022.

Accounts receivable from the same customers were 70% and 29%, respectively, of total accounts receivable and unbilled receivables as of December 31, 2023 and accounts receivable from the Company’s largest customer were 62% of total accounts receivable and unbilled receivables as of December 31, 2022.

13. COMMITMENTS AND CONTINGENCIES

From time to time, the Company is involved in legal matters arising in the ordinary course of business. While the Company believes that such matters are currently not material, there can be no assurance that matters arising in the ordinary course of business for which the Company is, or could be, involved in litigation, will not have an adverse effect on its business, financial condition or results of operations.

14. SEGMENT INFORMATION

ASC 280, “Segment Reporting” establishes standards for reporting information about operating segments on a basis consistent with the Company’s internal organizational structure as well as information about services, categories, business segments and major customers in financial statements. The Company has five reportable segments that are based on the following business units: (i) Range Reclaim, (ii) Range Water, (iii) Range Security, (iv) Range Land, and (v) Drug Development. In accordance with the “Segment Reporting” Topic of the ASC, the Company’s chief operating decision-maker has been identified as the Company’s Chief Executive Officer, who reviews operating results to make decisions about allocating resources and assessing performance for the entire Company. Existing guidance, which is based on a management approach to segment reporting, establishes requirements to report selected segment information quarterly and to report annually entity-wide disclosures about products and services, major customers and the countries in which the entity holds material assets and reports revenue. All material operating units qualify for aggregation under “Segment Reporting” due to their similar customer base and similarities in: economic characteristics; nature of products and services; and procurement, manufacturing and distribution processes.

The five reportable segments that result from applying the aggregation criteria are as follows:

- Range Reclaim – land reclamation, water restoration, incidental mining and land repurposing
- Range Water – biochar product development and water solutions business
- Range Security – security services on mine land being reclaimed and repurposed for non-fossil fuel uses
- Range Land – mine land being acquired, reclaimed and repurposed for non-fossil fuel uses
- Drug Development – glycosylated cannabinoid drug development program

The Company operated two reportable business segments, Range Reclaim and Drug Development, during the year ended December 31, 2022. The other business segments began operating in 2023.

The Company had no inter-segment sales for the periods presented.

Summarized financial information concerning the Company's reportable segments is shown as below:
By Categories

	For the year ended December 31, 2023						Total
	Range Reclaim	Range Water	Range Security	Range Land	Drug Development	Corporate	
Sales	\$ 18,662,111	\$ -	\$ 684,195	\$ -	\$ -	\$ -	\$ 19,346,306
Cost of services	12,808,990	-	302,507	-	-	-	13,111,497
Gross profit	5,853,121	-	381,688	-	-	-	6,234,809
Operating income (loss)	3,784,444	(69,840)	269,772	(13,134)	(458,889)	(1,757,989)	1,754,364
Net income (loss)	3,407,546	(69,840)	269,548	(13,134)	(458,889)	(4,176)	3,131,055
Total assets	21,079,343	13,859	155,783	1,009,794	8,753	1,520,612	23,788,144
Depreciation	1,769,766	1,706	10,101	-	-	-	1,781,573
Interest expense	376,898	-	224	-	-	128,795	505,917
Capital expenditures for long-lived assets	\$ 1,050,640	\$ 15,350	\$ 52,674	\$ 1,008,897	\$ -	\$ -	\$ 2,127,561

	For the year ended December 31, 2022				Total
	Range Reclaim	Drug Development	Corporate		
Revenue	\$ 4,832,278	\$ -	\$ -	\$ -	\$ 4,832,278
Cost of services	3,439,026	-	-	-	3,439,026
Gross profit	1,393,252	-	-	-	1,393,252
Operating income (loss)	761,432	(470,803)	(1,391,062)	(1,100,433)	(1,100,433)
Net income (loss)	816,469	(470,803)	(1,417,842)	(1,072,176)	(1,072,176)
Total assets	6,056,568	-	2,173,897	-	8,230,465
Depreciation	395,543	-	-	-	395,543
Interest expense	54,402	-	26,776	-	81,178
Capital expenditures for long-lived assets	\$ 5,813,057	\$ -	\$ -	\$ -	\$ 5,813,057

15. QUARTERLY DATA (UNAUDITED)

Quarterly results include all adjustments consisting of normal recurring adjustments that the Company considers necessary for the quarters presented and are not necessarily indicative of the operating results of any future period. Summarized financial information for each quarter during the years ended December 31, 2023 and 2022 is below:

	Quarter ended March 31, 2023	Quarter ended June 30, 2023	Quarter ended September 30, 2023	Quarter ended December 31, 2023
Revenues	\$ 3,014,887	\$ 3,998,267	\$ 5,455,633	\$ 6,877,519
Gross profit	649,002	845,101	2,857,766	1,882,940
Income (loss) from operations	(183,223)	153,693	1,659,871	124,023
Net income (loss)	(226,860)	36,762	3,404,175	(83,022)
Net income (loss) per share – basic and diluted	-	-	0.04	-

	Quarter ended March 31, 2022	Quarter ended June 30, 2022	Quarter ended September 30, 2022	Quarter ended December 31, 2022
Revenues	\$ -	\$ 639,359	\$ 1,547,258	\$ 2,645,661
Gross profit	-	64,952	357,783	970,517
Loss from operations	(443,671)	(423,197)	(198,002)	(35,563)
Net loss	(447,974)	(443,186)	(119,616)	(61,400)
Net loss per share – basic and diluted	(0.01)	(0.01)	-	-

16. PRO FORMA DATA (UNAUDITED)

The pro forma sales and net income data gives effect to the acquisition of Collins Building as if it had occurred on January 1, 2023, the beginning of the Company's 2023 fiscal year, and to the acquisition of the Range Entities as if it had occurred on January 1, 2022, the beginning of the Company's 2022 fiscal year.

	For the year ended December 31, 2023	
	Sales	Net income
Acquired companies		
Collins Building	\$ 4,005,645	\$ 324,882
All other companies	16,561,233	2,812,244
Total	<u>\$ 20,566,878</u>	<u>\$ 3,137,126</u>

	For the year ended December 31, 2022	
	Sales	Net income (loss)
Acquired companies		
Range Entities	\$ 5,848,298	\$ 653,172
All other companies	-	(1,888,645)
Total	<u>\$ 5,848,298</u>	<u>\$ (1,235,473)</u>

AMENDED AND RESTATED REVOLVING PROMISSORY NOTE**NOTICE:** This Negotiable Instrument Contains Provisions For Interest Rate Adjustments.

November 30, 2022, as amended and restated, Independence, Ohio \$1,000,000.00
effective November 30, 2023,
executed December 4, 2023

FOR VALUE RECEIVED, the undersigned, MALACHITE INNOVATIOS, INC., a Nevada corporation, licensed to transact business in Ohio ("Borrower"), absolutely and unconditionally promises to pay on or before NOVEMBER 30, 2024 ("Maturity Date") to the order of INDEPENDENCE BANK ("Bank"), an Ohio banking organization, its successors and assigns, at Bank's office located at 4401 Rockside Road, Independence, Ohio 44131 or at such other place as Bank may from time to time designate in writing, the principal sum up to ONE MILLION AND NO/100 DOLLARS (USD \$1,000,000.00) or such portion thereof as shall have been advanced by Bank under this Amended And Restated Revolving Promissory Note (this "Amended Note") to or for the benefit of Borrower, plus interest accruing from and after the effective date hereof hereunder until all sums due under this Amended Note have been paid in full, on the unpaid principal balance owing under this Amended Note at a variable rate per annum equal to 1.00% above Bank's Prime Lending Rate, currently at 8.50%, as reported by any source chosen by Bank, from time to time in effect at Bank, based upon a year having 360 days and calculated for the actual number of days elapsed, with each change in Bank's Prime Lending Rate automatically and immediately resulting in a change in the rate of interest applicable hereunder effective as of each date Bank's Prime Lending Rate changes, provided that in no event shall the rate of interest applicable to this Amended Note exceed the maximum rate of interest permitted by any law applicable to the loan transaction evidenced hereunder. Bank's Prime Lending Rate may not be the lowest interest rate charged by Bank to any of its customers. If for any reason at any time there exists no source from which Bank may chose its Prime Lending Rate, then the interest rate applicable to this Amended Note shall mean a published reference rate selected by Bank with notice thereof to Borrower and after Bank exercises reasonable judgment based upon consideration of economic, money market, business, and competitive factors, it being understood that such rate is a reference rate, not necessarily the lowest, established from time to time, which serves as the basis upon which effective interest rates are calculated for loans making reference thereto.

This Amended Note") amends and restates that certain Promissory Note dated November 30, 2022 in the original principal amount of \$1,000,000.00, which matured November 30, 2023 ("Note"), with an unpaid principal balance owing thereunder and renewed hereunder in the amount of \$1,000,000.00, plus any accrued and unpaid interest owing under the Note as of the effective date hereof, and interest payable hereunder on and after the effective date of this Amended Note at the rate and frequency as set forth herein. This Amended Note amends and restates the Note.

Subject to the terms of this Amended Note and the Loan Documents (as herein defined), Bank may advance sums from time to time hereunder and such sums may be repaid by Borrower and re-advanced by Bank from time to time; provided, however, that the aggregate unpaid principal balance owing hereunder shall at no time exceed the face amount of this Amended Note.

As a condition to Bank's renewal of the Note, pursuant to this Amended Note, Borrower shall pay to Bank (a) a loan renewal fee in the amount of \$5,000.00 and (b) all of Bank's out-of-pocket costs and expenses incurred in connection with this Amended Note, including, but not limited to, Bank's reasonable attorney's fees.

Prior to the Maturity Date, Borrower shall make QUARTERLY payments of interest only, due and payable in arrears, commencing FEBRUARY 29, 2024 and continuing on the last day of each calendar quarter thereafter (i.e., May 31, 2024, August 31, 2024, and November 30, 2024) until the Maturity Date, unless sooner by reason of default by Borrower hereunder and acceleration by Bank, at which time all unpaid principal and accrued interest owing hereunder shall be due and payable in full, together with any other fees, charges, and costs payable hereunder. Borrower acknowledges that notwithstanding the quarterly payment amounts set forth above, the payment due on the Maturity Date will be a final payment consisting of (i) all accrued and unpaid interest and any other fees, charges and costs and (ii) the entire unpaid principal balance owing hereunder. If any payment due hereunder shall become payable on a day other than a day on which Bank is open for business or payable on February 29 in a leap year, such payment shall be extended to the next succeeding business day and interest thereon shall be payable at the rate herein specified during the extension.

Prior to or after the Maturity Date, upon default in payment of any principal or interest when due, or upon any other default under the terms of this Amended Note, the principal of and unpaid interest owing under this Amended Note shall thereafter until paid in full bear interest at the rate of Two Percent (2.00%) per annum above the rate otherwise specified in this Amended Note, but in no event shall the interest rate applicable to this Amended Note either prior to or after the Maturity Date exceed the maximum permissible interest rate allowed by law.

Except as set forth herein, all instruments and documents executed in connection with the Note shall be treated as instruments and documents executed in connection with this Amended Note and all of said instruments and documents shall hereinafter be referred to collectively as the "Loan Documents." The terms and conditions of the Loan Documents are made a part hereof and incorporated herein by this reference and Borrower and any guarantor(s) hereof covenant and agree to perform or cause to be performed all of the terms, conditions, covenants and agreements of said documents as fully as if such terms, conditions, covenants and agreements were set forth at length herein. Any and all references in this Amended Note to any other document(s), including, without limitation, any of the Loan Documents shall be references to such document(s) as the same may from time to time be modified, amended, renewed, consolidated or extended.

Bank and any subsequent holder of this Amended Note shall have the right to accelerate the Maturity Date and require collateral hereunder if Bank or any subsequent holder shall in good faith deem itself insecure any time. At the option of Bank or any subsequent holder of this Amended Note, all of Borrower's payment and performance obligations hereunder shall become immediately due and payable without notice or demand upon the occurrence of any of the following events of default: (a) Borrower's failure, with or without demand from, or notice by, Bank to deliver additional or replacement collateral as set forth herein; (b) default in the payment or performance of any liability or obligation of Borrower, or of any maker, endorser or guarantor of any liability or obligation of Borrower to Bank or any subsequent holder of this Amended Note; (c) failure to pay when due any premium on any life insurance policy held as collateral for this Amended Note or any insurance policy insuring any other property (real or personal) held as collateral for this Amended Note; (d) death, mental incompetency, termination or dissolution of business operations, or failure to maintain existence; (e) insolvency, business failure, appointment of receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceedings under any bankruptcy or insolvency laws by or against Borrower, any maker, endorser or guarantor hereof. Upon the occurrence of any event of default, and at any time thereafter, Bank or any subsequent holder of this Amended Note shall have the right to sue for, collect or make any compromise or settlement Bank deems acceptable.

Any deposits or other sums at any time credited by or due from Bank or any subsequent holder of this Amended Note to any maker, endorser or guarantor hereof and any securities or other property of any maker, endorser or guarantor hereof in the possession of Bank or any subsequent holder of this Amended Note may at all times be held and treated as collateral security for Borrower's payment and performance obligations hereunder. Bank or any subsequent holder of this Amended Note may apply or set off such deposits or other sums at any time against any matured portion(s) of the payment obligations hereunder as to any maker, endorser or guarantor hereof.

No delay or omission on the part of Bank or any subsequent holder of this Amended Note in exercising any right or remedy hereunder shall operate as a waiver of such right or remedy or as a waiver of any other right or remedy under this Amended Note. Any waiver hereunder by Bank shall not be construed as a bar to or waiver of any such right or remedy on any future occasion.

If this Amended Note is now or later signed by more than one person, it shall be the joint and several liability of all such persons, and shall be binding upon each of their respective successors and permitted assigns. Every maker, endorser and guarantor of this Amended Note or any of the Obligations hereby (a) waives presentment, demand, notice, protest, and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Amended Note; (b) assents to any extension, amendment or postponement of the time of payment or any other indulgence permitted hereunder; (c) agrees to any substitution, exchange, or release of any collateral held hereunder and/or to the addition or release of any person or persons primarily or secondarily liable with respect to this Amended Note.

Borrower represents to Bank that (a) the indebtedness evidenced by this Amended Note has been used solely for business purposes; (b) that none of the indebtedness has been or will be used in any manner whatsoever for personal, family, educational or household purposes; (c) that the indebtedness evidenced by this Amended Note is an exempted transaction under the Truth-In-Lending Act, 15 U.S.C. §1601, et seq. and not a "consumer loan" or a "consumer transaction" as defined in O.R.C. §2323.13(E)(1) and (2), respectively; and (d) this Amended Note constitutes a "contract of indebtedness" under O.R.C. §1319.02(A)(1). If this Amended Note is placed in the hands of any attorney for collection or to defend or enforce any rights or remedies hereunder, Borrower agrees to pay, to the extent permitted by law, including, without limitation, O.R.C. §1319.02, all reasonable attorneys' fees, together with all court costs and related expenses paid or incurred by Bank or any subsequent holder of this Amended Note. As used herein, the term "holder" shall mean the payee or other endorsee of this Amended Note, who is in possession of this Amended Note or the bearer of this Amended Note, if this Amended Note is at the time payable to bearer.

Borrower further represents to Bank: (a) that the execution and delivery of this Amended Note and the performance of the obligations it imposes do not violate any law, conflict with any agreement by which Borrower or any of its undersigned member is bound, or require the consent or approval of any governmental authority or any other party or person; (b) that this Amended Note is a valid and binding agreement, enforceable according to its terms; (c) that all financial information furnished to Bank is accurate and fairly reflects the financial condition of the organization and/or person to which such financial information applies as of the effective date of such information, and the financial condition has not changed materially or adversely since the effective date(s); and (d) that Borrower is duly organized, existing and in good standing pursuant to the laws of the State of Ohio, the execution and delivery of this Amended Note and the performance of the obligations it imposes are within its powers and have been duly authorized by all necessary action of its governing body and do not contravene the terms of the organizational documents governing its business affairs.

So long as any indebtedness remains unpaid under this Amended Note, Borrower shall furnish to Bank financial statements certified by Borrower, in form and content satisfactory to Bank, together with such additional financial documents and/or information as may be reasonably requested by Bank from time to time, including, without limitation, signed copies of federal tax returns, together with any and all exhibits, as Borrower files annually with the Internal Revenue Service. Such financial statements shall be furnished to Bank by Borrower at such annual or interim time periods as Bank shall require from time to time. Borrower's failure to furnish the aforesaid financial statements, information, and documents shall be an event of default hereunder.

(JURY TRIAL WAIVER) BORROWER WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, BETWEEN BANK AND BORROWER ARISING OUT OF OR IN CONNECTION WITH THIS AMENDED NOTE OR ANY OTHER AGREEMENT, INSTRUMENT OR DOCUMENT EXECUTED OR DELIVERED IN CONNECTION WITH THIS AMENDED NOTE OR THE TRANSACTIONS RELATED THERETO. THIS WAIVER SHALL NOT IN ANY WAY AFFECT, WAIVE, LIMIT, AMEND OR MODIFY THE ABILITY OF BANK TO PURSUE REMEDIES PURSUANT TO ANY CONFESSION OF JUDGMENT OR COGNOVIT PROVISION CONTAINED IN THIS AMENDED NOTE, ANY GUARANTY OF PAYMENT OR ANY OTHER AGREEMENT, INSTRUMENT OR DOCUMENT RELATED THERETO.

Borrower hereby authorizes any attorney at law to appear in any court of record in or of the State of Ohio or in any other state or territory of the United States at any time after the above indebtedness becomes due to waive the issuing and service of process and to confess judgment against Borrower in favor of Bank (or any holder of this Amended Note) for the amount then appearing due, together with interest at the rate provided for herein, plus late charges and the costs of suit, together with any other charges, costs, and fees owing hereunder, and thereupon to waive and release all errors in said proceeding(s) and judgment(s), all petitions in error, all stays of execution, and all rights of appeal from the judgment(s) rendered. No such judgment or judgments against Borrower shall be a bar to any subsequent judgment or judgments against Borrower. This warrant of attorney shall survive any judgment, it being understood that should any judgment be vacated for any reason, this warrant of attorney may nevertheless be used to obtain additional judgment(s). This provision and the rights herein granted shall not be affected by Borrower's dissolution or liquidation.

WARNING-BY SIGNING THIS PAPER YOU GIVE UP YOUR RIGHT TO NOTICE AND COURT TRIAL. IF YOU DO NOT PAY ON TIME A COURT JUDGMENT MAY BE TAKEN AGAINST YOU WITHOUT YOUR PRIOR KNOWLEDGE AND THE POWERS OF A COURT CAN BE USED TO COLLECT FROM YOU REGARDLESS OF ANY CLAIMS YOU MAY HAVE AGAINST THE CREDITOR WHETHER FOR RETURNED GOODS, FAULTY GOODS, FAILURE ON HIS PART TO COMPLY WITH THE AGREEMENT, OR ANY OTHER CAUSE.

MALACHITE INNOVATIONS, INC.,
a Nevada corporation, licensed to
transact business in Ohio

Borrower's Address: 200 Park Avenue, Ste. 400
Cleveland, OH 44122

By: 
Michael Cavanaugh
Its: Chief Executive Officer

Loan No.: 84816
Maturity Date: November 30, 2024

REVOLVING COLLATERAL NOTE

NOTICE: This Negotiable Instrument Contains Provisions For Interest Rate Adjustments.

\$1,000,000.00 Independence, Ohio June 16, 2023

FOR VALUE RECEIVED, each of the undersigned, jointly and severally, absolutely and unconditionally promises to pay not later than JUNE 16, 2024 ("Maturity Date") to the order of INDEPENDENCE BANK ("Bank"), an Ohio banking organization, its successors and assigns, at Bank's office located at 4401 Rockside Road, Independence, Ohio 44131 or at such other place as Bank may from time to time designate in writing, the principal sum up to ONE MILLION AND NO/100 DOLLARS (USD \$1,000,000.00) or such portion thereof as shall have been advanced by Bank under this Revolving Collateral Note (this "Note") to or for the benefit of the undersigned, plus interest accruing from and after the disbursement date hereof and each subsequent disbursement date(s) hereunder until all sums due under this Note have been paid in full, on the unpaid principal balance owing this Note at a variable rate per annum equal to Bank's Prime Lending Rate, currently at 8.00%, as reported by any source chosen by Bank, from time to time in effect at Bank, based upon a year having 360 days and calculated for the actual number of days elapsed, with each change in Bank's Prime Lending Rate automatically and immediately resulting in a change in the rate of interest applicable hereunder, effective as of each date Bank's Prime Lending Rate changes, provided that in no event shall the rate of interest applicable to this Note exceed the maximum rate of interest permitted by any law applicable to the loan transaction evidenced hereunder. Bank's Prime Lending Rate may not be the lowest interest rate charged by Bank to any of its customers. If for any reason at any time there exists no source from which Bank may choose its Prime Lending Rate, then the interest rate applicable to this Note shall mean a published reference rate selected by Bank with notice thereof to the undersigned and after Bank exercises reasonable judgment based upon consideration of economic, money market, business, and competitive factors, it being understood that such rate is a reference rate, not necessarily the lowest, established from time to time, which serves as the basis upon which effective interest rates are calculated for loans making reference thereto.

As a condition to Bank's funding of the principal proceeds of this Note, the undersigned shall pay to Bank (i) a loan origination fee in the amount of \$5,000.00 and upon Bank's demand, all of Bank's out-of-pocket costs and expenses incurred in connection with this Note, including, but not limited to, Bank's attorney fees.

Subject to the terms of this Note and the Loan Documents (as herein defined), Bank may advance sums from time to time hereunder and such sums may be repaid by the undersigned and re-advanced by Bank from time to time; provided, however, that the aggregate unpaid principal balance owing hereunder shall at no time exceed the face amount of this Note.

Prior to the Maturity Date, the undersigned shall make periodic payments under this Note, in the amounts and frequency described immediately below, unless repayment is required sooner by reason of default by the undersigned hereunder and acceleration thereafter by Bank:

A. QUARTERLY interest payments, due and payable in arrears, computed at the interest rate set forth above, for four (4) consecutive calendar quarters, commencing on SEPTEMBER 16, 2023 and continuing on the same day of each calendar quarter thereafter (i.e., December 16, 2023, March 16, 2024, and June 16, 2024) to and including the quarterly payment due on JUNE 16, 2024, the Maturity Date of this Note on which date all unpaid principal and accrued interest owing to Bank under this Note shall be due and payable in full, together with any other fees, charges and costs payable hereunder; and

B. QUARTERLY fixed principal payments, each in the amount of One Hundred Thousand And No/100 Dollars (USD \$100,000.00), due and payable on SEPTEMBER 16, 2023, DECEMBER 16, 2023, and MARCH 16, 2024; and

C. On the Maturity Date of this Note, all unpaid principal and accrued interest owing to Bank shall be due and payable in full by the undersigned, together with any other fees, charges and costs payable hereunder.

If any periodic payment due hereunder shall become payable on a day other than a day on which Bank is open for business or payable on February 29 in a leap year, such payment shall be extended to the next succeeding business day and interest thereon shall be payable at the rate herein specified during the extension.

Prior to or after the Maturity Date, upon default in payment of any principal or interest when due, or upon any other default under the terms of this Note, the principal of and unpaid interest owing under this Note shall thereafter until paid in full bear interest at the rate of Four Percent (4.00%) per annum above the rate otherwise specified in this Note, but in no event shall the interest rate applicable to this Note prior to or after the Maturity Date exceed the maximum permissible interest rate allowed by law. The books and records of Bank shall be the best evidence of the principal amount and the unpaid interest amount owing at any time hereunder and shall be conclusive absent manifest error. If the balance owing under this Note shall exceed its face amount, the undersigned shall pay to Bank such excess on demand.

The undersigned, RANGE ENVIRONMENTAL RESOURCES, INC., a West Virginia corporation, duly licensed by the Ohio Secretary of State as a foreign for profit corporation assigned Ohio entity number 4872102 effective May 20, 2022 ("Debtor"), has caused to be deposited with and hereby pledges to Bank as security for the payment of this Note and every other liability of each of the undersigned to Bank, whether joint or several, absolute or contingent, due or not due, and whether heretofore or hereafter contracted or existing, and in whatsoever manner acquired by or accruing to Bank, whether prior to or after the Maturity Date and whether the same have been or shall be participated, in whole or in part, to others by trust agreement or otherwise (all of the foregoing hereinafter referred to as "Obligations"), the following described property:

The items of equipment, related parts, and machinery owned by Debtor listed on Exhibit A attached hereto and incorporated herein by reference and any and all proceeds derived therefrom, together with any and all future attachments, enhancements, and replacements thereto, wheresoever situated all as further described in that certain commercial security agreement given by Debtor to Bank, as Secured Party, of even date herewith, the terms and conditions of which, including any and all attachments thereto and amendments thereof, are incorporated herein by reference, together with all UCC financing statements and any exhibits relating thereto, and any all amendments thereof, the terms and conditions of which are also incorporated herein by reference.

The undersigned may prepay all or any portion of the principal sum hereof at any time without penalty. All payments and other amounts received by Bank shall be credited first to any accrued but unpaid interest owing under this Note and then to the principal amount outstanding hereunder. In the event of a principal prepayment, the amount of the monthly payments of interest on this Note shall be decreased to reflect the reduced amount of principal outstanding under this Note.

All instruments and documents executed in connection with, or given as security for this Note, shall hereinafter be referred to collectively as the "Loan Documents." The terms and conditions of the Loan Documents are made a part hereof and incorporated herein by this reference and each of the undersigned and any guarantor(s) hereof covenant and agree to perform or cause to be performed all of

the terms, conditions, covenants and agreements of the Loan Documents as fully as if such terms, conditions, covenants and agreements were set forth at length herein. Any and all references in this Note to any other document(s), including any of the Loan Documents, shall be references to such document(s) as the same may from time to time be modified, amended, renewed, consolidated or extended.

Bank and any subsequent holder of this Note shall have the right to accelerate the Maturity Date and to require additional or replacement collateral, if Bank or any subsequent holder shall in good faith deem itself insecure any time. At the option of Bank or any subsequent holder of this Note, all of the Obligations shall become immediately due and payable without notice or demand upon the occurrence of any of the following events of default: (a) failure of the undersigned, with or without demand or notice, to deliver additional or replacement collateral to secure this Note satisfactory to Bank; (b) default in the payment or performance of any liability of the undersigned with respect to any of the Obligations or if any maker, endorser or guarantor of any of the Obligations shall default in the payment or performance pertaining thereto; (c) failure to pay when due any insurance premium for any property (real or personal) now or hereafter held as collateral for this Note; or (d) death, dissolution, termination of existence, insolvency, business failure, appointment of receiver of any property of, assignment for the benefit of creditors by, or the commencement of any proceedings under any bankruptcy or insolvency laws by or against, any maker, endorser or guarantor hereof. Upon the occurrence of any event of default, and at any time thereafter, Bank or any subsequent holder of this Note shall have the right and remedies of a secured party under the Ohio Uniform Commercial Code.

Upon the occurrence of any event of default, and at any time thereafter, Bank or any subsequent holder of this Note shall have the right and remedies of a secured party under the Ohio Uniform Commercial Code. Unless the collateral securing this Note is perishable or threatens to decline speedily in value or is of a type customarily sold on recognized market, Bank or any subsequent holder of this Note will give the undersigned reasonable notice of the time or place of any public sale thereof or of the time after which any private sale or other intended disposition of such collateral is to be made. The requirement of reasonable notice shall be met if such notice is mailed, postage prepaid, to the last known address of the undersigned at least five (5) days prior to the time of the sale or other disposition of collateral. Any deposits or other sums at any time credited by or due from Bank or any subsequent holder of this Note to any maker, endorser or guarantor hereof and any securities or other property of any maker, endorser or guarantor hereof in the possession of Bank or any subsequent holder of this Note may at all times be held and treated as collateral security for the payment of the Obligations. Bank or any subsequent holder of this Note may apply or set off such deposits or other sums at any time against any matured portion of the Obligations with respect to any maker, endorser or guarantor hereof.

Bank or any subsequent holder of this Note may, whether or not this Note is due, sue for, collect or make any compromise or settlement deemed desirable as to any collateral held hereunder. Neither Bank nor any subsequent holder of this Note shall be bound to take any steps necessary to preserve any rights in the collateral against prior parties, which the undersigned hereby assumes to do. Neither Bank nor any subsequent holder of this Note shall have any duty to exercise any warrant or option, to make any presentment or collection, or to preserve any right of any kind as to any collateral held hereunder or to pay interest on any cash deposits held as collateral hereunder. Upon any sale, transfer or pledge of this Note, the holder hereof may transfer and deliver some or all of the collateral securing this Note without any responsibility for any act, omission or course of dealing of any holder hereof with respect to such collateral and without terminating or otherwise affecting Bank's security interest in any collateral retained by Bank as and for security for any of the Obligations owing to Bank, and until payment in full of all of the Obligations, any and collateral retained by Bank with respect to the Obligations shall continue to secure, in accordance with the terms and conditions as set forth herein, any of the unpaid Obligations owing to Bank notwithstanding any surrender of this Note. No delay or omission on the part of Bank or any subsequent holder of this Note in exercising any right or remedy hereunder shall operate as a waiver

of such right or remedy or as a waiver of any other right or remedy under this Note. Any waiver hereunder by Bank or any subsequent holder hereof on any one occasion shall not be construed as a bar to or waiver of any such right or remedy on any future occasion.

The undersigned's payment and performance agreements under this Note shall be (a) cross-defaulted with any existing or future indebtedness owing by the undersigned and/or any guarantor(s) hereof to Bank and (b) cross-collateralized, to the extent permitted by law, by each and every collateral interest now or hereafter held by or granted to Bank by the undersigned and/or any guarantor(s) hereof in respect of any real or personal property lien or security interest, including, without limitation, any or all of the collateral securing this Note. As a result, any default under this Note shall automatically constitute a default under any and all other indebtedness owing by the undersigned and/or any guarantor(s) hereof to Bank and any default by the undersigned and/or any guarantor(s) hereof under any other indebtedness owing to Bank shall automatically constitute a default hereunder.

If this Note is now or later signed by more than one person, it shall be the joint and several liability of all such persons, and shall be binding upon each of their respective successors and permitted assigns. Every maker, endorser and guarantor of this Note or any of the Obligations hereby (a) waives presentment, demand, notice, protest, and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note; (b) assents to any extension, amendment or postponement of the time of payment or any other indulgence permitted hereunder; (c) agrees to any substitution, exchange, or release of any collateral held hereunder and/or to the addition or release of any person or persons primarily or secondarily liable with respect to this Note. Each of the undersigned represents to Bank that (a) the indebtedness evidenced by this Note has been and will be used solely for business purposes; (b) that none of the indebtedness has been or will be used in any manner whatsoever for personal, family, educational or household purposes; (c) that the indebtedness evidenced by this Note is an exempted transaction under the Truth-In-Lending Act, 15 U.S.C. §1601, et seq. and not a "consumer loan" or a "consumer transaction" as defined in O.R.C. §2323.13(E)(1) and (2), respectively; and (d) this Note constitutes a "contract of indebtedness" under O.R.C. §1319.02(A)(1).

If this Note is placed in the hands of any attorney for collection or to defend or enforce any rights or remedies hereunder, each of the undersigned agrees to pay, to the extent permitted by law, including, without limitation, O.R.C. §1319.02, all reasonable attorneys' fees, together with all court costs and related expenses paid or incurred by Bank or any holder of this Note. As used herein, the term "holder" shall mean the payee or other endorsee of this Note, who is in possession of this Note or the bearer of this Note, if this Note is at the time payable to bearer.

So long as any indebtedness remains unpaid under this Note, each of the undersigned shall furnish to Bank financial statements certified by each of the undersigned, in form and content satisfactory to Bank, together with such additional financial documents and/or information as may be reasonably requested by Bank from time to time, including, without limitation, signed copies of federal tax returns, together with any and all exhibits, each of the undersigned files annually with the Internal Revenue Service. Such financial statements shall be furnished to Bank by each of the undersigned at such annual or interim time periods as Bank shall require from time to time. The failure by the undersigned to furnish the aforesaid financial statements, information, and documents shall be an event of default hereunder.

(JURY TRIAL WAIVER) EACH OF THE UNDERSIGNED WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, BETWEEN BANK (OR ANY SUBSEQUENT HOLDER OF THIS NOTE) AND THE UNDERSIGNED ARISING OUT OF OR IN CONNECTION WITH THIS NOTE OR ANY OTHER AGREEMENT, INSTRUMENT OR DOCUMENT EXECUTED OR DELIVERED IN CONNECTION WITH THIS NOTE OR THE TRANSACTIONS RELATED THERETO. THIS


WAIVER SHALL NOT IN ANY WAY AFFECT, WAIVE, LIMIT, AMEND OR MODIFY THE ABILITY OF BANK (OR ANY SUBSEQUENT HOLDER OF THIS NOTE) TO PURSUE REMEDIES PURSUANT TO ANY CONFESSION OF JUDGMENT OR COGNOVIT PROVISION CONTAINED IN THIS NOTE, ANY GUARANTY OF PAYMENT OR ANY OTHER AGREEMENT, INSTRUMENT OR DOCUMENT RELATED THERETO.

Each of the undersigned hereby authorizes any attorney at law to appear in any court of record in the State of Ohio or in any other state or territory of the United States at any time after the above indebtedness becomes due, and to waive the issuance of service of process and to confess judgment against any one or more or all of the undersigned in favor of Bank (or any holder of this Note) for the amount then appearing due, together with interest at the rate provided for herein, and the costs of suit, together with any other charges, costs, and fees owing hereunder, and thereupon to waive and release all errors in said proceeding(s) and judgment(s), all petitions in error, all stays of execution, and all rights of appeal from the judgment(s) rendered. No such judgment or judgments against less than all of the undersigned shall be a bar to any subsequent judgment or judgments against any one or more of the undersigned against whom judgment has not been obtained hereon; this being a joint and several warrant of attorney to confess judgment. The within warrant of attorney shall survive any judgment, it being understood that should any judgment be vacated for any reason, this warrant of attorney may nevertheless be used to obtain one or more additional judgment(s). This provision and the rights herein granted shall not be affected by the death, dissolution or liquidation of the undersigned.

The undersigned has executed and delivered this Note to Bank on the date first written above.


WARNING-BY SIGNING THIS PAPER YOU GIVE UP YOUR RIGHT TO NOTICE AND COURT TRIAL. IF YOU DO NOT PAY ON TIME A COURT JUDGMENT MAY BE TAKEN AGAINST YOU WITHOUT YOUR PRIOR KNOWLEDGE AND THE POWERS OF A COURT CAN BE USED TO COLLECT FROM YOU REGARDLESS OF ANY CLAIMS YOU MAY HAVE AGAINST THE CREDITOR WHETHER FOR RETURNED GOODS, FAULTY GOODS, FAILURE ON HIS PART TO COMPLY WITH THE AGREEMENT, OR ANY OTHER CAUSE.

RANGE ENVIRONMENTAL
RESOURCES, INC.,
a West Virginia corporation,
licensed to transact business in Ohio

By: 
Michael Cavanaugh,
Chief Executive Officer

ADDRESS: 200 Park Avenue, Suite 400
Cleveland, OH 44122

RANGE NATURAL RESOURCES, INC.,
a West Virginia corporation,
licensed to transact business in Ohio

By: 
Michael Cavanaugh,
Chief Executive Officer

ADDRESS: 200 Park Avenue, Suite 400
Cleveland, OH 44122

LOAN NO.: _____

MATURITY DATE: JUNE 16, 2024

EXHIBIT A

Debtor: RANGE ENVIRONMENTAL RESOURCES, INC.,
a West Virginia corporation¹

Secured Party: INDEPENDENCE BANK, its successors and assigns

The items of equipment, related parts, and machinery listed below ("Property"), whether held by Debtor as inventory, equipment or otherwise, all of which has been given, assigned and transferred by Debtor to Secured Party to secure loan proceeds advanced by Secured Party, and any and all attachments, enhancements, modifications, accessions, spare parts, and related equipment, now or hereafter attached to any of the Property or otherwise made a part thereof, together with any and all items of equipment or other property accepted by Secured Party as replacements, substitutions and/or supplements thereto, plus all proceeds derived from the Property, wheresoever situated, and as further described in and governed by that certain commercial security agreement executed by Debtor and delivered to Secured Party, the terms and conditions of which, including any and all attachments thereto and amendments thereof, are incorporated herein by reference:

- (1) One (1) 2006 Caterpillar D11 Dozer; S/N: 7PZ01446
- (2) One (1) 1995 Caterpillar D11N Dozer with 11U blade, twin tilt, ss ripper; S/N: 74Z00776
- (3) Caterpillar D11R Dozer parts; SN: 7PZ01504 (added to 1995 Cat D11N)
- (4) One (1) 2003 Caterpillar 777D 100-ton Rock Truck, S/N: 3PR00927

¹ Debtor is also duly licensed by the Ohio Secretary of State as a foreign for profit corporation and assigned Ohio entity number 4872102 effective May 20, 2022.

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY COMPARABLE STATE SECURITIES LAW. EXCEPT AS EXPRESSLY PROVIDED HEREIN, NEITHER THIS NOTE NOR ANY PORTION HEREOF OR INTEREST HEREIN MAY BE SOLD, ASSIGNED, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF UNLESS THE SAME IS REGISTERED UNDER SAID ACT AND APPLICABLE STATE SECURITIES LAWS OR UNLESS AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE AND THE MAKER (AS DEFINED BELOW) HAVE RECEIVED EVIDENCE OF SUCH EXEMPTION REASONABLY SATISFACTORY TO THE MAKER.

SECURED PROMISSORY NOTE

\$2,035,250.00

(Original Loan Amount)

August 31, 2023

FOR VALUE RECEIVED, COLLINS BUILDING AND CONTRACTING, INC., a West Virginia corporation (“Maker”) hereby promises to pay to the order of ROGER L. COLLINS, JR., (together with his successors and assigns in such capacity and any subsequent holders of this Promissory Note, “Holder”), the principal sum of the Original Loan Amount, together with any interest computed pursuant to Section 4 hereof (such principal and interest repayment obligations being collectively, the “Obligations”), at Holder’s address or such other place within the United States of America as Holder may from time to time in writing designate.

This Secured Promissory Note (as amended, restated, supplemented or otherwise modified from time to time, this “Note”) has been issued pursuant to the terms of that certain Stock Purchase Agreement, dated as of the date hereof (the “Purchase Agreement”), by and between the Holder and Malachite Innovations, Inc. a Nevada corporation (the “Buyer”) and the parent company of the Collins Building and Contracting, Inc., a West Virginia corporation (“Collins”), pursuant to which the Buyer purchased from the Seller all of the issued and outstanding common stock of Collins.

This Note constitutes the promissory note to be issued pursuant to Section 2.2(e) of the Purchase Agreement.

The following is a statement of the rights of Holder under this Note and the terms and conditions to which this Note is subject, to which Maker, by its execution and delivery of this Note, and Holder, by its acceptance hereof, agree as follows:

1. **Definitions.** Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Purchase Agreement.
 2. **Terms of the Loan.** Subject to the terms and conditions set forth herein, Holder shall be deemed to have made a loan (the “Loan”) to Maker in an aggregate, principal amount equal to the Original Loan Amount. The Loan may be repaid at any time as provided herein.
 3. **Maturity Date; Principal Payments; Payments Generally.**
-

(a) The principal amount of this Note, together with all accrued and unpaid interest thereon, shall be payable in arrears in twenty-four (24) monthly installment payments of Principal and Interest due and payable on the 30th day of each month following the Closing Date, as more specifically set forth on Exhibit A attached hereto (each, a “Payment Date”). Notwithstanding anything contained herein to the contrary, the entire unpaid principal balance of the Loan plus any accrued and unpaid interest thereon shall be due and paid on the earlier to occur of (a) the date that is August 31, 2025, or (b) such other date on which the Loan has been accelerated as a result of an Event of Default (such earlier date being, the “Maturity Date”).

(b) Maker may prepay the Loan, without premium or penalty, in full or in part, at any time and from time to time.

(c) The Loan and interest thereon shall be payable in lawful money of the United States of America by wire transfer to the account designated by Holder on Exhibit C attached hereto. All payments by Maker hereunder shall be made without setoff or counterclaim and free and clear of and without deduction for any taxes, duties, charges, fees, deductions, withholdings, restrictions or conditions of any nature now or hereafter imposed or levied by any governmental authority. The principal balance of the Loan, the rate of interest applicable thereto and the date and amount of each payment made on account of the principal thereof shall be recorded by Holder on its books and shall be conclusive and binding for all purposes, absent manifest error; *provided, however*, that the failure of Holder to make any such recordation shall not affect the obligations of Maker to make a payment when due of any amount owing under this Note.

(d) All payments (whether voluntary or mandatory) shall be applied first to the payment of Holder’s outstanding expenses, then to repayment of any outstanding interest, and then to the reduction of principal; *provided, however*, that during the existence of any Event of Default, payments may be applied in such order as the Holder in its sole discretion may determine.

4. Interest.

(a) Commencing on the issuance date of this Note first set forth above and continuing until the Original Loan Amount has been paid in full, the outstanding aggregate principal balance under this Note shall accrue interest at a rate of eight and 25/100 percent (8.25%) per annum (the “Interest Rate”).

(b) Accrued and unpaid interest shall be payable on each Payment Date and on the Maturity Date. Interest shall accrue daily (after the occurrence and during the continuance of an Event of Default) and be computed on the basis of a year of 365 days for the actual number of days elapsed.

5. Security.

(a) Grant of Security Interest to Holder. As collateral security for the due and punctual payment in full when due (whether at stated maturity, by acceleration or otherwise) of the Obligations (including, without limitation, all principal evidenced hereby, and any interest thereon), Maker hereby pledges and assigns to Holder, and grants to Holder a lien on and continuing security interest in all of Maker’s right, title and interest in and the Equipment listed on Exhibit B attached hereto (the “Collateral”).

(b) **Further Assurances.** Maker further agrees, upon the request of Holder, to take any and all other actions as Holder may determine to be reasonably necessary for the attachment, perfection and first priority of Holder's security interest in any and all of the Collateral, including without limitation, (i) executing and delivering and where appropriate filing financing statements and amendments relating thereto under the UCC to the extent, if any, that Maker's signature thereon is required therefor and (ii) complying with any provision of any statute, regulation or treaty as to any Collateral if compliance with such provision is a condition to attachment, perfection or priority of, or ability of Holder to enforce, its security interest in such Collateral.

(c) **Termination; Release.** This Note and the security interest in the Collateral created hereby and under any other document entered into in connection with this Note, shall terminate automatically when all of the outstanding Obligations have been (i) indefeasibly paid in full in cash, and (ii) all commitments of the Holder under this Note (if any) shall have terminated (or expired). Upon termination as aforesaid, the Holder shall promptly deliver any possessory Collateral in its possession to Maker, and execute and deliver, at the expense of Holder, such releases and discharges as Maker may reasonably request to evidence the foregoing.

6. **Right of Set-Off.** For the avoidance of doubt, if the Buyer has an indemnification claim against the Holder pursuant to ARTICLE 7 of the Purchase Agreement, then the Maker shall have the right to withhold and set-off such amounts due under this Note in accordance with the terms of the Purchase Agreement.

7. **Events of Default.** The occurrence of any one or more of the following shall constitute an "Event of Default" hereunder:

(a) the Maker fails to pay when due and payable the full amount of interest then accrued on this Note or the full amount of any principal payment on this Note, and such failure to pay is not cured or waived within ten (10) days after the same becomes due and payable;

(b) any representation or warranty made or deemed made by Maker in this Note or any financing document entered into in connection herewith, shall prove to have been misleading in any material respect on the date when made or deemed to have been made;

(c) the Maker files any petition or action for relief under any bankruptcy, reorganization, insolvency or any other law for the relief of, or relating to, debtors, now or hereafter in effect, or makes any assignment for the benefit of creditors or takes any corporate action in furtherance of any of the foregoing;

(d) an involuntary petition is filed against Maker (unless such petition is dismissed or discharged within 60 days) under any bankruptcy statute now or hereafter in effect, or a custodian, receiver, trustee or assignee for the benefit of creditors (or other similar official) is appointed to take possession, custody or control of any property of Maker (unless such appointment is dismissed or discharged within 60 days); or

(e) Maker fails to observe any material covenant, condition, obligation or agreement under this Note and such failure is not cured by the Maker within ten (10) days of the Holder informing the Maker of such breach.

Upon the occurrence of an Event of Default, the Collateral shall be delivered to Holder at an address as directed by the Holder.

8. Rights and Remedies Upon Event of Default. Upon the occurrence and during the continuation of any Event of Default under this Note, the Holder shall have the option (but shall not be required) to declare the outstanding Loan and all other Obligations, and all accrued and unpaid interest thereon, immediately due and payable. The Holder shall have and may exercise from time to time during the existence of an Event of Default any and all rights and remedies afforded to a secured party under the UCC, together with every right and remedy available to Holder under any other applicable law. Holder shall be entitled to resort to any such remedies and any other remedy or remedies available at law or in equity, by statute or otherwise.

9. Waivers. Maker hereby irrevocably, to the extent permitted by applicable law: (i) waives presentment, demand for payment, protest, notice of protest and notice of dishonor in connection with collection of this Note; (ii) waives any and all notices in connection with the delivery and acceptance hereof and in connection with the performance, default, or enforcement of the payment hereof or hereunder; (iii) waives any and all lack of diligence and delays in the enforcement of the payment hereof; and (iv) agrees that the liability of Maker shall be unconditional and without regard to the liability of any other person or entity for the payment hereof, and shall not in any manner be affected by any indulgence or forbearance granted or consented to by Holder with respect hereto.

10. Representations and Warranties. Maker represents and warrants to Holder as of the date hereof, as follows: (a) Maker has full power and authority to incur the obligations set forth herein, including to pay the Loan and interest; (b) the individual executing this Note is an authorized officer of Maker; (c) this Note constitutes a valid and legally binding obligation of Maker, enforceable in accordance with its terms, subject only to bankruptcy and similar laws affecting creditors' rights generally, and does not violate, conflict with or constitute a default under, any law, government regulation, decree, judgment or any agreement or instrument binding upon Maker in any material respect; (d) Maker has taken all actions required to authorize it to incur this debt, including the passage of any resolutions needed to authorize the issuance of this Note; and (e) Maker is solvent and neither the incurrence of the Loan, nor the payments contemplated herein, will render Maker insolvent.

11. Notices. All notices, requests and demands to or upon Maker or Holder hereunder shall be effected in the manner provided for in Section 8.2 of the Purchase Agreement.

12. Miscellaneous Provisions.

(a) Binding Effect; Assignment. This Note shall be binding upon and inure to the benefit of Holder and Maker and their respective successors and permitted assigns. No assignment of this Note or of any rights or obligations hereunder may be made by Maker (by operation of law or otherwise) without the prior written consent of Holder. No assignment of this Note or of any rights or obligations hereunder may be made by Holder (by operation of law or otherwise) to any Person without the prior written consent of Maker. Any attempted assignment without the required consent, as applicable, shall be void. No permitted assignment of any rights hereunder and/or assumption of obligations hereunder shall relieve Maker of any of its obligations.

(b) Amendments. No purported amendment to any provision of this Note shall be binding on the parties unless the Maker and the Holder have each duly executed and delivered to the other party a written instrument which states that it constitutes an amendment to this Note and specifies the provision(s) hereof that are being amended.

(c) Waivers. Time is of the essence in this Note. Neither the exercise by a party of, nor the delay or failure to exercise, any right, power or remedy shall constitute a waiver of the right to exercise, or impair, limit or restrict the exercise of, such right, power or remedy or any other right, power or remedy at any time and from time to time thereafter.

(d) Governing Law. This Note and the transactions contemplated hereby shall be governed by and construed in accordance with the laws of the State of Ohio.

(e) Severability. If any portion of this Note shall be held invalid or unenforceable, then the remainder of this Note shall be considered valid and enforceable according to its terms.

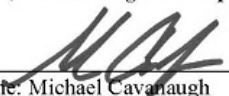
(f) Reinstatement. Notwithstanding anything herein to the contrary, if at any time all or any part of payments made in respect of the Obligations is or must be rescinded or returned by Holder for any reason whatsoever (including the insolvency, bankruptcy, reorganization or similar proceeding involving Maker), the Obligations, to the extent that such payment is or must be rescinded or returned, shall be deemed to have continued in existence and this Note shall continue to be effective or be reinstated, as the case may be, as to such Obligations, all as though such application of payment had not been made.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, Maker has executed this Note, intending to be obligated hereunder, as of the date first written above.

MAKER:

**COLLINS BUILDING AND CONTRACTING,
INC., a West Virginia Corporation**

By: 
Name: Michael Cavanaugh
Title: Chief Executive Officer

Acknowledged and agreed:

HOLDER:

Name: Roger L. Collins, Jr.

IN WITNESS WHEREOF, Maker has executed this Note, intending to be obligated hereunder, as of the date first written above.

MAKER:

**COLLINS BUILDING AND CONTRACTING,
INC., a West Virginia Corporation**

By: _____

Name: Michael Cavanaugh

Title: Chief Executive Officer

Acknowledged and agreed:

HOLDER:


Name: Roger L. Collins, Jr.

EXHIBIT A

PAYMENT SCHEDULE

Principal Amount 2,035,250.00
Interest Rate 8.25%
Term (months) 24
Payment amount 92,281

<u>Date</u>	<u>Beginning Principal</u>	<u>Interest</u>	<u>Payment Principal</u>	<u>Total Payment</u>	<u>Ending Principal</u>
09/30/2023	2,035,250.00	13,800.67	78,480.41	92,281.08	1,956,769.59
10/30/2023	1,956,769.59	13,268.51	79,012.57	92,281.08	1,877,757.01
11/30/2023	1,877,757.01	13,157.16	79,123.92	92,281.08	1,798,633.09
12/30/2023	1,798,633.09	12,602.75	79,678.33	92,281.08	1,718,954.77
01/31/2024	1,718,954.77	12,044.46	80,236.62	92,281.08	1,638,718.14
02/28/2024	1,638,718.14	11,111.86	81,169.22	92,281.08	1,557,548.92
03/30/2024	1,557,548.92	10,561.46	81,719.62	92,281.08	1,475,829.30
04/30/2024	1,475,829.30	10,007.34	82,273.74	92,281.08	1,393,555.56
05/30/2024	1,393,555.56	9,449.45	82,831.63	92,281.08	1,310,723.93
06/30/2024	1,310,723.93	8,887.79	83,393.29	92,281.08	1,227,330.63
07/30/2024	1,227,330.63	8,599.72	83,681.36	92,281.08	1,143,649.27
08/30/2024	1,143,649.27	8,013.38	84,267.70	92,281.08	1,059,381.57
09/30/2024	1,059,381.57	7,183.48	85,097.60	92,281.08	974,283.97
10/30/2024	974,283.97	6,606.45	85,674.63	92,281.08	888,609.34

11/30/2024	888,609.34	6,226.35	86,054.73	92,281.08	802,554.61
12/30/2024	802,554.61	5,441.98	86,839.10	92,281.08	715,715.51
01/30/2025	715,715.51	5,014.91	87,266.17	92,281.08	628,449.34
02/28/2025	628,449.34	4,403.45	87,877.63	92,281.08	540,571.71
03/30/2025	540,571.71	3,665.52	88,615.56	92,281.08	451,956.15
04/30/2025	451,956.15	3,166.79	89,114.29	92,281.08	362,841.86
05/30/2025	362,841.86	2,460.37	89,820.71	92,281.08	273,021.14
06/30/2025	273,021.14	1,851.31	90,429.77	92,281.08	182,591.37
07/30/2025	182,591.37	1,238.12	91,042.96	92,281.08	91,548.41
08/30/2025	91,548.41	732.67	91,548.41	92,281.08	0.00

EXHIBIT B**EQUIPMENT LISTING**

Category	Make	Model	VIN/ SN (if applicable)
Articulated Truck	John Deere	400 D	DW400DT614406
Articulated Truck	John Deere	400D	DW400DT611631
Articulated Truck	John Deere	400D	DW400DT610541
Articulated Truck	John Deere	400D	DW400DT610237
Articulated Truck	John Deere	400D	DW400DT619110
Attachment	Allu	Bucket 350	
Attachment	Ram	Hydraulic Hammer - 4099	
Attachment		Root Rake for D6	
Attachment		Hydraulic Hammer - NPK (GH-10)	
Attachment		Stump Shear 240	
Attachment		Dozer Spreader Box	
Attachment		Reclamation Blade for D10	
Attachment		Ripper for D10	
Attachment		Custom "V" Bucket for 240	
Attachment		Bucket for 350	
Attachment		Bucket for 350	
Attachment		Bucket for 240 (trenching)	
Attachment		988 Bucket	
Attachment		Skeleton Bucket for 350	
Attachment		Silt Fence Plow	
Dozer	Caterpillar	D6R XL	5LN00896
Dozer	Caterpillar	D10N	2YD01505
Dozer	Caterpillar	D10N	2YD01057
Dozer	John Deere	750J LGP	T0750JX171439
Drill	Watson	2500	2500CM-86
Excavator	Hitachi	850LC	FF01JDQ020118
Excavator	John Deere	350G	1FF350GXLJF813259
Excavator	John Deere	240DLC	FF240DX605721
Excavator	John Deere	240DLC	1FF240DXAA0606214
Excavator	John Deere	240DLC	FF240DX605833
Excavator	John Deere	240DLC	FF240DX605834

Excavator	John Deere	850D LC	FF850DX973058
Excavator	Sany	SY500	3Y0507CC00108
Generator		Small Generator	
Generator		Gen Set	
Generator		Gen Set	
Generator		Gen Set	
Misc	Allied	Boring Machine Model 3-36"	
Misc	Allmand	Light Plant	
Misc	Christie	HDPE Fusion Machine	
Misc	Finn	B-70-TC Power Mulcher	RL-2088
Misc		6" Pump	
Misc		3" Pump	
Misc		Fuel Containment & Trucks	
Misc		Pressure Washer	15076243
Misc		Walk Behind Compactor	
Misc		Conveyor	
Misc		Conveyor	
Misc		Fuel Tank	
Off Road Truck	Brigader	Fuel & Lube Truck	1GDT8C4Y9BV559930
Off Road Truck	International	Fuel & Lube Truck	1HTSCAAN3VH461740
Off Road Truck	Mack - DM690S	Water Truck	1M2B209C0PM011367
Off Road Truck	Mack - DM886SX	Truck (Cab & Chassis)	1M2B156C2CA002833
Off Road Truck	Mack - DM886SX	Fuel & Lube Truck	2M2P156C0LC001152
Parts		350 Undercarriage (new)	
Parts		Engines	
Parts		Track for 350	
Parts		Track for 240	
Parts Machine	Caterpillar	D10N	2YD????
Parts Machine	John Deere	850D LC	FF850DX973007
Property	Blue Building		
Property	Hoover Property		
Property	Quarry and Stoneryard		
Property	Shop on Airport Road		
Rock Truck	Caterpillar	769C	
Shop Supplies		Filters	
Shop Supplies		Belts	
Shop Supplies		Contents of Cage	

Shop Supplies		Clean Burn Wast Oil Furnace	
Shop Tools	Lincoln	Welder	
Shop Tools	Miller	Welder	
Shop Tools	WTC	Track Press	
Shop Tools		Torch	
Shop Tools		Parts Washer	
Shop Tools		Dual Wheel Tire Lift	
Shop Tools		Small Shop Crane	
Shop Tools		Shop Press (smaller)	
Shop Tools		Grey Truck Lift	
Shop Tools		Fusion Machine - Rigid	
Shop Tools		Oil Filter Crusher	
Skid Steer	Bob Cat	Turbo 873	514149041
Skid Steer	Case	450 SSL	N7M446031
Trailer	Coro	Box Trailer	4NJSB14205E039944
Trailer	Great Dane	Yellow Flatbed	1GRDM9024KM107601
Trailer	Pitts	Jeep Dolly	5YJP35268P080968
Trailer	Ravens	Dump Trailer	7838978390
Trailer	STI	Box Trailer	1S12E8480WD426484
Trailer	T B	Black Bumper Pull (I-79 Sales)	5HLCF20264F042714
Trailer	Talbert	Beam Low- boy	40FSK524481029505
Trailer	Talbert	Detach Low-Boy	40FSK5435F1034049
Trucks	Chevy	Utility Body Pick Up	1GB3KYC81FZ552395
Trucks	Ford	F250 White Shop Truck	1FTBF2B64CEA01406
Trucks	International	White Road Tractor	3HSDPAPT8KN238280
Trucks	Mack	Granite Dump Truck	1M2AG10C03M005353
Trucks	OshKosh	Finn 3300 Seeder	10TDCMC31Y067675
Wheel Loader	John Deere	744H	DW744HX560610
Wheel Loader	Komatsu	WA480-6	A38096
Misc.	Sky Trak	Skytrak10042	P6919D121

EXHIBIT C

BANK ACCOUNT

Company: Haney's Equipment LLC
3406 Corley Caress Road
Flatwoods, WV 26621

Bank: Citizens Bank of Weston
201 Main Avenue
Weston, WV 26452

ABA or Routing Number: [REDACTED]

Account Number: [REDACTED]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY COMPARABLE STATE SECURITIES LAW. EXCEPT AS EXPRESSLY PROVIDED HEREIN, NEITHER THIS NOTE NOR ANY PORTION HEREOF OR INTEREST HEREIN MAY BE SOLD, ASSIGNED, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF UNLESS THE SAME IS REGISTERED UNDER SAID ACT AND APPLICABLE STATE SECURITIES LAWS OR UNLESS AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE AND THE MAKER (AS DEFINED BELOW) HAVE RECEIVED EVIDENCE OF SUCH EXEMPTION REASONABLY SATISFACTORY TO THE MAKER.

SECURED PROMISSORY NOTE

\$2,000,000.00
(Original Loan Amount)

August 31, 2023

FOR VALUE RECEIVED, COLLINS BUILDING AND CONTRACTING, INC., a West Virginia corporation (“Maker”) hereby promises to pay to the order of ROGER L. COLLINS, JR., (together with his successors and assigns in such capacity and any subsequent holders of this Promissory Note, “Holder”), the principal sum of the Original Loan Amount, together with any interest computed pursuant to Section 4 hereof (such principal and interest repayment obligations being collectively, the “Obligations”), at Holder’s address or such other place within the United States of America as Holder may from time to time in writing designate.

This Secured Promissory Note (as amended, restated, supplemented or otherwise modified from time to time, this “Note”) has been issued pursuant to the terms of that certain Stock Purchase Agreement, dated as of the date hereof (the “Purchase Agreement”), by and between the Holder and Malachite Innovations, Inc. a Nevada corporation (the “Buyer”) and the parent company of the Collins Building and Contracting, Inc., a West Virginia corporation (“Collins”), pursuant to which the Buyer purchased from the Seller all of the issued and outstanding common stock of Collins.

This Note constitutes the promissory note to be issued pursuant to Section 2.2(e) of the Purchase Agreement.

The following is a statement of the rights of Holder under this Note and the terms and conditions to which this Note is subject, to which Maker, by its execution and delivery of this Note, and Holder, by its acceptance hereof, agree as follows:

1. **Definitions.** Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Purchase Agreement.
 2. **Terms of the Loan.** Subject to the terms and conditions set forth herein, Holder shall be deemed to have made a loan (the “Loan”) to Maker in an aggregate, principal amount equal to the Original Loan Amount. The Loan may be repaid at any time as provided herein.
 3. **Maturity Date; Principal Payments; Payments Generally.**
-

(a) The principal amount of this Note, together with all accrued and unpaid interest thereon, shall be payable in arrears in sixty (60) monthly installment payments of Principal and Interest due and payable on the 30th day of each month following the Closing Date, as more specifically set forth on Exhibit A attached hereto (each, a “Payment Date”). Notwithstanding anything contained herein to the contrary, the entire unpaid principal balance of the Loan plus any accrued and unpaid interest thereon shall be due and paid on the earlier to occur of (a) the date that is August 31, 2028, or (b) such other date on which the Loan has been accelerated as a result of an Event of Default (such earlier date being, the “Maturity Date”).

(b) Maker may prepay the Loan, without premium or penalty, in full or in part, at any time and from time to time.

(c) The Loan and interest thereon shall be payable in lawful money of the United States of America by wire transfer to the account designated by Holder on Exhibit C attached hereto. All payments by Maker hereunder shall be made without setoff or counterclaim and free and clear of and without deduction for any taxes, duties, charges, fees, deductions, withholdings, restrictions or conditions of any nature now or hereafter imposed or levied by any governmental authority. The principal balance of the Loan, the rate of interest applicable thereto and the date and amount of each payment made on account of the principal thereof shall be recorded by Holder on its books and shall be conclusive and binding for all purposes, absent manifest error; *provided, however*, that the failure of Holder to make any such recordation shall not affect the obligations of Maker to make a payment when due of any amount owing under this Note.

(d) All payments (whether voluntary or mandatory) shall be applied first to the payment of Holder’s outstanding expenses, then to repayment of any outstanding interest, and then to the reduction of principal; *provided, however*, that during the existence of any Event of Default, payments may be applied in such order as the Holder in its sole discretion may determine.

4. Interest.

(a) Commencing on the issuance date of this Note first set forth above and continuing until the Original Loan Amount has been paid in full, the outstanding aggregate principal balance under this Note shall accrue interest at a rate of seven percent (7%) per annum (the “Interest Rate”).

(b) Accrued and unpaid interest shall be payable on each Payment Date and on the Maturity Date. Interest shall accrue daily (after the occurrence and during the continuance of an Event of Default) and be computed on the basis of a year of 365 days for the actual number of days elapsed.

5. Security.

(a) Grant of Security Interest to Holder. As collateral security for the due and punctual payment in full when due (whether at stated maturity, by acceleration or otherwise) of the Obligations (including, without limitation, all principal evidenced hereby, and any interest thereon), Maker hereby pledges and assigns to Holder, and grants to Holder a lien on and continuing security interest in all of Maker’s right, title and interest in and to (i) the Included Real Property and (ii) the Equipment listed on Exhibit B attached hereto (collectively, the “Collateral”).

(b) **Further Assurances.** Maker further agrees, upon the request of Holder, to take any and all other actions as Holder may determine to be reasonably necessary for the attachment, perfection and first priority of Holder's security interest in any and all of the Collateral, including without limitation, (i) executing and delivering and where appropriate filing financing statements and amendments relating thereto under the UCC to the extent, if any, that Maker's signature thereon is required therefor and (ii) complying with any provision of any statute, regulation or treaty as to any Collateral if compliance with such provision is a condition to attachment, perfection or priority of, or ability of Holder to enforce, its security interest in such Collateral.

(c) **Termination; Release.** This Note and the security interest in the Collateral created hereby and under any other document entered into in connection with this Note, shall terminate automatically when all of the outstanding Obligations have been (i) indefeasibly paid in full in cash, and (ii) all commitments of the Holder under this Note (if any) shall have terminated (or expired). Upon termination as aforesaid, the Holder shall promptly deliver any possessory Collateral in its possession to Maker, and execute and deliver, at the expense of Holder, such releases and discharges as Maker may reasonably request to evidence the foregoing.

6. Right of Set-Off. For the avoidance of doubt, if the Buyer has an indemnification claim against the Holder pursuant to ARTICLE 7 of the Purchase Agreement, then the Maker shall have the right to withhold and set-off such amounts due under this Note in accordance with the terms of the Purchase Agreement.

7. Events of Default. The occurrence of any one or more of the following shall constitute an "Event of Default" hereunder:

(a) the Maker fails to pay when due and payable the full amount of interest then accrued on this Note or the full amount of any principal payment on this Note, and such failure to pay is not cured or waived within ten (10) days after the same becomes due and payable;

(b) any representation or warranty made or deemed made by Maker in this Note or any financing document entered into in connection herewith, shall prove to have been misleading in any material respect on the date when made or deemed to have been made;

(c) the Maker files any petition or action for relief under any bankruptcy, reorganization, insolvency or any other law for the relief of, or relating to, debtors, now or hereafter in effect, or makes any assignment for the benefit of creditors or takes any corporate action in furtherance of any of the foregoing;

(d) an involuntary petition is filed against Maker (unless such petition is dismissed or discharged within 60 days) under any bankruptcy statute now or hereafter in effect, or a custodian, receiver, trustee or assignee for the benefit of creditors (or other similar official) is appointed to take possession, custody or control of any property of Maker (unless such appointment is dismissed or discharged within 60 days); or

(e) Maker fails to observe any material covenant, condition, obligation or agreement under this Note and such failure is not cured by the Maker within ten (10) days of the Holder informing the Maker of such breach.

8. Rights and Remedies Upon Event of Default. Upon the occurrence and during the continuation of any Event of Default under this Note, the Holder shall have the option (but shall not be required) to declare the outstanding Loan and all other Obligations, and all accrued and unpaid interest thereon, immediately due and payable. The Holder shall have and may exercise from time to time during the existence of an Event of Default any and all rights and remedies afforded to a secured party under the UCC, together with every right and remedy available to Holder under any other applicable law. Holder shall be entitled to resort to any such remedies and any other remedy or remedies available at law or in equity, by statute or otherwise.

9. Waivers. Maker hereby irrevocably, to the extent permitted by applicable law: (i) waives presentment, demand for payment, protest, notice of protest and notice of dishonor in connection with collection of this Note; (ii) waives any and all notices in connection with the delivery and acceptance hereof and in connection with the performance, default, or enforcement of the payment hereof or hereunder; (iii) waives any and all lack of diligence and delays in the enforcement of the payment hereof; and (iv) agrees that the liability of Maker shall be unconditional and without regard to the liability of any other person or entity for the payment hereof, and shall not in any manner be affected by any indulgence or forbearance granted or consented to by Holder with respect hereto.

10. Representations and Warranties. Maker represents and warrants to Holder as of the date hereof, as follows: (a) Maker has full power and authority to incur the obligations set forth herein, including to pay the Loan and interest; (b) the individual executing this Note is an authorized officer of Maker; (c) this Note constitutes a valid and legally binding obligation of Maker, enforceable in accordance with its terms, subject only to bankruptcy and similar laws affecting creditors' rights generally, and does not violate, conflict with or constitute a default under, any law, government regulation, decree, judgment or any agreement or instrument binding upon Maker in any material respect; (d) Maker has taken all actions required to authorize it to incur this debt, including the passage of any resolutions needed to authorize the issuance of this Note; and (e) Maker is solvent and neither the incurrence of the Loan, nor the payments contemplated herein, will render Maker insolvent.

11. Notices. All notices, requests and demands to or upon Maker or Holder hereunder shall be effected in the manner provided for in Section 8.2 of the Purchase Agreement.

12. Miscellaneous Provisions.

(a) Binding Effect; Assignment. This Note shall be binding upon and inure to the benefit of Holder and Maker and their respective successors and permitted assigns. No assignment of this Note or of any rights or obligations hereunder may be made by Maker (by operation of law or otherwise) without the prior written consent of Holder. No assignment of this Note or of any rights or obligations hereunder may be made by Holder (by operation of law or otherwise) to any Person without the prior written consent of Maker. Any attempted assignment without the required consent, as applicable, shall be void. No permitted assignment of any rights hereunder and/or assumption of obligations hereunder shall relieve Maker of any of its obligations.

(b) Amendments. No purported amendment to any provision of this Note shall be binding on the parties unless the Maker and the Holder have each duly executed and delivered

to the other party a written instrument which states that it constitutes an amendment to this Note and specifies the provision(s) hereof that are being amended.

(c) Waivers. Time is of the essence in this Note. Neither the exercise by a party of, nor the delay or failure to exercise, any right, power or remedy shall constitute a waiver of the right to exercise, or impair, limit or restrict the exercise of, such right, power or remedy or any other right, power or remedy at any time and from time to time thereafter.

(d) Governing Law. This Note and the transactions contemplated hereby shall be governed by and construed in accordance with the laws of the State of Ohio.

(e) Severability. If any portion of this Note shall be held invalid or unenforceable, then the remainder of this Note shall be considered valid and enforceable according to its terms.

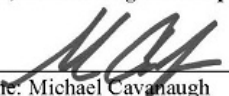
(f) Reinstatement. Notwithstanding anything herein to the contrary, if at any time all or any part of payments made in respect of the Obligations is or must be rescinded or returned by Holder for any reason whatsoever (including the insolvency, bankruptcy, reorganization or similar proceeding involving Maker), the Obligations, to the extent that such payment is or must be rescinded or returned, shall be deemed to have continued in existence and this Note shall continue to be effective or be reinstated, as the case may be, as to such Obligations, all as though such application of payment had not been made.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, Maker has executed this Note, intending to be obligated hereunder, as of the date first written above.

MAKER:

**COLLINS BUILDING AND CONTRACTING,
INC., a West Virginia Corporation**

By: 
Name: Michael Cavanaugh
Title: Chief Executive Officer

Acknowledged and agreed:

HOLDER:

Name: Roger L. Collins, Jr.

IN WITNESS WHEREOF, Maker has executed this Note, intending to be obligated hereunder, as of the date first written above.

MAKER:

**COLLINS BUILDING AND CONTRACTING,
INC., a West Virginia Corporation**

By: _____
Name: Michael Cavanaugh
Title: Chief Executive Officer

Acknowledged and agreed:

HOLDER:

 _____
Name: Roger L. Collins, Jr.

EXHIBIT A

PAYMENT SCHEDULE

Principal Amount 2,000,000.00
Interest Rate 7.0%
Term (months) 60
Payment Amount 39,602

<u>Date</u>	<u>Beginning Principal</u>	<u>Interest</u>	<u>Payment Principal</u>	<u>Total Payment</u>	<u>Ending Principal</u>
09/30/2023	2,000,000.00	11,506.85	28,095.55	39,602.40	1,971,904.45
10/30/2023	1,971,904.45	11,723.38	27,879.02	39,602.40	1,944,025.43
11/30/2023	1,944,025.43	11,184.80	28,417.60	39,602.40	1,915,607.83
12/30/2023	1,915,607.83	11,388.68	28,213.72	39,602.40	1,887,394.11
01/31/2024	1,887,394.11	11,220.95	28,381.45	39,602.40	1,859,012.66
02/28/2024	1,859,012.66	10,695.69	28,906.71	39,602.40	1,830,105.95
03/30/2024	1,830,105.95	10,880.36	28,722.04	39,602.40	1,801,383.90
04/30/2024	1,801,383.90	10,364.13	29,238.27	39,602.40	1,772,145.63
05/30/2024	1,772,145.63	10,535.77	29,066.63	39,602.40	1,743,079.00
06/30/2024	1,743,079.00	10,028.67	29,573.73	39,602.40	1,713,505.27
07/30/2024	1,713,505.27	10,187.14	29,415.26	39,602.40	1,684,090.01
08/30/2024	1,684,090.01	10,012.26	29,590.14	39,602.40	1,654,499.88
09/30/2024	1,654,499.88	9,519.04	30,083.36	39,602.40	1,624,416.52
10/30/2024	1,624,416.52	9,657.49	29,944.91	39,602.40	1,594,471.61

11/30/2024	1,594,471.61	9,173.67	30,428.73	39,602.40	1,564,042.88
12/30/2024	1,564,042.88	9,298.56	30,303.84	39,602.40	1,533,739.03
01/30/2025	1,533,739.03	9,118.39	30,484.01	39,602.40	1,503,255.03
02/28/2025	1,503,255.03	8,648.86	30,953.54	39,602.40	1,472,301.49
03/30/2025	1,472,301.49	8,753.13	30,849.27	39,602.40	1,441,452.23
04/30/2025	1,441,452.23	8,293.29	31,309.11	39,602.40	1,410,143.11
05/30/2025	1,410,143.11	8,383.59	31,218.81	39,602.40	1,378,924.31
06/30/2025	1,378,924.31	7,933.54	31,668.86	39,602.40	1,347,255.44
07/30/2025	1,347,255.44	8,009.71	31,592.69	39,602.40	1,315,662.75
08/30/2025	1,315,662.75	7,821.89	31,780.51	39,602.40	1,283,882.24
09/30/2025	1,283,882.24	7,386.72	32,215.68	39,602.40	1,251,666.56
10/30/2025	1,251,666.56	7,441.41	32,160.99	39,602.40	1,219,505.57
11/30/2025	1,219,505.57	7,016.33	32,586.07	39,602.40	1,186,919.51
12/30/2025	1,186,919.51	7,056.48	32,545.92	39,602.40	1,154,373.59
01/30/2026	1,154,373.59	6,641.60	32,960.80	39,602.40	1,121,412.79
02/28/2026	1,121,412.79	6,451.96	33,150.44	39,602.40	1,088,262.35
03/30/2026	1,088,262.35	6,261.24	33,341.16	39,602.40	1,054,921.19
04/30/2026	1,054,921.19	6,069.41	33,532.99	39,602.40	1,021,388.20
05/30/2026	1,021,388.20	5,876.48	33,725.92	39,602.40	987,662.28
06/30/2026	987,662.28	5,682.44	33,919.96	39,602.40	953,742.32
07/31/2026	953,742.32	5,487.28	34,115.12	39,602.40	919,627.20
08/30/2026	919,627.20	5,291.01	34,311.39	39,602.40	885,315.81
09/30/2026	885,315.81	5,093.60	34,508.80	39,602.40	850,807.01

10/30/2026	850,807.01	4,895.05	34,707.35	39,602.40	816,099.66
11/30/2026	816,099.66	4,695.37	34,907.03	39,602.40	781,192.63
12/30/2026	781,192.63	4,494.53	35,107.87	39,602.40	746,084.76
01/30/2027	746,084.76	4,292.54	35,309.86	39,602.40	710,774.90
02/28/2027	710,774.90	4,089.39	35,513.01	39,602.40	675,261.89
03/30/2027	675,261.89	3,885.07	35,717.33	39,602.40	639,544.56
04/30/2027	639,544.56	3,679.57	35,922.83	39,602.40	603,621.73
05/30/2027	603,621.73	3,472.89	36,129.51	39,602.40	567,492.22
06/30/2027	567,492.22	3,265.02	36,337.38	39,602.40	531,154.85
07/30/2027	531,154.85	3,055.96	36,546.44	39,602.40	494,608.41
08/30/2027	494,608.41	2,845.69	36,756.71	39,602.40	457,851.70
09/30/2027	457,851.70	2,634.22	36,968.18	39,602.40	420,883.52
10/30/2027	420,883.52	2,421.52	37,180.88	39,602.40	383,702.64
11/30/2027	383,702.64	2,207.60	37,394.80	39,602.40	346,307.84
12/30/2027	346,307.84	1,992.46	37,609.94	39,602.40	308,697.90
01/30/2028	308,697.90	1,835.27	37,767.13	39,602.40	270,930.77
02/28/2028	270,930.77	1,558.78	38,043.62	39,602.40	232,887.15
03/30/2028	232,887.15	1,339.90	38,262.50	39,602.40	194,624.65
04/30/2028	194,624.65	1,119.76	38,482.64	39,602.40	156,142.01
05/30/2028	156,142.01	898.35	38,704.05	39,602.40	117,437.96
06/30/2028	117,437.96	675.67	38,926.73	39,602.40	78,511.23
07/30/2028	78,511.23	466.77	39,135.63	39,602.40	39,375.59
08/30/2028	39,375.59	226.81	39,375.59	39,602.40	0.00

EXHIBIT B

EQUIPMENT LISTING

Category	Make	Model	VIN/SN (if applicable)
Quarry Equipment	2014 Terex	CRS6203V	TRX6203VKOKDM0614
Quarry Equipment	2017 MGL	5030 Electric 50' Stacking Conveyor	5030284
Quarry Equipment	2017 MGL	5030 Electric 50' Stacking Conveyor	5030285
Quarry Equipment	Detroit 471	Hydraulic Power Unit	
Quarry Equipment	Kleeman	MC125Z Crusher	
Quarry Equipment	Kleeman	KT80 - 80 foot stacker	
Quarry Equipment		Conveyor (as is)	

EXHIBIT C

BANK ACCOUNT

Company: R L Collins LLC
3406 Corley Caress Road
Flatwoods, WV 26621

Bank: Citizens Bank of Weston
201 Main Avenue
Weston, WV 26452

ABA or Routing Number: [REDACTED]

Account Number: [REDACTED]



Exhibit 21.1

Subsidiaries

<u>Name</u>	<u>State of Incorporation</u>
CLV Azurite Land, LLC	Ohio
Collins Building & Contracting, Inc.	West Virginia
Graphium Biosciences, Inc.	Nevada
Range Environmental Resources, Inc.	West Virginia
Range Land, LLC	Ohio
Range Minerals, LLC	Ohio
Range Natural Resources, Inc.	West Virginia
Range Reclaim, LLC	Ohio
Range Security, LLC	Ohio
Range Security Resources, LLC	Ohio
Range Water, LLC	Ohio
Terra Preta, LLC	Ohio

Exhibit 23.1

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and
Stockholders of Range Impact, Inc.:

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-181048) of Vitality Biopharma, Inc. (now known as Range Impact, Inc.) and the Registration Statement on Form S-8 (No. 333-192398) of Vitality Biopharma, Inc. (now known as Range Impact, Inc.) of our report dated March 29, 2024, relating to the consolidated financial statements and financial statement schedules, which appear in this Form 10-K.

/s/ MEADEN & MOORE, LTD.

Cleveland, Ohio
August 8, 2024

Exhibit 31.1

CERTIFICATION

I, **Michael Cavanaugh**, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Range Impact, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2024

By: /s/ Michael Cavanaugh
Michael Cavanaugh
Title: Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.1

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

The undersigned, Michael Cavanaugh, the Chief Executive Officer of Range Impact, Inc. (the "Company"), hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge, the Annual Report on Form 10-K/A for the period ended December 31, 2023, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in the Annual Report on Form 10-K/A fairly presents in all material respects the financial condition and results of operations of the Company.

/s/ Michael Cavanaugh

Chief Executive Officer
(Principal Executive Officer)
Date: August 8, 2024

Exhibit 32.2

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

The undersigned, Patricia Missal, the Chief Financial Officer of Range Impact, Inc. (the "Company"), hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge, the Annual Report on Form 10-K/A for the period ended December 31, 2023, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in the Annual Report on Form 10-K/A fairly presents in all material respects the financial condition and results of operations of the Company.

/s/ Patricia Missal

Chief Financial Officer
(Principal Financial and Accounting Officer)
Date: August 8, 2024
