

**TORCHLIGHT ENERGY RESOURCES, INC.
CHARTER OF THE COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS**

I. Purposes of the Committee

The primary purposes of the Compensation Committee (the “Committee”) are to discharge the Board of Directors’ (the “Board”) responsibilities relating to the evaluation and compensation of the Corporation’s Chief Executive Officer (the “CEO”), President and other senior executives, and to discharge the responsibilities of the Committee under applicable rules and regulations. The Committee also makes recommendations to the Board regarding succession planning and development for senior executives and positions as needed.

II. Committee Membership

The Committee shall have at least two members. Committee members shall be appointed by the Board from among its members and may be removed by the Board at any time. Each member of the Committee must satisfy such criteria of independence as the Board may establish and such additional regulatory or listing requirements as the Board may determine to be applicable or appropriate. Accordingly, each member must qualify as a “non-employee director” under rule 16b-3 of the Securities and Exchange Commission (the “SEC”); may not be part of a compensation committee interlock within the meaning of SEC Regulation S-K; and must be independent from management in connection with the duties of a compensation committee member as required by NASDAQ standards. Members of the Committee should be suitably knowledgeable in matters pertaining to executive compensation. The actual number of members shall be determined from time to time by resolution of the Board. Two members of the Committee shall constitute a quorum thereof.

III. Committee Structure and Operations

The Chair of the Committee shall be designated by the Board. The Compensation Committee will fix its own rules of procedure and shall meet where and as provided by such rules or by resolution of the Committee. In addition to the regular meeting schedule established by the Committee, the Chair of the Committee may call a special meeting at any time.

For all business of the Committee, including without limitation the granting of incentive awards and other compensation, the Committee shall act only on the affirmative vote of a majority of the members at a meeting or by unanimous written consent.

The Committee may establish sub-committees consisting of one or more members to carry out such duties as the Committee may assign.

An executive officer, including without limitation the CEO or President, may not be present during voting or deliberations on his or her compensation.

IV. Committee Activities

The following shall be the common recurring activities of the Committee in carrying out its purposes. These activities are set forth as a guide with the understanding that the Committee may diverge from this guide as appropriate given the circumstances.

1. Review and approve the corporate goals and objectives relevant to the compensation of the CEO and President.

2. At least annually, at a meeting to which all independent directors are invited, evaluate the CEO's and President's performance as measured against the goals and objectives outlined above.
3. Set the salary and other cash and equity compensation for the CEO and President based on the evaluation described in paragraph 2 and the goals and objectives described in paragraph 1.
4. At least annually, at a meeting to which all independent directors are invited, review succession planning and development strategies for senior level positions and executives of the Corporation.
5. Make recommendations to the Board with respect to incentive compensation plans and equity-based plans.
6. Review and act upon proposed terms of any new plans, programs, and arrangements for the benefit of employees of the Corporation that are modified and made available only to certain executives of the Corporation, or, as appropriate, make such recommendations to the Board with respect thereto as it may deem advisable.
7. Set the salaries of all senior executives of the Corporation; and set, review or make recommendations with respect to the salaries of such other employees as may be from time to time referred to the Committee by the CEO or President.
8. Administer any incentive programs, and make the determinations and interpretations and take other such action as contemplated by said programs for the granting authorities, insofar as applicable to employees who are subject to the reporting requirements of Section 16 under the Securities Exchange Act of 1934 with respect to equity securities of the Corporation, and other such eligible employees as may be from time to time referred to the Committee by the CEO or President.
9. Review proposed terms of any new incentive program and any major amendment of an existing program, and make such recommendations to the Board with respect thereto as it may deem advisable.
10. Report on compensation policies and practices with respect to the Corporation's executive officers as required by SEC rules.
11. Review and report on risks arising from the Corporation's compensation policies and practices for employees as required by SEC rules.
12. Consider factors that could affect the independence or represent a conflict of interest on the part of any compensation consultant, independent legal counsel, or other adviser the Committee may retain and report thereon as required by SEC and NASDAQ rules.
13. Take such other actions and do other such things as may be referred to it from time to time by the Board.

VI. Committee Reports

The Chair of the Committee will report regularly to the full Board on the Committee's activities, findings, and recommendations, including any recommended changes to the Committee's charter.

VII. Resources and Authority of the Committee

The Committee has the authority in its sole discretion to retain and oversee the work of such outside advisors, including legal counsel or other experts, as it deems appropriate, and to approve the fees and expenses of such advisors with funding provided by the Corporation. Without limiting the foregoing, the Committee will have sole authority to retain and terminate any compensation consultant to be used to assist the Committee in the evaluation of CEO, President or other senior executive compensation.