Notice of Annual Virtual-Only Meeting of Shareholders

and

Management Information Circular

April 24, 2020

TSX / LSE: **TXP**

Letter to Shareholders

Dear Fellow Shareholders,

I am pleased to invite you to Touchstone's annual meeting of shareholders to be held on Wednesday, June 3, 2020 at 10:00 a.m. (Mountain time). To proactively address the unprecedented public health impact of the global coronavirus pandemic and to prudently protect the health and well-being of our communities and shareholders, we have made the decision that our meeting this year will be held as a virtual-only meeting, which will be conducted via live audio webcast. While you will not be able to attend the meeting in person, you will have the opportunity to participate in our meeting and ask questions and vote, which we strongly encourage you to do so. Whether or not you plan to participate in the meeting, we urge you to vote and submit your voting instruction or proxy form in advance of the meeting. This document contains detailed instructions on how to vote and participate in our meeting and includes important information about how Touchstone is governed and how our executive officers and directors are compensated.

As I write this message, we are in the fifth week of self isolation requirements in Canada, England and Trinidad and are facing a great deal of uncertainty for the coming year. Additional challenges have been brought on by the recent significant decline in global energy prices triggered by demand weakness and an opportunistic price war. Our mission is to not just survive but to come out of this unprecedented challenge with a stronger and sustainable company. To that end, I would like to thank our dedicated staff in Calgary and Trinidad for continuing to progress Touchstone forward during this uncertain period by working from home and seamlessly adapting to the new environment. Most importantly, I would like to recognize and thank our field staff in Trinidad who selflessly continue to maintain and operate our assets on a daily basis.

I am very proud to report that in 2019 we continued to advance Touchstone to proceed to a growth stage as noted by the following highlights.

- We achieved an annual average production increase of 6% from 2018, with 2019 annual average crude oil sales of 1,825 barrel per day. This was a significant accomplishment given we did not bring any new wells on production in 2019 as we focused on our exploration drilling.
- The company successfully and safely executed a $10.1 million exploration program that resulted in two world-class natural gas discoveries.
- We delivered funds flow from operations of $6.8 million in 2019 compared to $8.5 million in 2018, despite a 90% annual decrease in discretionary development capital investment.
- Touchstone had an outstanding safety record in 2019, reporting zero lost days from injury by staff and contractors.
- We had no major environmental issues that required reporting to any of our regulatory authorities.

I am pleased to report that we currently have the necessary building blocks in place to make 2020 a truly transformational year. We increased our liquidity via an equity issuance that was completed in February 2020, and we have no principle debt repayments until January of 2021, by which time we anticipate having the first of our natural gas wells on production. Along with our strengthened balance sheet, we also have a drilling program inventory that we believe is best in class. The locations are comprised of our development program which focuses on shallower development oil wells on our joint venture lands with Heritage Petroleum Company Limited ("Heritage") and our continued exploration efforts on our Ortoire crown licence.

We have in excess of 200 development locations on our oil prospects that represent over ten years of drilling inventory. The majority of these locations are low risk development opportunities in existing fields that typically can be brought on production within days of being drilled. At current forward pricing, we have deferred developmental drilling but can commence the program quickly when the proper economic environment is in place.

With respect to our exploration program on the Ortoire block, in 2019 we drilled the first two of what I envision to be multiple wells on the concession over the next number of years. To state that these wells exceeded our internal expectations would be an understatement, as they have provided the catalyst for a significant period of production growth. The initial program identified four bypassed opportunities testing the concept of large turbidite fan deposits crossing the property. Both wells drilled in 2019 encountered the targeted geological horizon, with greater than anticipated hydrocarbon saturated pay thickness. The first well, Coho-1, tested dry gas, and the second well, Cascadura-1ST1, tested high pressured liquids rich natural gas. The remaining two initial prospects to be drilled are targeting natural gas structures. As a result of the first two successful wells, we also identified a number of development opportunities on the property along with locations targeting deeper accumulations.

We are currently designing tie-in alternatives for the Coho-1 and Cascadura-1ST1 wells, which will be part of the extensive onshore gas infrastructure managed by the National Gas Company of Trinidad and Tobago ("NGC"). Once on stream, these wells are forecasted to represent approximately 70% of our production, resulting in a 70% natural gas and 30% liquids product mix. We believe this petroleum product diversification will insulate us from future commodity price volatility.

We continue to have an active approach to environmental compliance and social responsibility and have done so since our inception. 2019 was no exception, as we had a number of achievements in the year, including the implementation of our water disposal plan for five of our properties which now release zero effluents. This achievement is above and beyond local regulatory requirements and hopefully sets the new onshore environmental standard. We have also been identifying and testing locations for a second disposal site that can handle the effluent from our remaining properties, which we hope to have operating in 2020. Our next major initiative is to capture all solution gas from our wells and sales facilities to sell or use in our operations. We are targeting to implement the program over the next three years by identifying and measuring existing volumes and designing and employing gathering systems to mitigate the environmental effect of venting natural gas.

We remain active in the communities we operate and support organizations consistent with our values. Wherever possible, we contribute both financially and by volunteering our time and services. During 2019, we helped to expand an existing school for special needs children that assists with community integration through training of life skills such as cooking, laundry and working. Our staff and I benefited from the experience as much as the school and children did.

As always, our Board works closely with management to ensure Touchstone continues to have the best operational and financial foundation to endure through uncertain times. In 2019 we had an in-depth Board strategy session and multiple Board member surveys and discussions that resulted in a clear and concise Trinidad specific strategic plan for the company. Our Board focuses on continued improvement and as such will be seeking to strengthen the additional skills and knowledge required to support Touchstone during our anticipated period of growth.

Despite ongoing challenges, we have five main business objectives in 2020:

- Bring the Coho-1 well onto production to increase cash flows and decrease our sole reliance on volatile crude oil forward pricing;
- Drill and evaluate at least one commitment well on the Ortoire block subject to maintaining liquidity targets;
- Formulate a design and plan for production from the Cascadura-1ST1 well;
- Negotiate and formalize a natural gas contract with NGC for the Ortoire block; and
- Finalize the extension of our existing joint venture agreements with Heritage.

Amidst the recent developments in 2020, we remain focused on protecting the health of our employees and communities and ensuring a decisive response for our investors. We believe our low base production decline rate, strong operating netbacks, top-tier capital efficiencies, lack of development drilling commitments and solely operated exploration capital program provide flexibility in this volatile market. We have reduced discretionary field costs, voluntary reduced executive officer and director compensation, and adjusted our general and administrative costs while maintaining the integrity of our team required to achieve our near-term goals and proceed to the next phase of Touchstone.

In closing, I want to thank my fellow board members for their dedication and wisdom and the shared belief that we have built an organization designed to sustain long-term fluctuations in commodity prices. I would also like to thank our many shareholders who have also provided advice and shown great patience in the current market, and I wish you and your loved ones well during these challenging times.

Sincerely,

Paul R. Baay
President, Chief Executive Officer and a Director

TOUCHSTONE EXPLORATION INC.

Notice of Annual Virtual-Only Meeting of Shareholders

You are invited to our 2020 annual virtual-only meeting (the "Meeting") of shareholders:

When Wednesday, June 3, 2020 at 10:00 a.m. (Mountain time)

Where Virtual-only meeting
Via live audio webcast at https://web.lumiagm.com/238625532

We will cover five items of business:

1. Receive our 2019 consolidated financial statements and the auditors' report thereon.
2. Vote to fix the number of directors to be elected at seven.
3. Vote on electing the directors.
4. Vote on appointing the auditors.
5. Vote on any other business that properly comes before the Meeting.

Your vote is important

If you are a shareholder of record of Touchstone common shares at the close of business on April 24, 2020, you are entitled to receive notice of, participate in, and vote at the Meeting. We encourage you to vote your common shares and participate in the Meeting.

Our Management Information Circular dated April 24, 2020 includes important information about the Meeting and the voting process. Please read it carefully before you vote.

This year, out of an abundance of caution, to proactively address the unprecedented public health impact of the global coronavirus (COVID-19) pandemic and to mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders, we will hold a virtual-only meeting, which will be conducted via live audio webcast. All shareholders will have an opportunity to participate in the meeting online regardless of their geographic location.

By Order of the Board of Directors

(signed) "*Paul R. Baay*"
President, Chief Executive Officer and a Director
Touchstone Exploration Inc.

Calgary, Alberta
April 24, 2020

How to vote		
	Registered Shareholder *Shares held in own name*	**Beneficial Shareholder** *Shares held with a broker, bank or other intermediary*
Internet:	www.investorvote.com	www.proxyvote.com
Phone:	1-866-732-8683 (within North America) 1-312-588-4290 (outside of North America)	Call the number(s) listed on your voting instruction form
Mail:	Return your form of proxy in the enclosed postage paid envelope	Return your voting instruction form in the enclosed postage paid envelope

If you cannot participate in the Meeting, please submit your vote well in advance of the proxy deposit deadline of 10:00 a.m. (Mountain time) on Monday, June 1, 2020.

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Management Information Circular

For the Annual Virtual-Only Meeting of Shareholders
To be held on June 3, 2020

This management information circular ("**Information Circular**") is furnished in connection with the solicitation of proxies by the Management of Touchstone Exploration Inc. ("**Touchstone**", "**we**", "**our**", "**us**" or the "**Company**") for use at the annual virtual-only meeting (the "**Meeting**") of the holders of common shares of Touchstone. Unless otherwise stated information contained in this Information Circular is given as at April 24, 2020. All amounts set forth in this Information Circular are stated in Canadian dollars.

Touchstone is having a virtual-only Meeting this year, which will be conducted via live audio webcast, as a result of the serious public health impact of the global coronavirus ("**COVID-19**") pandemic and in response to the recent public health measures enacted by the Federal and Provincial Governments, Alberta Health Services and the City of Calgary to prudently protect the health and well-being of our communities and our shareholders, employees and other stakeholders that participate in our shareholder meetings. All shareholders will have an opportunity to participate in the Meeting online regardless of their geographic location. Shareholders will not be able to attend the Meeting in person.

The virtual-only Meeting will be conducted via live audio webcast at https://web.lumiagm.com/238625532 commencing at 10:00 a.m. (Mountain time) on June 3, 2020 for the purposes set forth in the accompanying Notice of Annual Virtual-Only Meeting of Shareholders (the "**Notice of Meeting**").

Please note that in light of the rapidly evolving environment related to the COVID-19 outbreak, the ability to hold the Meeting as planned could be compromised. Should Touchstone be required to alter its plans regarding the Meeting, leading to a cancellation or postponement, the details of any such change would be communicated via press release and made available on the Company's website at www.touchstoneexploration.com.

It is the Company's intention to resume holding in-person or hybrid annual meetings under normal circumstance.

Meeting Materials

Touchstone uses the notice-and-access model to deliver Meeting materials to the registered holders of our common shares ("**Registered Shareholders**") and our Beneficial Shareholders (as defined below). The notice-and-access provisions are a set of rules developed by the Canadian Securities Administrators that allow companies to post certain meeting materials online, reducing paper usage and mailing costs. All shareholders will still receive a notice form with information about the Meeting and how to obtain our Meeting materials, as well as a form of proxy (Registered Shareholders) or a voting instruction form (Beneficial Shareholders). All shareholders who previously asked to receive financial information will also receive a copy of our 2019 financial statements and accompanying management's discussion and analysis.

Shareholders with questions about notice-and-access can call our transfer argent, Computershare Trust Company of Canada ("**Computershare**") toll free at 1-866-964-0492.

In order to receive a paper copy of this Information Circular and other Meeting materials, requests by shareholders may be made up to one year from the date the Information Circular was filed on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") (www.sedar.com) by: (i) mailing a request to the Company at Suite 4100, 350 - 7th Avenue SW, Calgary, Alberta, Canada T2P 3N9, Attention: Chief Financial Officer; (ii) calling Computershare toll free at 1-866-962-0498 (1-514-982-8716 outside of North America); (iii) calling Broadridge Investor Communications Corporation ("**Broadridge**") toll free at 1-877-907-7643; or (iv) by emailing a request to info@touchstoneexploration.com. The Meeting materials are also available online on our website (www.touchstoneexploration.com/investors/shareholder-meeting).

Requests should be received at least 10 business days in advance of the proxy deposit date set out in the proxy or voting instruction form in order to receive the Meeting materials in advance of such date and the Meeting date.

Who Can Vote?

Only shareholders of record at the close of business on April 24, 2020 are entitled to vote at the Meeting, unless that shareholder has transferred any common shares subsequent to that date and the transferee of those common shares, not later than ten days before the Meeting, establishes ownership of the common shares and demands that the transferee's name be included on the list of persons entitled to vote at the Meeting.

Proxy Solicitation

Management of Touchstone is soliciting your proxy for the Meeting. Touchstone pays all costs for producing and mailing this Information Circular and Meeting materials and for soliciting your proxy. Brokers, nominees or other persons holding common shares in their names will be reimbursed for their reasonable charges and expenses in forwarding proxies and proxy material to the Beneficial Shareholders of such common shares. Touchstone employees and directors may contact you by telephone, electronically or in person to encourage you to vote; however, they are not paid for these services. While no arrangements have been made to date by Touchstone, the Company may contract for the distribution and solicitations of proxies for the Meeting.

How to Participate in the Meeting

Registered Shareholders and duly appointed proxyholders (including Beneficial Shareholders who have duly appointed themselves as proxyholder) who participate in the Meeting online will be able to listen to the virtual Meeting, ask questions and vote, all in real time, provided they are connected to the internet and properly follow the instructions on the website. Beneficial Shareholders who have not duly appointed themselves as proxyholders may still participate in the Meeting as guests. Guests will be able to listen to the Meeting but will not be able to vote at the Meeting or ask questions.

- https://web.lumiagm.com/238625532 in your web browser.
- Password "touchstone2020" (case sensitive).
- If you have voting rights, select "Login" and follow the instructions.
- If you do not have voting rights, select "Guest" and complete the online form.

We recommend that you log in to the webcast at least one hour before the time of the Meeting.

Please contact 1-800-564-6253 (toll-free) for any questions regarding virtual-only shareholder meetings. In addition, please visit our website (www.touchstoneexploration.com/investors/shareholder-meeting) or SEDAR (www.sedar.com) for a detailed virtual meeting user guide.

VOTING AND PROXIES

Registered Shareholders

You are a Registered Shareholder if you have share certificates in your name.

How to Vote

If you are a Registered Shareholder, you can vote your common shares using the form of proxy provided by the Company or by participating and voting in real time at the Meeting online. The 15-digit control number located at the bottom of your proxy form is your control number required to login to the Meeting.

Voting by Proxy

Shares represented by proxy will be voted as directed by the holder. The representatives of Touchstone named in the form of proxy are willing to serve as proxyholders and voting instructions can be provided to them in one of three ways:

- by telephone to 1-866-732-VOTE (8683) (within North America) or to 1-312-588-4290 (outside North America);
- through the internet by using the 15-digit control number located at the bottom of the proxy at www.investorvote.com; or
- by completing the proxy form and mailing it in the enclosed envelope.

If appointed and you do not specify your voting instructions, the representatives of Touchstone will vote your shares FOR each item of business.

Alternatively, you have the right to appoint a proxyholder (who need not be a shareholder) other than the representatives of Touchstone designated in the form of proxy to represent you at the Meeting. If you wish to appoint someone else to be your proxyholder, please insert the name of your chosen proxyholder in the space provided on the proxy form and return your proxy by mail or vote by using the internet at www.investorvote.com. In addition, **YOU MUST** go to www.computershare.com/Touchstone by 10:00 a.m. (Mountain time) on Monday, June 1, 2020, and provide Computershare with the required information for your chosen proxyholder so that Computershare may provide the proxyholder with a control number via email. This control number will allow your proxyholder to log in to and vote at the Meeting. Without a control number your proxyholder will only be able to log in to the Meeting as a guest and will not be able to vote.

A form of proxy will not be valid for the Meeting or any adjournment or postponement thereof unless it is signed by the shareholder or by the shareholder's attorney authorized in writing, or if the shareholder is a corporation, it must be executed by a duly authorized officer or attorney thereof.

If any amendments or variations are proposed at the Meeting or any adjournments or postponements thereof to matters set forth in the proxy and described in this Information Circular, or if any other matters properly come before the Meeting or any adjournments or postponements thereof, the proxy confers upon the shareholder's nominee discretionary authority to vote on such amendments or variations or such other matters, regardless of whether or not the amendments or variations or such other matters are routine or contested, according to the best judgement of the person voting the proxy at the Meeting. At the date of this Information Circular, Management of Touchstone knows of no such amendments or variations or other matters to come before the Meeting.

Beneficial Shareholders

Many of our shareholders are Beneficial Shareholders. You are a beneficial shareholder if your shares are registered in the name of a nominee, such as your bank, trust company, securities broker or trustee ("**Beneficial Shareholders**"). In Canada, the vast majority of such shares are registered under the name of CDS & Co., the registration name for CDS Depository and Clearing Services Inc., which acts as nominee for many Canadian brokerage firms. In the United States, most common shares are registered in the name of Cede & Co., the nominee of The Depository Trust Company.

Brokers or nominees can only vote the shares for their clients if they have received specific voting instructions from them.

Voting Instructions

To vote your shares as a Beneficial Shareholder, you must give your broker your voting instructions using the voting instruction form provided. Be sure to follow the instructions provided on the form to allow enough time for your voting instructions to reach your nominee, so they have enough time to process them prior to the Meeting.

The majority of brokers and nominees delegate responsibility for obtaining voting instructions from their clients to Broadridge. Broadridge typically mails a scannable voting instruction form in lieu of the form of proxy that is to be completed and returned to them by mail or fax. Alternatively, you can call the toll-free telephone number or visit www.proxyvote.com to submit your voting instructions. The voting instruction form cannot be used at the Meeting; it must be returned to Broadridge well in advance of the Meeting in order to have your shares voted.

For any questions respecting the voting of common shares held through an intermediary, please contact that intermediary for assistance.

Voting at the Meeting

If you are a Beneficial Shareholder and you want to participate in the Meeting and vote your shares in real time, you must print your own name as the proxyholder on the voting instruction form and return it in the enclosed envelope. Do not complete the rest of the form or submit your voting instructions because your vote will be taken at the Meeting. If your voting instruction form indicates that you can vote online, you must type your name as proxyholder on the online form according to the instructions.

Computershare will provide you with a 15-digit control number via email after the proxy voting deadline has passed, and you have been duly appointed and registered as described in "*Registered Shareholders – Voting by Proxy*" above.

Deadline to Vote

Computershare, our transfer agent, must receive your completed proxy form or voting instructions by 10:00 a.m. (Mountain time) on Monday, June 1, 2020, or if adjourned or postponed, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays observed in the Province of Alberta) prior to the time set for the Meeting to be reconvened.

If you are a Beneficial Shareholder, we recommend sending your voting instructions right away, which will allow enough time for your nominee to receive the information and forward it to Computershare.

Changing Your Vote

You can revoke a proxy form you previously submitted by sending us a revocation notice in writing from you, or an attorney to whom you have given written authorization. If the shareholder is a corporation, the change must be made under its corporate seal or by an authorized officer or attorney. The written notice must be delivered to our head office any time before 4:30 p.m. (Mountain time) on Tuesday, June 2, 2020, or, if the Meeting is adjourned or postponed, the last business day before the date the Meeting is reconvened. The Chairman of the Meeting may waive or extend the proxy cut-off without notice. You can also revoke your proxy in any other way the law allows. If you have followed the process for participating in and voting at the Meeting online as described under the heading "*How to Participate in the Meeting*" above, voting at the Meeting online will revoke your previous proxy. If you are a Beneficial Shareholder, contact your broker, financial institution or the nominee that holds your common shares to revoke your voting instructions.

Quorum for Meeting and Approval Requirements

At the Meeting, our by-laws state that quorum shall consist of two or more persons present and holding or representing by proxy not less than 5% of the outstanding common shares. If a quorum is not present at the opening of the Meeting, the shareholders present may adjourn the meeting to a fixed time and place but may not transact any other business.

All matters to be considered at the Meeting are ordinary resolutions requiring approval by more than 50% of the votes cast in respect of the resolution at the Meeting.

As of the date hereof, the Management of Touchstone is aware of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares without nominal or par value. As of the date hereof, 183,489,395 common shares are issued and outstanding as fully paid and non-assessable shares in the capital of the Company. The holders of common shares are entitled to one vote per common share at meetings of shareholders, to receive any dividend when declared by the Board of Directors of the Company (the "**Board**") and to receive *pro rata* upon liquidation, dissolution or winding-up of the Company, the remaining property of the Company.

The Company has not declared or paid dividends on the common shares since incorporation. Any decision made by the Board to pay dividends from time to time will be based upon, among other things, the level of cash flow, results of operations and financial condition, the need for funds to finance ongoing operations and other business and legal considerations as the Board considers relevant, including the satisfaction of the liquidity and solvency tests imposed by the *Business Corporations Act* (Alberta) for the declaration and payment of such dividends.

The record date for the determination of shareholders is April 24, 2020 and only shareholders of record at the close of business on such date are entitled to receive notice of, participate in, and vote at the Meeting, unless a shareholder has transferred its common shares subsequent to that date and the transferee of those common shares, not later than 10 days before the Meeting, establishes ownership of the common shares and demands that the transferee's name be included on the list of persons entitled to vote at the Meeting.

To the best of the knowledge of the directors and executive officers of the Company, as of the date hereof, there are no persons or companies who beneficially own, directly or indirectly, or control or direct common shares carrying more than 10% of the voting rights attached to all of the issued and outstanding common shares.

MATTERS TO BE ACTED UPON AT THE MEETING

The following matters will be acted upon at the Annual Virtual-Only Meeting of Shareholders on June 3, 2020:

Proposal	Management's Recommendation
Fix the number of directors to be elected at seven	FOR
Elect the directors of the Company	FOR
Appoint the auditors of the Company	FOR

1. Receipt of the Financial Statements and Auditors' Report

At the Meeting, shareholders will receive and consider the audited consolidated financial statements of the Company for the year ended December 31, 2019 together with the auditors' report thereon, but no vote by the shareholders with respect thereto is required or proposed to be taken.

2. Fixing the Number of Directors

It is proposed that the number of directors to be elected at the Meeting be fixed at seven. The directors will be elected to hold office until the next annual meeting or until their successors are elected or appointed. There are presently seven directors of the Company.

Under Touchstone's articles, the number of directors may be fixed or changed from time to time by ordinary resolution but shall not be fewer than three. Between annual meetings, the directors have the authority to fill casual vacancies that may from time to time exist or appoint additional directors provided however that such number of additional directors shall not exceed one-third of those directors elected at the last annual meeting.

The Board of Directors unanimously recommends that shareholders vote FOR the ordinary resolution fixing the number of directors to be elected at the Meeting at seven and unless instructed otherwise, the persons named in the form of proxy will vote in favour of the resolution.

3. Election of Directors

The Board of Directors is responsible for the stewardship of Touchstone on behalf of its shareholders to ensure the long-term success of the Company. The Board has seven members – six independent, non-management directors and the President and Chief Executive Officer. The directors have a range of leadership in the international oil and gas industry, as well as expertise in other disciplines that are beneficial to the Company and its shareholders.

The seven nominees proposed for election as directors at the Meeting are current directors of the Company. Each nominee has indicated his willingness to serve as a director until the next meeting of shareholders. Voting for the election of directors will be conducted on an individual, not a slate basis.

The name, province and country of residence and age of each of the persons nominated for election as directors, together with the period served as director, the number of common shares that are beneficially owned or controlled or directed, directly or indirectly as of the date hereof, and the principal occupation of each are set forth below.

Name and place of residence	Age	Office held and in position since	Number of common shares owned, controlled or directed	Principal occupation (during the preceding five years)
Paul R. Baay Alberta, Canada	57	Director since May 13, 2014	1,405,740	President, Chief Executive Officer and a director of Touchstone since May 2014. Former Chairman of the Board and Chief Executive Officer of Touchstone Energy Inc. from July 2010 to May 2014.
Kenneth R. McKinnon(1)(2) Alberta, Canada	61	Director since October 24, 2012	354,754	Partner at Citrus Capital Partners Ltd. (consulting company) since January 2014.
Peter Nicol(1)(3) London, UK	63	Director since June 26, 2017	145,668	Founder and Chief Executive Officer of Locin Energy Limited (consulting company) since March 2012.
Stanley T. Smith(1)(2) Alberta, Canada	66	Director since October 4, 2017	185,668	Independent businessman since September 2016. Former Senior Audit Partner at KPMG LLP.
Thomas E. Valentine Alberta, Canada	59	Corporate Secretary since May 13, 2014 and a director since May 20, 2015	86,947	Senior Partner of Norton Rose Fulbright Canada LLP, a national law firm in Canada, and a member of the global Norton Rose Fulbright Group.
Dr. Harrie Vredenburg(2)(3) Alberta, Canada	67	Director since October 24, 2012	187,702	Professor of Strategy and Suncor Chair in Strategy and Sustainability at the Haskayne School of Business at the University of Calgary. He is also a Research Fellow at the School of Public Policy at the University of Calgary and an International Research Fellow at Oxford University's Saïd Business School.
John D. Wright(3) Alberta, Canada	59	Chairman of the Board and a director since October 24, 2012	4,890,695	President of Analogy Capital Advisors Inc. since March 2017. Former President, Chief Executive Officer and a director of Ridgeback Resources Inc. (energy company) from January 2017 to June 2017. President, Chief Executive Officer and a director of Lightstream Resources Ltd. (energy company) from May 2011 to December 2016.

Notes:
1. Member of the Audit Committee.
2. Member of the Compensation and Governance Committee.
3. Member of the Health, Safety, Environment and Reserves Committee.

If for any reason, any of the proposed nominees does not stand for election or is unable to serve as such, the Management designees named in the form of proxy reserve the right to vote for any other nominee in their sole discretion unless the shareholder has specified therein that its common shares are to be withheld from voting on the election of directors.

As of the date hereof, the directors of the Company, as a group, beneficially owned, controlled or directed, directly or indirectly, 7,257,174 common shares representing approximately 4.0% of the issued and outstanding common shares. The information as to common shares beneficially owned, or controlled or directed, directly or indirectly, is based upon information furnished to the Company by the respective nominees.

The Board of Directors unanimously recommends that shareholders vote FOR the election of each director nominee, and unless instructed otherwise, the persons named in the enclosed form of proxy intend to vote FOR the election of each of the director nominees.

Corporate Cease Trade Orders

Mr. Paul Baay was formerly a director of AlkaLi3 Resources Inc. ("**AlkaLi3**"), a reporter listed on the NEX board of the TSX Venture Exchange ("**TSXV**"). On May 4, 2018, a cease trade order for failure to file audited annual financial statements was issued against AlkaLi3 by the Alberta Securities Commission ("**ASC**") and the Ontario Securities Commission (the "**OSC**"), on their own behalf and on behalf of the provinces of British Columbia, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland pursuant to Multilateral Instrument 11-103 – Failure-to-File Cease Trade Orders in Multiple Jurisdictions. As a result, the TSXV suspended trading of AlkaLi3 common shares effective May 4, 2018. AlkaLi3 filed the required financial statements on May 9, 2018, and the cease trade order was revoked by the ASC and OSC on May 11, 2018.

Except as otherwise disclosed herein, to the knowledge of the directors, no proposed director of the Company is, as at the date of this Information Circular, or has been, within ten years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including Touchstone and any personal holding company of the proposed director) that, while that person was acting in that capacity:

(a) was subject to a cease trade order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person was named in the order) or an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**"); or

(b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies and Insolvencies

Mr. John D. Wright was a director of Spyglass Resources Corp. ("**Spyglass**"), a reporting issuer listed on the Toronto Stock Exchange ("**TSX**"), until his resignation on November 26, 2015 when Spyglass was placed into receivership by the Court of Queen's Bench of Alberta following an application by its creditors.

Mr. John D. Wright was the President, Chief Executive Officer and a director, and Mr. Kenneth R. McKinnon was a director of Lightstream Resources Ltd. ("**Lightstream**") when the company obtained creditor protection under the Companies' Creditors Arrangement Act (Canada) ("**CCAA**") on September 26, 2016. On December 29, 2016, as a result of the CCAA sales process, substantially all of the assets and business of Lightstream were sold to Ridgeback Resources Inc. ("**Ridgeback**"), a new company owned by former holders of Lightstream's secured notes. Mr. McKinnon resigned as a director of Lightstream upon formation of the new company. Mr. Wright resigned as an officer and director of Lightstream and was concurrently appointed President and Chief Executive Officer and a director of Ridgeback upon closing of the sale transaction. Mr. Wright retired his Ridgeback officer and director positions effective June 30, 2017.

On November 30, 2017, Mr. John D. Wright became a director of OAN Resources Ltd. ("**OAN**"), a private issuer. On June 14, 2019, the management of OAN filed a Notice of Intention to Make a Proposal under subsection 50.4(1) of the Bankruptcy and Insolvency Act to restructure OAN's affairs. Mr. Wright resigned as a director of OAN on October 10, 2019. OAN was unable to file a proposal within the provided period and was deemed to have made an assignment into bankruptcy on October 13, 2019.

Except as otherwise disclosed herein, to the knowledge of the directors, no proposed director of the Company:

(a) is, at the date of this Information Circular, or has been, within the ten years before the date of this Information Circular, a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the ten years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties or Sanctions

To the knowledge of the directors, none of the proposed directors of the Company has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

4. Appointment of Auditors

The Audit Committee of the Board has reviewed the performance of Ernst & Young LLP Chartered Professional Accountants, including its independence relating to the audit, and recommends the re-appointment of Ernst and Young LLP as Touchstone's auditors for 2020. The Audit Committee appoints an independent registered accounting firm annually, and Ernst and Young LLP has served in this capacity since 2014.

The Board of Directors unanimously recommends that shareholders vote FOR the appointment of auditors and unless instructed otherwise, the persons named in the enclosed form of proxy intend to vote FOR the appointment of the auditors until the close of the next annual meeting and for the directors to fix their remuneration as such.

Certain information regarding the Company's Audit Committee, including the fees paid to the Company's auditors in the last two fiscal years, that is required to be disclosed in accordance with National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") is contained in the Company's 2019 Annual Information Form dated March 25, 2020 (the "**2019 AIF**").

5. Other Matters

Management knows no other matters to come before the Meeting other than as referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the common shares represented by proxy solicited hereby will be voted or withheld from voting on such matters in accordance with the best judgement of the person voting such proxy.

Matters Considered at the Company's 2019 Annual Meeting

At the Company's annual meeting of shareholders held on June 12, 2019 (the "**2019 Shareholders Meeting**"), shareholders fixed the number of directors at seven, appointed the directors of the Company and appointed the auditors of the Company. The vote on the appointment of directors of the Company was conducted by ballot in accordance with the Company's majority voting policy and the policies of the TSX.

The following table sets forth the voting results for each of the nominated directors who stood for election at the 2019 Shareholders Meeting.

Name of director nominee	Independent	Votes FOR (%)	Votes WITHHELD (%)
Paul R. Baay	No	93.63	6.37
Kenneth R. McKinnon	Yes	93.83	6.17
Peter Nicol	Yes	98.10	1.90
Stanley T. Smith	Yes	97.38	2.62
Thomas E. Valentine	Yes	96.83	3.17
Dr. Harrie Vredenburg	Yes	96.63	3.37
John D. Wright	Yes	97.38	2.62

STATEMENT OF EXECUTIVE COMPENSATION

The following disclosure is provided pursuant to Form 51-102F6 – *Statement of Executive Compensation*.

Compensation Discussion and Analysis

Since inception, Touchstone's Compensation and Governance Committee of the Board (the "**Compensation Committee**") has administered all aspects of the executive officer compensation program, including the President and Chief Executive Officer ("**CEO**"), Chief Financial Officer ("**CFO**"), and the three most highly compensated executive officers of the Company (including the Company's subsidiaries), other than the CEO and CFO, earning over $150,000 (collectively, the "**NEOs**" or "**executive officers**"). Based on the foregoing definitions, the Company's NEOs in respect of the year ended December 31, 2019 were Paul R. Baay, President, CEO and director; Scott Budau, CFO; and James Shipka, Chief Operating Officer ("**COO**").

Compensation Philosophy and Objectives

Touchstone's executive officer compensation program is founded on the principle that compensation should be aligned with shareholders' interests while also recognizing that Touchstone's corporate performance is dependent upon retaining experienced and committed directors, executive officers and employees who have the necessary skills, experience and personal qualities required to manage Touchstone's business. The compensation policies are designed to attract and retain experienced personnel, to motivate their performance in order to achieve Touchstone's strategic objectives and to align the interests of executive officers and employees with the long-term interests of shareholders and enhancement in common share value.

The executive officer compensation program is designed to focus on executive officer's efforts and to reward the sustained attainment of individual and Company performance goals. The program is based on the following objectives:

- rewarding of performance according to the achievement of corporate and personal objectives and overall job performance;
- competitiveness with an external compensation peer group representative of the market against which the Company is measured and with which the Company competes for talent; and
- attraction, engagement and retention of leadership focused on fulfilling the Company's strategic objectives.

Elements of Compensation

Touchstone's executive officer compensation program is structured into three key components: base salary, annual incentive bonus and long-term incentives. Long-term incentives include options to purchase common shares granted pursuant to the Company's stock option plan ("**Stock Options**" and the "**Stock Option Plan**"), options to purchase common shares granted pursuant to Company's incentive share compensation plan ("**Incentive Options**" and the "**Incentive Share Plan**"), and matching contributions to the Company's Employee Share Ownership Plan ("**ESOP**"). The value of executive officer compensation is assessed as a total compensation package, based on the competitiveness of each key component, individually and in the aggregate.

Base Salary

Base salary is compensation for discharging job duties and responsibilities and reflects the level of skills and capabilities demonstrated by the executive officer. Fixed annual base salary compensates executive officers for the roles they perform and provides a competitive foundation for each executive's total compensation. The Board seeks to set base salary at a level competitive enough to represent fair compensation and/or the replacement of an individual in the marketplace. As such, salaries are reviewed to ensure continued alignment with Touchstone's external compensation peer group and with the executive's scope of responsibilities. For all employees, including executives, salary adjustments are considered by the Board annually but are not guaranteed. Any potential adjustments include consideration for both individual performance and market conditions. This is the only element of executive officer compensation that is not at risk.

Annual Incentive Bonus

Annual variable compensation in the form of a cash incentive bonus is intended to motivate and reward the accomplishment of specific business, operating and individual executive officer objectives within a financial year. The Compensation Committee's philosophy with respect to executive officer bonuses is to align the issuance of bonuses with the performance of Touchstone and the performance of each individual executive officer. Incentive bonus amounts are typically evaluated and paid in the first quarter of each financial year in relation to the performance of the Company and the executive officer for the prior year. This element of compensation is at risk and is not guaranteed.

Long-term Incentive Plans

Touchstone uses its Stock Option Plan and Incentive Share Plan as a part of its long-term at-risk compensation strategy for its executive officers. Stock Options and Incentive Options are intended to focus executive performance on long-term strategic priorities, the creation of shareholder value and act as a link to executive officer and shareholder interest as measured through the price of common shares. An annual grant of Stock Options is typically made to executive officers based on individual and corporate performance. Additional grants of Stock Options may be made periodically to recognize the exemplary performance of certain executive officers. Previous grants are taken into account when considering new grants. The Company is phasing out its Incentive Share Plan, as no awards have been granted since June 2014 and no Incentive Options were outstanding as of December 31, 2019.

Touchstone's Stock Option Plan and Incentive Share Plan are described in detail in this Information Circular under the headings "*Securities Authorized for Issuance under Equity Compensation Plans – Stock Option Plan*" and "*Securities Authorized for Issuance under Equity Compensation Plans – Incentive Share Compensation Plan*".

Employee Share Ownership Plan

Touchstone has an ESOP pursuant to which all permanent full-time Canadian based employees of Touchstone may contribute from 3% to 5% of their gross annual salary to the ESOP, with Touchstone matching the contribution initially on a 100% basis and thereafter on a pre-defined basis. Touchstone's matching contribution increases after 24 months of the employee's participation to 150% and after 60 months of participation to 200%. Through an appointed independent firm, contributions to acquire common shares on behalf of the employees are conducted through open market purchases at the current market price on the TSX on a monthly basis. Touchstone's executive officers are eligible to participate in the ESOP on the same basis as all other employees of Touchstone. For the year ended December 31, 2019, approximately $66,000 was contributed by Touchstone to match the contributions of the NEOs, which are disclosed under the heading "*NEO Summary Compensation Table*" under the column titled "*All other compensation*".

Group Benefits/Perquisites

The Compensation Committee believes that the perquisites for NEOs should be limited in scope and value and be commensurate with perquisites offered by the Company's external compensation peer group. Perquisites are also provided to executive officers in the form of taxable paid monthly parking.

External Compensation Peer Group

To ensure market competitiveness, the Compensation Committee considers comparable compensation data from internationally focused oil and gas companies that are generally of similar size and scope and that may represent the market in which Touchstone competes for executive talent. Given the nature of Touchstone's business strategy and international operations, the peer companies are varied. The composition of the external compensation peer group is reviewed on an annual basis by the Compensation Committee for its ongoing business relevance to Touchstone.

The factors assessed by the Compensation Committee in determining the external compensation peer group included operational and geographical focus, exchanges where issuer's securities are listed, market capitalization, total revenue, total assets, annual cash flows, annual levels of capital expenditures, and daily average petroleum production levels.

The following table reflects the composition of Touchstone's external compensation peer group for the year ended December 31, 2019.

Company	Areas of operation	Public listing(s)
Bahamas Petroleum Company plc	Bahamas	AIM
CGX Energy Inc.	Guyana	TSX-V
Columbus Energy Resources plc	Trinidad, Suriname	AIM
Condor Petroleum Inc.	Turkey, Kazakhstan	TSX
Echo Energy plc	Argentina, Bolivia	AIM
Eco (Atlantic) Oil and Gas Ltd.	Guyana, Namibia	AIM, TSX-V
PetroTal Corp.	Peru	AIM, TSX-V
President Energy plc	U.S., Argentina, Paraguay	AIM
SDX Energy Inc.	Egypt, Morocco	AIM
Transglobe Energy Corporation	Egypt, Canada	AIM, NASDAQ, TSX
Trinity Exploration and Production plc	Trinidad	AIM
Valeura Energy Inc.	Turkey	LSE, TSX

The publicly available compensation data from the external compensation peer group was used as a main factor in the review and consideration of compensation levels and the composition of compensation for the Company's executive officers and directors.

The Compensation Committee will continue to monitor and adjust the external compensation peer group to reflect both changes in the markets and at Touchstone as it continues to execute its exploration growth strategy.

In addition, the Compensation Committee may consider compensation surveys completed by independent third parties when making certain decisions with respect to executive officer compensation. While the Compensation Committee may rely on external information and advice, all decisions with respect to executive officer compensation are made by the Compensation Committee and may reflect factors and considerations other than, or that may differ from, the information and recommendations provided by independent third-party surveys and compensation consultants.

2019 Compensation and Compensation Components

With respect to 2019 compensation, the Compensation Committee held one meeting to determine a model for the annual incentive bonus pool, together with a number of informal meetings via teleconference, and certain matters relating to compensation were approved by unanimous written resolution of the Compensation Committee or the Board, where applicable. The Compensation Committee also held two meetings in February 2020 with respect to total compensation of the executive officers of Touchstone relating to the performance of the Company and individual executive officers for the year ended December 31, 2019.

Base Salary

The base salary amounts for each executive officer compensation are reviewed annually. Base salary amounts are targeted at the median of the Company's external compensation peer group when actual overall executive officer and corporate performance is satisfactory. Base salary is targeted to be comparable to above-median compensation when actual overall executive officer and corporate performance is exceptional and/or exceeds objectives. When overall executive officer and corporate performance is below satisfactory or falls short of threshold objectives, base salary is targeted to be below the median of the external compensation peer group.

Annual Incentive Bonus

In February 2019, the Compensation Committee recommended and the Board approved revised annual executive officer and employee annual incentive bonus plans effective for the 2019 fiscal year. The executive bonus plan creates a quantitative approach in calculating executive officer bonus pool amounts for potential annual incentive bonuses. Payout levels are weighted based on individual and corporate performance targets. Corporate performance goals, which include financial and operational performance measures and shareholder return targets, are determined by the Board on an annual basis in consultation with the executive officers. The individual component of the incentive bonus program, if any, is directly based on performance and results related to individual goals that support the achievement of annual corporate objectives and initiatives. Incentive bonus payouts are capped based on a percentage of the executive officer's salary and are subject to minimum thresholds as discussed below.

Under the revised executive officer incentive bonus plan, the calculation for annual incentive bonus is based on:

- annual corporate performance targets;
- annual individual performance goals;
- annual absolute total shareholder return ("**Absolute TSR**"); and
- annual relative total shareholder return ("**Relative TSR**").

Corporate performance targets are assigned a base and stretch value, where the base is considered threshold performance and the stretch target is considered exceptional performance. On an annual basis, the Compensation Committee approves base and stretch corporate bonus pools to be used in calculating executive officer incentive bonus amounts. These amounts are then multiplied by the sum of the Absolute TSR and the Relative TSR factors, which are directly linked to common share value creation. Annual incentive bonus amounts are calculated and submitted to the Compensation Committee, who in turn may amend based on discretionary factors and judgement.

In February 2019, the Compensation Committee set the 2019 maximum annual incentive bonus at 100% for the President and CEO and 75% for the CFO and COO, with specific individual and corporate performance weightings reflected in the table below. The Compensation Committee also approved a base bonus pool of $335,000 and a stretch bonus pool of $480,000, which reflect maximum bonus amounts prior to applying the shareholder return multipliers described below.

Position	Performance weighting		Maximum incentive bonus (% of base salary)
	Corporate	Individual	
President and CEO	100%	0%	100%
CFO	75%	25%	75%
COO	75%	25%	75%

Touchstone's Board approves corporate performance targets and strategic milestones based on business and performance measures commonly used in the oil and natural gas industry on an annual basis. For short-term annual incentive compensation in 2019, Company performance goals for 2019 were approved in March 2019.

In February 2020, the Compensation Committee reviewed 2019 corporate performance against the pre-determined performance indicators as set forth in the table below.

Annual incentive plan performance indicators	Weighting	Highlights	Result
Asset optimization	30%	Achieved significant reserve additions and top quartile finding, development and acquisition costs and recycle ratios.	Stretch
Safety	10%	Achieved qualitative safety targets and top decile total recordable injury frequency (TRIF) results.	Stretch
Environmental	10%	Achieved environmental targets with zero incidents.	Stretch
Base operations	20%	Increased annual base production by 6%.	Base
Financial performance and liquidity	20%	Failed to reach annual net debt to funds flow targets.	Not met
Cost management	10%	Delivered a 14% decrease in operating costs per barrel.	Base
	100%		**80% base, 50% stretch,**

The executive officers and employees delivered exceptional operational performance in 2019, with three of the six indicators reaching stretch status, while failing to reach a base target on one indicator.

Certain of the Company's specific corporate goals contain the use of oil and gas measures and non-GAAP measures as discussed and calculated under "*Advisories*". The Board and Compensation Committee acknowledge their responsibility for vetting the calculations of these measures and ensuring the year-over-year consistency of the calculations. Oil and gas measures and non-GAAP measures that are incorporated under Company performance goals have been calculated on an annual basis using a consistent methodology since 2015 and are the same measures published by the Company in its continuous disclosure documents. There were no material adjustments to these measures proposed by Management during the 2019 fiscal year.

With respect to Absolute TSR, the Compensation Committee annually determines five Company common share price ranges, with each range assigned a factor between zero and one. The Absolute TSR reflects the corresponding predefined factor based on the ten-day volume weighted average trading price of the Company's common shares on the TSX to the close of trading on December 31. In 2019, an Absolute TSR factor of 0.75 was attained, as the Company's annual common share price on the TSX appreciated 105%.

The Company's Relative TSR compares the Company's annual common share return on the AIM market of the London Stock Exchange ("**AIM**") to the annual return of the AIM Oil and Gas Index (the "**Index**"). The Compensation Committee annually establishes five common share return percentages, assigning each range a factor between zero and one. The factor applied during the year ended December 31, 2019 was one, as the Company's annual common share return on AIM exceeded the Index in excess of 50%.

The individual component of the 2019 annual incentive bonus for the CFO and COO, as well as for all employees, was directly based on performance and results relative to their individual goals that supported the achievement of corporate performance targets.

The President and CEO evaluates the performance of the CFO and COO. Based on their achievements of individual performance goals and corporate performance targets, the President and CEO recommends the annual incentive bonus for the CFO and COO to the Compensation Committee for approval. The Compensation Committee then reviews and considers the recommendations with reference to available market information and information with respect to the Company's external compensation peer group and determines whether to accept them or make any changes. The Compensation Committee evaluates the performance of the President & CEO and in certain circumstances in consultation with the other independent directors and informal consultation with the President and CEO. The Compensation Committee recommends the incentive bonus amounts for all executive officers to the Board for approval.

The annual incentive bonus is paid during the first quarter of the year following the performance year, so that performance goal achievements relating to full year performance results can be verified.

After consideration of the 2019 goals and related Company and individual performance, and after applying relative multipliers for common share performance, the Compensation Committee awarded aggregate annual incentive compensation of $590,000 to Company executive officers for 2019. The annual incentive awards were paid in February 2020.

Long-term Incentives

Long-term incentives awarded by the Compensation Committee to attract and retain executive officers. An annual grant of Stock Options is typically made to executive officers based on individual and corporate performance and taking into consideration the value of total direct compensation versus the external compensation peer group executives in similar roles.

The number of Stock Options granted are determined based on the grant date fair value (see "*NEO Summary Compensation Table*" for further details) as well as the dilutive impact on shareholders and the number of common shares available for issuance under Company equity compensation plans. The Stock Option Plan provides for the issuance of Stock Options to a maximum of 10% of the issued and outstanding common shares of the Company, provided that the maximum number of common shares issuable pursuant to outstanding Stock Options and all other share compensation arrangements implemented by the Company (including the Incentive Share Plan) shall not exceed 10% of the common shares outstanding from time to time.

Under the Option Plan, the exercise price of each option may not be less than the volume weighted average trading price per common share on the TSX for the five consecutive trading days ending on the last trading day preceding the grant date. Unless otherwise determined by the Board, vesting typically occurs one third on each of the next three anniversaries of the grant date as recipients render continuous service to the Company, and the Stock Options typically expire five years from the date of the grant.

In the case of compensation under long-term incentive plans, if any, the Compensation Committee, in consultation with the President and CEO, makes a recommendation to the Board for consideration and approval.

Touchstone does not provide any form of pension plan compensation or other retirement benefits for its directors, executive officers and employees.

Compensation Governance

The Compensation Committee is charged with the establishment, execution and periodic review of all aspects of the Company's compensation program and the compensation and performance standards for the Company's directors, employees and executive officers, including the NEOs who are identified in the "*NEO Summary Compensation Table*" below. The Compensation Committee's duties are set out in the Compensation Committee Mandate which is reviewed each year and found in Appendix A of this Information Circular. The Compensation Committee is currently comprised of Kenneth R. McKinnon (Chairman), Stanley T. Smith and Dr. Harrie Vredenburg. Following the Meeting, it is expected that these same three directors will form the Compensation Committee. All members are "independent" for the purposes of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**"). The Board believes the Compensation Committee collectively has the knowledge, experience and background required to fulfill its mandate.

Relevant Education and Experience

The following is a summary of the experience of each member of the Compensation Committee that is relevant to the performance of his responsibilities as a member of the Compensation Committee.

Kenneth R. McKinnon, Chair

Mr. McKinnon is a Partner at Citrus Capital Partners Ltd. (consulting company) since January 2014. Mr. McKinnon has been a director of Touchstone Exploration Inc. (formerly Petrobank Energy and Resources Ltd.) since March 14, 2000. Mr. McKinnon is a director and Chairman of the Compensation Committee of Alvopetro Energy Ltd., positions he has held since November 2013. In addition, Mr. McKinnon is a director, the Chairman of the Audit Committee and the Chairman of the Compensation and Governance Committee of The Supreme Cannabis Company Inc. since March 2019. Previously, Mr. McKinnon was a director of Lightstream Resources Ltd. from October 2009 to December 2016 and held the position of Chairman from May 2011 through December 2016. Mr. McKinnon previously served on the Board of Governors of the University of Calgary and as a Director of Alberta Innovates, holding positions on the Executive Committee and as Chairman of the Compensation and Governance Committees in each organization. Mr. McKinnon is a member of the Institute of Corporate Directors.

Stanley T. Smith

Mr. Smith is a designated accountant with over 39 years of public accountant experience. Mr. Smith's focus of practice was public company auditing and advising, primarily in the oil and gas exploration, production and service industries. After retirement from KPMG LLP on September 30, 2016, Mr. Smith has been acting as an independent businessman. Mr. Smith is currently a director of Toscana Energy Income Corporation, which is publicly listed on the TSX. Mr. Smith was formerly a director of Razor Energy Corp. and Savanna Energy Services Corp. Mr. Smith is a member of the Chartered Professional Accountants of Alberta and the Institute of Corporate Directors.

Dr. Harrie Vredenburg

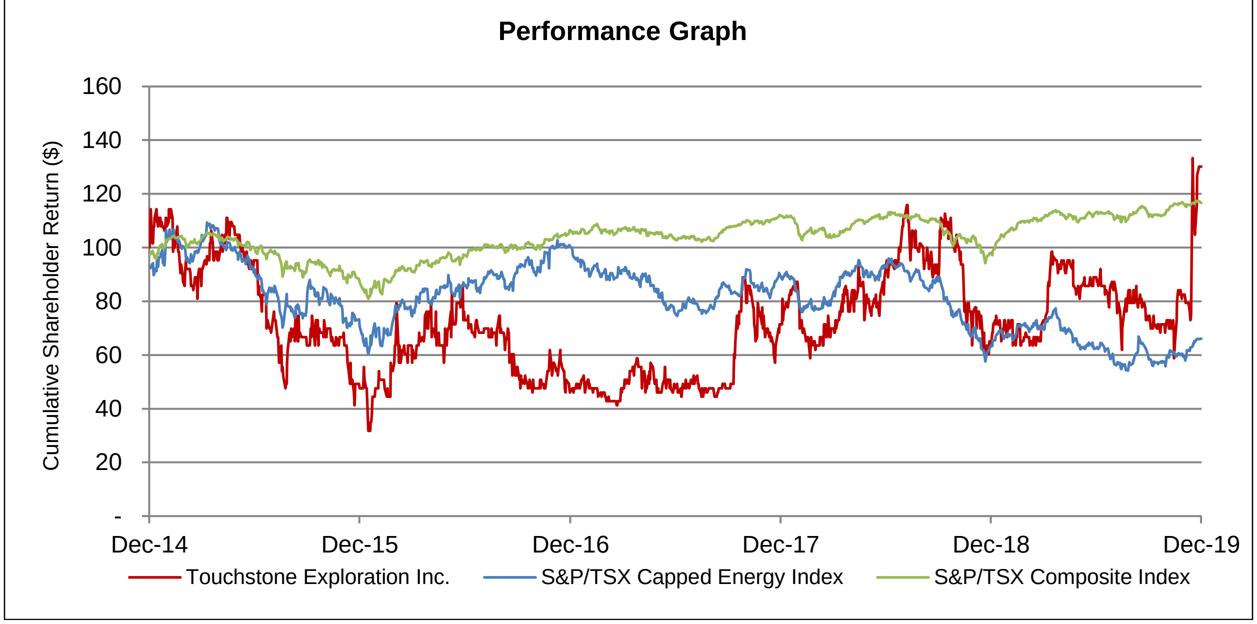
Dr. Vredenburg is Professor of Strategy and Suncor Chair in Strategy and Sustainability at the Haskayne School of Business at the University of Calgary, where he has been on faculty since 1989 prior to which he taught at McGill University. From 2010 to 2018, Dr. Vredenburg also held the position of founding Academic Director of the Global Energy Executive MBA. Dr. Vredenburg also holds appointments as a Research Fellow at the School of Public Policy at the University of Calgary and as an International Research Fellow at Oxford University's Saïd Business School (UK). He is a director of Prairie Thunder Resources Ltd., Talio Resources Ltd., Kainji Resources Ltd. and Teric Power Ltd., all private companies. He has been a director of Touchstone since its incorporation in 2012. Dr. Vredenburg also holds an ICD.D designation as a member of the Institute of Corporate Directors.

Corporate Policies

The Board has made it a priority to ensure that appropriate checks and balances are in place to govern responsible and ethical behaviours amongst the Company's executive officers, directors and employees. All executive officers are required to annually confirm compliance with the Company's code of conduct and ethics policies ("**Code of Conduct Policies**"). Touchstone's disclosure, confidentiality and trading policy (the "**Disclosure, Confidentiality and Trading Policy**") includes a provision that prohibits directors, executive officers and employees of Touchstone from purchasing and selling certain derivatives in respect of any security of Touchstone. This includes purchasing "*puts*" and selling "*calls*" on Touchstone's securities, as well as a prohibition on short selling Touchstone's securities. Aside from these prohibitions, Touchstone does not have a policy specifically pertaining to other financial instruments including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by an executive officer or director. Any transactions of this nature are subject to insider reporting requirements and are reported on the System for Electronic Disclosure by Insiders.

Performance Graph

The following graph illustrates the total cumulative shareholder return for $100 invested in the common shares of the Company, from the TSX closing price on December 31, 2014 to December 31, 2019. The Company's total shareholder return was compared with the cumulative return on the S&P/TSX Capped Energy Index and the S&P/TSX Composite Index.



Date	Touchstone Exploration Inc. ($)	S&P/TSX Capped Energy Index ($)	S&P/TSX Composite Index ($)
December 31, 2014	100.00	100.00	100.00
December 31, 2015	47.62	73.22	88.91
December 31, 2016	46.03	99.92	104.48
December 31, 2017	71.43	87.28	110.78
December 31, 2018	63.49	62.36	97.88
December 31, 2019	**130.16**	**66.01**	**116.61**

If $100 was invested in Touchstone's common shares on December 31, 2014, it would have resulted in a cumulative shareholder return of 30% on December 31, 2019. In comparison, the same amounts invested in the S&P/TSX Capped Energy Index and the S&P/TSX Composite Index over the equivalent period would have resulted in a cumulative shareholder return of negative 34% and positive 17%, respectively.

From December 31, 2014 to December 31, 2019, the total compensation awarded to the three Touchstone NEOs over this time period increased by 24%. Thus, the increase in NEO total compensation is aligned with the increase in shareholder value as at December 31, 2019.

The trend shown in the performance graph does not necessarily correspond to the Company's compensation of the NEOs for all of the periods disclosed. The Company considers a number of factors in connection with its determination of appropriate levels of compensation including, but not limited to, the demand for and supply of skilled professionals with experience in the international oil and gas industry, individual performance, and the Company's performance (which is not necessarily tied exclusively to the trading price of the common shares on the TSX). The trading price of the common shares on the TSX is subject to fluctuation based on a number of factors, many of which are outside the control of the Company. These include, but are not limited to, fluctuations and volatility in commodity prices for crude oil and natural gas, global economic conditions, changes in government, environmental policies, legislation, royalty and tax regimes, and other factors, some of which are disclosed and discussed under the heading "*Risk Factors*" in the Company's 2019 AIF.

NEO total base salary and annual incentive compensation is consistent with the benchmark set by the Compensation Committee and the Board for compensation to target the median of external compensation peer group executives in similar roles for satisfactory performance and results and above-median but not greater than the 75th percentile for exceptional performance and results.

Risk Assessment and Oversight

The Compensation Committee considers the implications of the risks associated with Touchstone's executive officer compensation policies and practices. The Compensation Committee reviews the executive officer compensation program to be satisfied that it is structured to encourage decision making and outcomes that are in the best interest of the Company and its shareholders while accepting an appropriate level of risk consistent with the Company's business plan as determined by the Board. The compensation structure rewards actions that result in a balance of the achievement of short-term goals and long-term strategies and does not encourage actions that could produce short-term success at the cost of long-term shareholder value. Further, annual budgets and quarterly and annual financial results and forecasts are reviewed and approved by the Board. The compensation framework is structured to align with the Company's short and long-term strategic plans, such that corporate objectives are a key factor in assessing executive officer and employee performance.

The Compensation Committee did not identify any risks arising from Touchstone's 2019 compensation policies and practices that would reasonably be likely to have a material adverse effect on Touchstone.

This assessment was based on a number of considerations, including the following:

- base salaries provide a steady income regardless of common share price performance, allowing executive officers and employees to focus on both near-term and long-term goals and objectives without undue reliance on short-term common share price performance or market fluctuations;
- annual cash bonuses are based on individual and Company performance measures designed to contribute to long-term value creation and are capped based on a percentage of salary;
- a significant portion of executive officer compensation is at risk (and is therefore not guaranteed) and is variable year-over-year;
- the Stock Option Plan and Incentive Share Plan are designed to motivate long-term performance, as Stock Options and Incentive Options have a term of five years and typically vest over a three-year period. These factors encourage long-term sustainable common share price appreciation, thereby motivating the achievement of long-term objectives and aligning executive officers with the interests of shareholders;
- annual Stock Option and Incentive Option grants are reviewed by the Compensation Committee for recommendation to the Board for approval, with such recommendations being developed and reviewed relative to, amongst other things, executive retention requirements and appropriate total compensation positioning compared to similar positions in the market;
- a balanced set of corporate performance goals is used to assess overall corporate results. These are also the main driver in determining the individual portions of the annual incentive bonuses for executive officers and employees;
- third-party verifications, such as independent engineering evaluations, of appropriate elements of the corporate performance targets are incorporated before the results are finalized;

- the Compensation Committee does not solely concentrate on the achievement of narrowly focused performance goals and retains adequate discretion to apply business judgement to assess the overall execution of the long-term business plan and adherence to Touchstone's corporate vision and values;
- compensation policies and practices in the Company's subsidiaries are substantially similar to those in Touchstone; and
- compensation policies and practices are substantially similar for all executive officers and employees.

Changes to Executive Compensation

The Compensation Committee determined that salary adjustments for each of its executive officers were warranted in 2020, to better reflect the executive officers' individual performance and alignment with their base salaries versus that of the Company's external compensation peer group. Accordingly, salary adjustments for each of the Company's executive officer were approved by the Board effective March 1, 2020. On March 16, 2020, the executive officers agreed to defer their salary increases on an interim basis as a result of the uncertain economic impact of COVID-19.

The Compensation Committee recommended and the Board approved 2020 annual long-term incentive awards to executive officers, directors and employees in the form of Stock Options with a grant date of April 6, 2020. As part of the grant, Mr. Baay was awarded 450,000 Stock Options, and Mr. Budau and Mr. Shipka were each awarded 300,000 Stock Options. The 2020 annual Stock Option grant to all executive officers, directors and employees represented a burn rate of 1.54%, calculated by dividing the total grant amount by the weighted average number of outstanding common shares of the Company for the three-month period ending March 31, 2020.

Effective March 1, 2020, the ESOP for executive officers, directors and employees was suspended due to the uncertain economic impact of COVID-19.

NEO Summary Compensation Table

The following table sets forth the total compensation paid to or earned by the Company's NEOs for the fiscal years specified. The Company does not provide long-term non-equity incentive plan nor pension plan compensation.

Name and principal position	Year	Salary ($)[1]	Share-based awards ($)[2]	Option-based awards ($)[3]	Annual incentive plans ($)[4]	All other compensation ($)[5]	Total compensation ($)
Paul R. Baay[6]	2019	310,000	Nil	57,121	290,000	56,688	713,809
President and	2018	310,000	Nil	37,309	180,000	43,973	571,282
CEO	2017	310,000	Nil	22,577	180,000	37,203	549,780
Scott Budau	2019	240,000	Nil	38,081	150,000	33,007	461,088
CFO	2018	236,667	Nil	24,873	125,000	28,075	414,615
	2017	220,000	Nil	15,051	125,000	19,208	379,259
James Shipka	2019	240,000	Nil	38,081	150,000	45,349	473,430
COO	2018	236,667	Nil	24,873	125,000	38,522	425,062
	2017	220,000	Nil	15,051	125,000	19,798	379,849

Notes:

1. Salary, for the purposes of the above NEO Summary Compensation Table, includes all earnings related to base salary paid to the NEO during the reporting year.
2. Share-based awards consist of Incentive Options granted pursuant to the Incentive Share Plan. The fair value of Incentive Options granted is estimated based on the grant date using the Black-Scholes option-pricing model. It is the same methodology used by the Company to determine the accounting fair value of the Incentive Options, in accordance with International Financial Reporting Standard 2 – *Share-based Payment* ("**IFRS 2**"). For a complete description of the terms of the Incentive Share Plan, see details provided herein under the heading "*Securities Authorized for Issuance under Equity Compensation Plans – Incentive Share Compensation Plan*".
3. Option-based awards consist of Stock Options granted pursuant to the Stock Option Plan. The fair value of Stock Options granted is estimated based on the grant date using the Black-Scholes option-pricing model. It is the same methodology used by the Company to determine the accounting fair value of the Stock Options, in accordance with IFRS 2. For a description of the terms of the Stock Option Plan, see details provided herein under the heading "*Securities Authorized for Issuance under Equity Compensation Plans – Stock Option Plan*".
4. The annual incentive plan is comprised of Touchstone's cash bonuses, which are paid in the subsequent year.
5. The value in the column titled "All other compensation" includes all other compensation not reported in any other column of the table for each of the NEOs, including Company paid parking, Touchstone matched contributions to the ESOP, flexible health spending accounts and benefit premiums paid by Touchstone. Amounts included herein are generally available to all employees, apart from health spending account benefits, for which NEOs receive $5,000 per annum while Canadian based employees receive $3,000 per annum.
6. Mr. Baay did not receive any compensation for his service as a director during the period that he was an executive officer of Touchstone.

The award values of option-based awards for compensation purposes as set forth in the table above were estimated on the respective grant dates using the Black-Sholes pricing model, which is the same methodology used by the Company to calculate Stock Option fair values for financial statement purposes in accordance with IFRS 2. The awards disclosed in the table above were calculated using assumptions set forth in the table below.

Assumptions	Grant date		
	March 30, 2017	April 5, 2018	April 5, 2019
Risk-free interest rate (percent)	0.9	1.9	1.6
Expected life (years)	2.0 – 4.0	2.0 – 4.0	2.0 – 4.0
Expected volatility (percent)	85.0	89.2	86.9
Expected annual dividends ($)	Nil	Nil	Nil
Fair value per Stock Option ($)	0.08	0.12	0.13

NEO Long-term Incentive Plan Awards

The following table sets forth, with respect to each of the NEOs, details regarding Stock Option awards outstanding as at December 31, 2019. Except as disclosed herein, no other NEO was granted any other Stock Options during the year ended December 31, 2019.

Option-Based Awards[1]					
Name	**Grant date**	**Number of common shares underlying unexercised Stock Options**	**Option exercise price ($/common share)**	**Option expiration date**	**Value of unexercised in-the-money Stock Options ($)[2]**
Paul R. Baay	April 20, 2015	300,000	0.33	June 1, 2020	24,000
	June 16, 2016	300,000	0.23	June 15, 2021	54,000
	March 30, 2017	300,000	0.14	March 29, 2022	81,000
	April 5, 2018	300,000	0.22	April 4, 2023	57,000
	April 5, 2019	450,000	0.23	April 4, 2024	81,000
Scott Budau	April 20, 2015	200,000	0.33	June 1, 2020	16,000
	June 16, 2016	200,000	0.23	June 15, 2021	36,000
	March 30, 2017	200,000	0.14	March 29, 2022	54,000
	April 5, 2018	200,000	0.22	April 4, 2023	38,000
	April 5, 2019	300,000	0.23	April 4, 2024	54,000
James Shipka	April 20, 2015	200,000	0.33	June 1, 2020	16,000
	June 16, 2016	200,000	0.23	June 15, 2021	36,000
	March 30, 2017	200,000	0.14	March 29, 2022	54,000
	April 5, 2018	200,000	0.22	April 4, 2023	38,000
	April 5, 2019	300,000	0.23	April 4, 2024	54,000

Notes:

1. Option-based awards consist of Stock Options granted pursuant to the Stock Option Plan. For a description of the terms of the Stock Option Plan, see details provided herein under the heading "*Securities Authorized for Issuance under Equity Compensation Plans – Stock Option Plan*".
2. The value of unexercised in-the-money Stock Options is calculated for outstanding vested and unvested Stock Options based on the difference between the noted exercise price for the applicable grant and the closing price of the common shares on the TSX on December 31, 2019, being $0.41.

All Stock Options granted by Touchstone to its NEOs vested in three instalments on each of the first, second and third anniversaries of the date of grant, and the exercise price represented the volume weighted average trading price per common share on the TSX for the five consecutive trading days ending on the last trading day preceding the grant date.

During the 2019 financial year, the Company did not adjust, amend, cancel, replace or modify the exercise price of Stock Options previously awarded to an NEO. The April 20, 2015 Stock Option grant expiration date was extended from April 19, 2020 to June 1, 2020 in accordance with the Stock Option Plan, as the original expiration date fell within the Company's routine first quarter 2020 financial blackout period.

No NEO had any Incentive Options outstanding as at December 31, 2019.

The following sets forth, for each NEO, the value of option-based awards and share-based awards which vested during the year ended December 31, 2019 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2019. Except as disclosed herein, no other NEO was awarded any other non-equity incentive plan compensation during the year ended December 31, 2019.

Name	Option-based awards – Value vested during the year ($)(1)	Share-based awards – Value vested during the year ($)(2)	Non-equity incentive plan compensation – Value earned during the year ($)(3)
Paul R. Baay	13,500	Nil	290,000
Scott Budau	9,000	Nil	150,000
James Shipka	9,000	Nil	150,000

Notes:

1. Option-based awards consist of Stock Options granted pursuant to the Stock Option Plan. For a description of the terms of the Stock Option Plan, see details provided herein under the heading "*Securities Authorized for Issuance under Equity Compensation Plans – Stock Option Plan*". The value of Stock Options that vested was calculated based on the difference between the respective grant exercise prices and the TSX closing price of the common shares on the respective vesting dates.
2. Share-based awards consist of Incentive Options granted during the year pursuant to the Incentive Share Plan. For a complete description of the terms of the Incentive Share Plan, see details provided herein under the heading "*Securities Authorized for Issuance under Equity Compensation Plans – Incentive Share Compensation Plan*".
3. Non-equity incentive plan compensation represents 2019 annual incentive bonuses paid in February 2020.

Termination and Change of Control Benefits

The Company recognizes that its executive officers are critical to Touchstone's ongoing business. It is therefore vital for the Company to retain the services of each executive, protect them from employment interruption caused by a change in control of the Company and to treat them in a fair and equitable manner. Touchstone entered into employment agreements (the "**Agreements**" and each an "**Agreement**") with the following NEOs:

- Paul R. Baay – effective May 13, 2014;
- Scott Budau – effective May 13, 2014; and
- James Shipka – effective May 13, 2014.

Each of these Agreements provides for an indefinite term of employment. Each Agreement may be terminated by: (i) Touchstone giving notice of termination (other than just cause) to the NEO; or (ii) the executive giving 90 (120 for Mr. Baay) calendar days' written notice of termination to Touchstone; or (iii) the executive giving notice of termination to Touchstone following a Change in Control (as defined below). In the event of a termination of each Agreement for whatever reason with or without cause, for a period of 12 months following the date of termination, the executive officer may not solicit, interfere with or endeavour to entice away from the Company any person who is an employee of the Company at the date of termination.

In the event Mr. Baay's employment is terminated by Touchstone without cause or with Good Reason (as defined in the Agreement), Touchstone shall pay Mr. Baay a lump sum payment equal to 2.0 times his base salary and 2.0 times his average total bonus received during the prior two service years. Mr. Baay shall have the right, for six months following a Change of Control, to terminate his employment, subject to the existence of a Good Reason. If Mr. Baay exercises this right, he shall be entitled to a lump sum payment equal to 2.0 times his base salary and 2.0 times his average total bonus received during the prior two service years.

In the event Mr. Budau's or Mr. Shipka's employment is terminated by Touchstone without cause or with Good Reason, Touchstone shall pay Mr. Budau or Mr. Shipka, as applicable, a lump sum payment equal to 1.5 times his base salary and 1.5 times his average total bonus during the prior two service years. Mr. Budau and Mr. Shipka shall have the right, for six months following a Change of Control, to terminate their employment, subject to the existence of a Good Reason. If this right is exercised, they shall be entitled to a lump sum payment equal to 1.5 times their base salary and 1.5 times their average total bonus for the prior two service years.

Under the Agreements, a "**Change of Control**" is defined as:

- any change in the holding, direct or indirect, of the shares of Touchstone as a result of which a person or group of persons acting jointly or in concert within the meaning of the *Securities Act* (Alberta) are in a position to exercise effective control of Touchstone; or
- any transaction that the majority of the Board deems to be a Change of Control with respect to Touchstone, and any such determination shall be binding and conclusive for all purposes of the Agreement; or
- if Touchstone ceases to be a publicly traded entity; or
- approval by the shareholders of:
    - an amalgamation, arrangement, merger or other consolidation or combination of Touchstone with another entity or entities pursuant to which the shareholders immediately thereafter do not own shares of the successor or continuing corporation which would entitle them to cast more than 50% of the votes attaching to all of the shares in the capital of the successor or continuing corporation which may be cast to elect directors of the corporation; or
    - a liquidation, dissolution or winding-up of Touchstone; or
    - the sale, lease or other disposition of all or substantially all of the assets of Touchstone.

Other than as disclosed herein, Touchstone is not a party to any contract, agreement, plan or arrangement with its NEOs that provides for payments to NEOs at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation or retirement, or as a result of a Change in Control of Touchstone or a change in the NEOs' responsibilities.

The following table sets forth the details of the estimated incremental payments and benefits due to each of the NEOs that would have arisen upon a hypothetical termination (without cause) on December 31, 2019, pursuant to the terms and conditions of their respective Agreements.

Name	**Salary component ($)(1)**	**Bonus component ($)(2)**	**Total incremental obligations ($)**
Paul R. Baay	620,000	470,000	1,090,000
Scott Budau	360,000	206,250	566,250
James Shipka	360,000	206,250	566,250

Notes:

1. This figure is calculated by multiplying the NEOs' annual salary on December 31, 2019 by the applicable multiple set forth in their respective Agreement.
2. The figure is calculated by multiplying the average of the NEOs' past two years of annual incentive bonuses by the applicable multiple set forth in their respective Agreement. The annual incentive bonuses for 2019 were not paid out until February 2020. However, 2019 bonuses are included in the bonus component calculation above based on the assumption that they would have been included in the NEOs' incremental compensation should there have been a termination on December 31, 2019 due to termination without cause, resignation for Good Reason or a Change of Control.

Director Compensation

The Compensation Committee is responsible for recommending the compensation program for Touchstone's directors for consideration and approval by the Board. The main objectives of Touchstone's compensation program for directors are to attract and retain the services of the most qualified directors, compensate such directors in a manner that is commensurate with the risks and responsibilities assumed in Board membership, compensate directors in a manner that is competitive with Touchstone's external compensation peer group and align the interests of Touchstone's directors with shareholders. Touchstone's compensation program for its directors is reviewed on an annual basis.

The current director's compensation plan is as follows, which is only available to directors who are not also NEOs:

1. Directors are entitled to the following annual retainers to be paid in cash in bi-annual installments:

   (a) $50,000 effective January 1, 2020 with respect to serving as a director;

   (b) $20,000 with respect to serving as Chairman of the Board;

   (c) $5,000 with respect to serving as Chair of the Audit Committee;

   (d) $5,000 with respect to serving as Chair of the Compensation and Governance Committee; and

   (e) $2,500 with respect to serving as Chair of the Health, Safety, Environment and Reserves Committee (the "**HSE and Reserves Committee**").

   Directors are not entitled to payments for attending Board or committee meetings. The director annual retainer of $50,000 was increased from $40,000 in 2019. The directors have agreed to defer the retainer increase on an interim basis as a result of the uncertain economic impact of COVID-19.

2. Non-management directors are also entitled to receive long-term incentive compensation in the form of participation in the Stock Option Plan. The number of Stock Options granted is reviewed annually by the Compensation Committee to be approved by the Board and awarded following any blackout period subsequent to the Company's release of its annual financial statements and continuous disclosure documents. The following table sets forth Stock Option compensation approved by the Board for Touchstone's directors for the years ended December 31, 2019 and 2020.

Position	**Number of Stock Options granted in 2019**	**Number of Stock Options granted in 2020[(1)]**
Board Member	110,000	110,000
Chairman	25,000	35,000
Corporate Secretary	25,000	30,000
Audit Committee Chair	15,000	25,000
Compensation and Governance Committee Chair	15,000	25,000
HSE and Reserves Committee Chair	15,000	15,000
Audit Committee Member	7,500	7,500
Compensation and Governance Committee Member	2,500	2,500
HSE and Reserves Committee Member	2,500	2,500

Note:
1. The 2020 annual director Stock Option award was granted on April 6, 2020.

3. Directors may contribute to the ESOP, with Touchstone matching a director's contribution on a 100% basis to a maximum of $10,000 per annum. The common shares are purchased on behalf of directors through open market purchases by an independent firm consistent with the procedures disclosed in the "*Elements of Compensation: Employee Share Ownership Plan*" heading above. Effective March 1, 2020, ESOP for employees, executive officers directors was suspended due to the uncertain economic impact of COVID-19.

Directors are entitled to be reimbursed for miscellaneous out-of-pocket expenses, if any, incurred in carrying out their duties as directors.

Director Summary Compensation Table

The following table presents the total compensation paid to each non-management director in 2019. The Company does not provide long-term non-equity incentive plan nor pension plan compensation.

Name	Fees earned ($)(1)	Share-based awards ($)(2)	Option-based awards ($)(3)	All other compensation ($)(4)	Total compensation ($)
Kenneth R. McKinnon	45,000	Nil	16,819	10,000	71,819
Peter Nicol	42,500	Nil	16,819	10,000	69,319
Stanley T. Smith	45,000	Nil	16,184	10,000	71,184
Thomas E. Valentine	40,000	Nil	17,136	10,000	67,136
Dr. Harrie Vredenburg	40,000	Nil	14,598	10,000	64,598
John D. Wright	60,000	Nil	17,454	10,000	87,454

Notes:
1. Director fees represented Board and Committee annual cash retainers paid in June and December 2019.
2. Share-based awards consist of Incentive Options granted during the year pursuant to the Incentive Share Plan. The fair value of Incentive Options granted is estimated based on the grant date using the Black-Scholes option-pricing model. It is the same methodology used by the Company to determine the accounting fair value of the Incentive Options, in accordance with IFRS 2. For a complete description of the terms of the Incentive Share Plan, see details provided herein under the heading "*Securities Authorized for Issuance under Equity Compensation Plans – Incentive Share Compensation Plan*".
3. Option-based awards consist of Stock Options granted during the year pursuant to the Stock Option Plan. The fair value of Stock Options granted is estimated based on the grant date using the Black-Scholes option-pricing model. It is the same methodology used by the Company to determine the accounting fair value of the Stock Options, in accordance with IFRS 2. In 2019, Stock Options were granted to directors on April 5, 2019, using the following assumptions to calculate the grant fair value of $0.13 per Stock Option: 3-year expected life, 1.6% risk-free interest rate, 87% expected volatility and 0% expected dividend yield. For a description of the terms of the Stock Option Plan, see details provided herein under the heading "*Securities Authorized for Issuance under Equity Compensation Plans – Stock Option Plan*".
4. The value in the column titled "All other compensation" included Touchstone matched contributions to the ESOP.

Director Fees

Fees were paid to directors in 2019 in accordance with the schedule of annual retainers outlined under "*Director Compensation*" above.

Director Long-term Incentive Plan Awards

In accordance with the director's compensation plan, long-term incentive plan awards in the form of Stock Options were provided to directors in 2019 as noted in "*Director Compensation*" above.

Directors have not been granted share-based awards (Incentive Options) since 2014.

Outstanding Equity-Based Awards

The following table sets forth, with respect to each director, details regarding Stock Option awards outstanding as at December 31, 2019. Other than as disclosed herein, no other member of the Board received any Stock Option awards for the year ended December 31, 2019.

Option-Based Awards(1)					
Name	**Grant date**	**Number of common shares underlying unexercised Stock Options**	**Stock Option exercise price ($/common share)**	**Stock Option expiration date**	**Value of unexercised in-the-money Stock Options ($)(2)**
Kenneth R. McKinnon	January 14, 2013	53,750	2.10	January 14, 2020	-
	April 20, 2015	95,000	0.33	June 1, 2020	7,600
	June 16, 2016	95,000	0.23	June 15, 2021	17,100
	June 28, 2017	95,000	0.15	June 27, 2022	24,700
	June 14, 2018	97,500	0.25	June 13, 2023	15,600
	April 5, 2019	132,500	0.23	April 4, 2024	23,850
Peter Nicol	June 28, 2017	95,000	0.15	June 27, 2022	24,700
	June 14, 2018	97,500	0.25	June 13, 2023	15,600
	April 5, 2019	132,500	0.23	April 4, 2024	23,850
Stanley T. Smith	December 19, 2017	92,500	0.21	December 18, 2022	18,500
	June 14, 2018	92,500	0.25	June 13, 2023	14,800
	April 5, 2019	127,500	0.23	April 4, 2024	22,950
Thomas E. Valentine	April 20, 2015	25,000	0.33	June 1, 2020	2,000
	October 20, 2015	50,000	0.33	June 1, 2020	4,000
	June 16, 2016	75,000	0.23	June 15, 2021	13,500
	June 28, 2017	75,000	0.15	June 27, 2022	19,500
	June 14, 2018	100,000	0.25	June 13, 2023	16,000
	April 5, 2019	135,000	0.23	April 4, 2024	24,300
Dr. Harrie Vredenburg	January 14, 2013	43,750	2.10	January 14, 2020	-
	April 20, 2015	80,000	0.33	June 1, 2020	6,400
	June 16, 2016	80,000	0.23	June 15, 2021	14,400
	June 28, 2017	80,000	0.15	June 27, 2022	20,800
	June 14, 2018	80,000	0.25	June 13, 2023	12,800
	April 5, 2019	115,000	0.23	April 4, 2024	20,700
John D. Wright	January 14, 2013	50,000	2.10	January 14, 2020	-
	April 20, 2015	100,000	0.33	June 1, 2020	8,000
	October 20, 2015	12,500	0.33	June 1, 2020	1,000
	June 16, 2016	112,500	0.23	June 15, 2021	20,250
	June 28, 2017	102,500	0.15	June 27, 2022	26,650
	June 14, 2018	102,500	0.25	June 13, 2023	16,400
	April 5, 2019	137,500	0.23	April 4, 2024	24,750

Notes:
1. Option-based awards consist of Stock Options granted pursuant to the Stock Option Plan. For a description of the terms of the Stock Option Plan, see details provided herein under the heading "*Securities Authorized for Issuance under Equity Compensation Plans – Stock Option Plan*".
2. The value of unexercised in-the-money Stock Options is calculated for outstanding vested and unvested Stock Options based on the difference between the noted exercise price for the applicable grant and the closing price of the common shares on the TSX on December 31, 2019, being $0.41.

All Stock Options granted by Touchstone to its directors during the most recent completed fiscal year vested in three instalments on each of the first, second and third anniversaries of the date of grant, and the exercise price represented the volume weighted average trading price per common share on the TSX for the five consecutive trading days ending on the last trading day preceding the grant date.

During the 2019 financial year, the Company did not adjust, amend, cancel, replace or modify the exercise price of Stock Options previously awarded to a director. The April 20, 2015 and October 20, 2015 Stock Option grant expiration dates were extended from April 19, 2020 to June 1, 2020 in accordance with the Stock Option Plan, as the original expiration dates fell within the Company's routine first quarter 2020 financial blackout period.

No director had any Incentive Options outstanding as at December 31, 2019. During the 2019 financial year, the Company did not adjust, amend, cancel, replace or modify the exercise price of Incentive Options previously awarded to a director.

The following sets forth, for each director, the value of option-based awards and share-based awards which vested during the year ended December 31, 2019 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2019.

Name	Option-based awards – Value vested during the year ($)(1)	Share-based awards – Value vested during the year ($)(2)	Non-equity incentive plan compensation – Value earned during the year ($)(3)
Kenneth R. McKinnon	6,033	Nil	Nil
Peter Nicol	4,767	Nil	Nil
Stanley T. Smith	925	Nil	Nil
Thomas E. Valentine	4,917	Nil	Nil
Dr. Harrie Vredenburg	5,067	Nil	Nil
John D. Wright	6,625	Nil	Nil

Notes:
1. Option-based awards consist of Stock Options granted pursuant to the Stock Option Plan. For a description of the terms of the Stock Option Plan, see details provided herein under the heading "*Securities Authorized for Issuance under Equity Compensation Plans – Stock Option Plan*". The value of Stock Options that vested was calculated based on the difference between the respective grant exercise prices and the closing price of the common shares on the respective vesting dates.
2. Share-based awards consist of Incentive Options granted pursuant to the Incentive Share Plan. For a complete description of the terms of the Incentive Share Plan, see details provided herein under the heading "*Securities Authorized for Issuance under Equity Compensation Plans – Incentive Share Compensation Plan*".
3. The Company did not provide non-equity incentive plan compensation to independent directors during the year ended December 31, 2019.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information in respect of securities authorized for issuance under the Company's equity compensation plans as of December 31, 2019. The equity compensation plans as at December 31, 2019 were the Stock Option Plan and the Incentive Share Plan.

Plan category	Number of securities to be issued upon exercise of outstanding Stock Options and Incentive Options(1)	Weighted average exercise price of outstanding Stock Options and Incentive Options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))(1)(2)
Equity compensation plans approved by shareholders:			
Stock Option Plan	8,740,600(4)	0.26	See Note 3
Incentive Share Plan	-(5)	-	See Note 3
Equity compensation plans not approved by shareholders	-	-	-
Total	**8,740,600**	**0.26**	**7,329,709(3)**

Notes:

1. The Stock Option Plan provides for the issuance of Stock Options to a maximum of 10% of the issued and outstanding common shares of the Company, provided that the maximum number of common shares issuable pursuant to outstanding Stock Options and all other share compensation arrangements implemented by the Company (including the Incentive Share Plan) shall not exceed 10% of the common shares outstanding from time to time.
2. The Incentive Share Plan provides for the issuance of a maximum of 1,000,000 common shares pursuant to the issuance of Incentive Options. 473,625 common shares have historically been issued on the exercise of Incentive Options as of December 31, 2019.
3. The total number of securities remaining available for future issuance under equity compensation plans as at December 31, 2019 was equal to 10% of the number of common shares outstanding as at December 31, 2019 less the number of Stock Options outstanding under the Stock Option Plan as at December 31, 2019 and less the number of Incentive Options outstanding under the Incentive Share Plan as at December 31, 2019. As at December 31, 2019, there were 160,703,095 common shares outstanding, resulting in a maximum number of 16,070,309 common shares issuable under equity compensation plans. As at December 31, 2019 there were 8,740,600 Stock Options outstanding and nil Incentive Options outstanding, leaving 7,329,709 common shares available for issuance under the Stock Option Plan and/or the Incentive Share Plan, subject to the applicable limitations contained in each of such plans.
4. Of the 8,740,600 Stock Options outstanding as at December 31, 2019, 8,593,100 were in-the-money as at that date, based on the closing price of the common shares on the TSX on December 31, 2019 of $0.41.
5. During the year ended December 31, 2019, 15,000 common shares were issued on the exercise of Incentive Options.

As of the date hereof, 183,489,395 common shares are issued and outstanding as fully paid and non-assessable shares in the capital of the Company, and 10,917,800 Stock Options are outstanding with a weighted average exercise price of $0.29, leaving a total of 7,431,139 Stock Options and/or Incentive Options available for issuance.

Stock Option Plan

Stock Options were first issued in January 2013 pursuant to a Stock Option Plan which is described as follows. The purpose of the Stock Option Plan is to provide the employees, directors, executive officers and consultants of Touchstone and its subsidiaries (in this section, collectively the "**Participants**") with an opportunity to purchase common shares and to benefit from the appreciation thereof. This provides an increased incentive for the Participants to contribute to the future success and prosperity of Touchstone, thus enhancing the value of common shares for the benefit of all shareholders and increasing the ability of Touchstone to attract and retain individuals of exceptional skill.

Under the Stock Option Plan, the Compensation Committee, which has been delegated by the Board to administer the Stock Option Plan, may grant Stock Options to purchase common shares to such Participants as it chooses and, subject to the restrictions described below, in such numbers as it chooses. The aggregate number of common shares that may be reserved for issuance at any time under the Stock Option Plan, together with any common shares reserved for issuance under any other share compensation arrangement implemented by Touchstone (including the Incentive Share Plan), is equal to 10% of common shares (on a non-diluted basis) outstanding at that time.

In addition, any grant of Stock Options under the Stock Option Plan is subject to the following restrictions:

- the aggregate number of common shares reserved for issuance pursuant to Stock Options granted to any one person, when combined with any other share compensation arrangement (including the Incentive Share Plan), may not exceed 5% of Touchstone's outstanding common shares (on a non-diluted basis);
- the aggregate number of common shares reserved for issuance pursuant to Stock Options granted to Insiders (as defined in the TSX Company Manual), when combined with any other share compensation arrangement (including the Incentive Share Plan), may not exceed 10% of Touchstone's outstanding common shares (on a non-diluted basis); and
- the aggregate number of common shares issued within any one-year period to Insiders (as defined by applicable Canadian securities laws) pursuant to Stock Options, when combined with any other share compensation arrangement (including the Incentive Share Plan), may not exceed 10% of Touchstone's outstanding common shares (on a non-diluted basis).

The exercise price of each Stock Option will be fixed by the Board when the Stock Option is granted, provided that such price shall not be less than the volume weighted average trading price per share on the TSX for the five consecutive trading days ending on the last trading day preceding the date that the Stock Option is granted.

A Stock Option must be exercised within ten years from the date of grant or such other date set by the Board. The vesting period or periods of Stock Options granted under the Stock Option Plan are determined by the Board at the time of grant. The Board may, in its sole discretion at any time, accelerate vesting of Stock Options previously granted.

Participants may exercise vested Stock Options by providing a notice in writing signed by the Participant to Touchstone together with payment in full of the exercise price for the common shares that are the subject of the exercise. A Participant may offer to dispose of vested Stock Options to Touchstone for cash in an amount not to exceed the fair market value thereof, and Touchstone has the right, but not the obligation, to accept the Participant's offer.

The Stock Option Plan provides that appropriate adjustments in the number of common shares subject to the Stock Option Plan, the number of common shares optioned and the exercise price shall be made by the Board to give effect to adjustments in the number of Touchstone's outstanding common shares resulting from subdivisions, consolidations or reclassifications of the common shares, the payment of stock dividends by Touchstone (other than dividends in the ordinary course) or other relevant changes in the authorized or issued capital of Touchstone.

Stock Options granted to Participants are non-assignable and, except in the case of death of a Participant, are exercisable only to the Participant to whom the Stock Options have been granted.

In the event of the Participant ceasing to be a director, executive officer, employee or consultant of Touchstone or its subsidiaries for any reason other than death (including the resignation or retirement of the Participant, or the termination by Touchstone of the employment of the Participant or the termination by Touchstone or the Participant of the consulting arrangement with the Participant), unvested Stock Options shall cease and terminate on the date notice of ceasing to be a Participant is given, and vested Stock Options held by such Participant shall cease and terminate and be of no further force or effect on the earlier of the expiry time of the Stock Options or the 30th day following: (i) the effective date of such resignation or retirement; (ii) the date of the notice of termination of employment is given by Touchstone; or (iii) the date of the notice of termination of the consulting agreement is given by Touchstone or the Participant, as the case may be. Notwithstanding the foregoing, in the event of termination for cause, unvested and vested Stock Options shall cease and terminate immediately upon the date of notice of termination of employment for cause is given by Touchstone and shall be of no further force or effect whatsoever as to the common shares in respect of which Stock Option has not previously been exercised.

In the event of the death of a Participant, on or prior to the expiry date of Stock Options held by the Participant, the legal representatives of the Participant may exercise such Stock Options within six months following the death of the Participant.

In the event that a change of control of Touchstone, as defined in the Stock Option Plan, is contemplated or has occurred, all Stock Options that have not otherwise vested in accordance with their terms shall vest and be exercisable at such time as is determined by the Board for a period of time ending on the earlier of the expiry of the Stock Options or the 30th day following the change of control.

The Board may amend the Stock Option Plan and any Stock Options granted thereunder in any manner, or discontinue it at any time, without shareholder approval, provided that:

- the consent of the applicable Participants must be obtained for any amendment that would adversely affect any outstanding Stock Options; and
- the approval of the shareholders present and voting in person or by proxy at a meeting of shareholders must be obtained for any amendment that would have the effect of:
  - increasing the maximum percentage of common shares that may be reserved for issuance under the Stock Option Plan;
  - increasing the maximum percentage of common shares that may be reserved for issuance under the Stock Option Plan to non-employee directors, Insiders (as defined by applicable Canadian securities laws) or any one person;
  - increasing the maximum percentage of common shares that may be issued under the Stock Option Plan within any one-year period to Insiders (as defined by applicable Canadian securities laws);
  - changing the amendment provisions of the Stock Option Plan;
  - changing the terms of any Stock Options held by Insiders (as defined by applicable Canadian securities laws);
  - reducing the exercise price of any outstanding Stock Option (including the reissue of a Stock Option within 90 days of cancellation which constitutes a reduction in the exercise price);
  - amending the definition of Participants to expand the categories of individuals eligible for participation in the Stock Option Plan;
  - extending the expiry date of an outstanding Stock Option or amending the Stock Option Plan to allow for the grant of a Stock Option with an expiry date of more than ten years from the grant date; or
  - amending the Stock Option Plan to permit the transferability of Stock Options, except to permit a transfer to a family member, an entity controlled by the Participant or a family member, a charity or for estate planning or estate settlement purposes.

In the event that any Stock Option expires during or within two business days after a self-imposed blackout period on trading securities of Touchstone, such expiry date will be deemed to be extended to the tenth day following the end of the blackout period.

Incentive Share Compensation Plan

The purpose of Touchstone's Incentive Share Plan is to provide an effective incentive for the employees, directors, executive officers and consultants of Touchstone and its affiliates and such other persons determined by the Board (in this section, collectively the "**Participants**"), to promote the success and business of Touchstone and its affiliates, and to reward such Participants in relation to the long-term performance and growth of Touchstone by encouraging ownership of common shares.

Compensation is payable pursuant to the Incentive Share Plan in the form of a grant of Incentive Options. Under the Incentive Share Plan, the Compensation Committee, which has been delegated by the Board to administer the Incentive Share Plan, may grant Incentive Options to such Participants as it chooses in such numbers as it chooses.

The Incentive Options vest over time, and upon vesting each one Incentive Option is entitled to be redeemed for one common share. The Incentive Options have an exercise price of $0.05 per common share, where such price could be below the market price of common shares on the grant date. A Participant will not be entitled to elect to be issued any of the common shares which underlay the granted Incentive Options until the granted Incentive Options have vested in accordance with the vesting terms provided for in the incentive agreement between the Participant and Touchstone. The Board may, in its sole discretion at any time, accelerate vesting of Incentive Options previously granted.

Upon the vesting of Incentive Options, the common shares to which a Participant is entitled to receive pursuant to the Incentive Options will not be issued until the Participant has delivered to Touchstone an election in writing that the common shares be issued together with payment of $0.05 for each such common share to be issued.

In the event of the Participant ceasing to be a director, executive officer, employee or consultant of Touchstone or its subsidiaries for any reason other than death (including the resignation or retirement of the Participant or the termination by Touchstone of the employment of the Participant or the termination by Touchstone or the Participant of the consulting arrangement with the Participant), unvested Incentive Options shall cease and terminate on the date notice of ceasing to be a Participant is given, and vested Incentive Options held by such Participant shall cease and terminate and be of no further force or effect on the earlier of the expiry time of the Incentive Options or the 30th day following: (i) the effective date of such resignation or retirement; (ii) the date of the notice of termination of employment is given by Touchstone; or (iii) the date of the notice of termination of the consulting arrangement is given by Touchstone or the Participant, as the case may be. Notwithstanding the foregoing, in the event of termination for cause, unvested and vested Incentive Option shall cease and terminate immediately upon the date of the notice of termination of employment for cause is given by Touchstone and shall be of no further force or effect whatsoever as to the common shares underlying an Incentive Option that has not previously been exercised.

In the event of the death of a Participant, on or prior to the expiry date of Incentive Options held by the Participant, the legal representatives of the Participant may exercise such Incentive Options within six months following the death of the Participant.

A Participant shall have no right to receive common shares underlying Incentive Options granted to them that have not been issued on the date that is ten years following the date of grant or such earlier date as determined by the Board. In the event any Incentive Options expire during or within two business days after a self-imposed blackout period on trading securities of Touchstone, such expiry date will be deemed to be extended to the tenth day following the end of the blackout period.

The Incentive Share Plan provides that the number of common shares issuable to a Participant with respect to the vested Incentive Options held by such Participant may, at Touchstone's election in its sole discretion, be increased on each date on which a cash dividend (if applicable) is paid to shareholders by an amount equal to the product of the number of the vested Incentive Options held by the Participant and the fraction which has as its numerator the cash dividend paid, expressed as an amount per common share, and which has as its denominator the weighted average trading price of the common shares on the TSX for the five trading days preceding the record date for such dividend.

A maximum of 1,000,000 common shares may be issued pursuant to the exercise of Incentive Options, of which 473,625 common shares have been issued to date. In addition, no Incentive Option may be issued to a Participant under the Incentive Share Plan if such issuance could result, at any time, in:

- the aggregate number of common shares reserved for issuance pursuant to the Incentive Share Plan and all other established or proposed share compensation arrangements in respect of common shares granted to Insiders (as defined by applicable Canadian securities laws) exceeding 10% of the aggregate issued and outstanding common shares of Touchstone;
- the issuance to Insiders (as defined by applicable Canadian securities laws) pursuant to the Incentive Share Plan and all other established or proposed share compensation arrangements, within a one-year period, of a number of common shares exceeding 10% of the aggregate issued and outstanding common shares of Touchstone; or
- the issuance pursuant to the Incentive Share Plan and all other established or proposed share compensation arrangements to any one Insider, or such Insider's associates, within a one-year period, of a number of common shares exceeding 5% of the aggregate issued and outstanding common shares of Touchstone.

In the event that a change of control of Touchstone, as defined in the Incentive Share Plan, is contemplated or has occurred, all Incentive Options which have not otherwise vested in accordance with their terms shall vest and be exercisable at such time as is determined by the Board, notwithstanding the other terms of the Incentive Options.

A Participant may offer to dispose of his or her vested Incentive Options to Touchstone for cash in an amount not to exceed the fair market value, and Touchstone has the right, but not the obligation, to accept the Participant's offer. Incentive Options granted to Participants under the Incentive Share Plan are non-assignable without the consent of Touchstone.

The Board may amend, modify or terminate the Incentive Share Plan and amend or modify any Incentive Option agreement at any time, without shareholder approval, provided that:

- the consent of the applicable Participants must be obtained for any amendment that would adversely affect any outstanding Incentive Options; and
- the approval of the holders of a majority of common shares must be obtained for any amendment that would have the effect of:
  - increasing the number of Incentive Options that may be granted under the Incentive Share Plan;
  - increasing the number of common shares that may be reserved for issuance under the Incentive Share Plan;
  - permitting the transferability of Incentive Options, except pursuant to normal estate settlement purposes;
  - reducing the payment required to be made by a Participant to Touchstone for each common share issued pursuant to each Incentive Option held;
  - extending the term of Incentive Options granted beyond their original expiry date;
  - changing the limits to the grant of Incentive Options already established pursuant to the Incentive Share Plan with respect to non-employee director participation and Insiders (as defined by applicable Canadian securities laws); and
  - amending the amendment provisions of the Incentive Share Plan.

The Incentive Share Plan provides that appropriate adjustments in the number of common shares issuable on the vesting of Incentives Share shall be made by the Board to consider any capital reorganizations of Touchstone.

Annual Burn Rates

The following table sets forth the annual burn rate for each of the most three recently completed fiscal years for each of the Company's equity compensation plans. The burn rate has been calculated by dividing the number of awards granted or purchased under the arrangement during the applicable fiscal year by the weighted average number of common shares outstanding for the applicable fiscal year.

Equity compensation plan	Fiscal year		
	2017	2018	2019
Stock Option Plan	1.65%	1.31%	1.64%
Incentive Share Plan[(1)]	n/a	n/a	n/a
Total	**1.65%**	**1.31%**	**1.64%**

Note:
1. No Incentive Options were granted in 2017, 2018 and 2019.

CORPORATE GOVERNANCE

We are committed to a high standard of corporate governance policies, and the Board and Touchstone's Management consider strong corporate governance to be central to the effective and efficient operation of the Company. We believe that the role of the Board is to ultimately drive performance, create shareholder value and maintain a proper tone from the top while understanding the Company's greater responsibility and purpose to a broad range of stakeholders. Below is a description of the corporate governance practices of the Company.

Responsibilities of the Board of Directors

The Board of Touchstone oversees the development and execution of a long-term strategic plan and short-term business and operating plans which are designed to achieve the Company's principle objectives, while identifying the principle strategic and operational opportunities and risks of Touchstone's business. The Board's responsibilities include overseeing the management of the Company, overseeing Touchstone's risk management process, approving key business decisions, and evaluating and setting the compensation for the President and CEO. The Board's duties are set out in the Board mandate which is reviewed each year and is found in Appendix B of this Information Circular.

The Board has the responsibility to oversee the conduct of the business of Touchstone and its subsidiaries and has delegated to Management, through the offices of the President and CEO, the responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on Touchstone's business in the ordinary course, managing Touchstone's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to the executive officers to furnish recommendations relating to corporate objectives, long-term strategic plans and annual operating plans.

The Board holds regularly schedule meetings at least quarterly, and the Board and Management hold strategic planning sessions at least annually and revisit strategic planning at each quarterly Board meeting. Where appropriate, key management personnel and professional advisors are invited to attend meetings to speak to these issues. While the Board does not hold regularly scheduled meetings comprised solely of independent directors, a portion of all Board meetings consists of an in-camera session of the independent directors, where executive officers of Touchstone are not in attendance.

Board Composition and Independence

The Board facilitates its exercise of independent supervision over Management by ensuring that the Board includes independent directors. The Board is currently comprised of seven members; six of whom, representing the majority, are considered independent within the meaning of NI 58-101. Messrs. McKinnon, Nicol, Smith, Valentine, Vredenburg and Wright are independent directors. Touchstone has proposed seven nominees for election at the Meeting to serve as directors until the next annual meeting of shareholders; all of which are current directors of the Company. Mr. Baay is not an independent director as he would be considered to have a "material relationship" (as defined in NI 52-110) with Touchstone as Mr. Baay is the current President and CEO. On at least an annual basis, the Board conducts an analysis and makes a determination as to the independence of each member of the Board. The Audit Committee, Compensation Committee, and the HSE and Reserves Committee of the Board are all comprised entirely of independent directors.

To provide leadership for its independent directors, the Board ensures that the independent directors have access to the executive officers and senior management of Touchstone. Further, at Touchstone's expense, the Board or any committee of the Board may retain, when it considers it necessary or desirable, outside consultants or advisors to advise the Board or any committee of the Board independently on any matter. The Board and any committee of the Board have the sole authority to retain and terminate any such consultants or advisors, including sole authority to review a consultant's or advisor's fees and other retention terms.

Position Descriptions

The Board has adopted formal written position descriptions for the CEO, the Chairman of the Board and the Chair of each Board committee, which set out the duties and responsibilities of such positions. See "*Chairman of the Board*" below for a summary of the written description of the Chairman of the Board. The President & CEO is charged with the general oversight and management of Touchstone. The Chair of each committee of the Board is charged with leading and assessing each committee to ensure it fulfills its mandate as set out in the committee terms of reference.

Chairman of the Board

The Chairman of the Board is currently Mr. Wright, who is considered independent within the meaning of NI 58-101. The Board has adopted a written description for the Chairman of the Board detailing the roles and responsibilities of the position which include the following:

- managing the affairs of the Board, including ensuring that the Board is organized properly, functions effectively and independently of Management and meets its obligations and responsibilities, including those matters set forth in the mandate of the Board;
- providing overall leadership to the Board without limiting the principal of collective responsibility and the ability of the Board to function as a unit;
- enabling the design and implementation of effective committees of the Board including the selection of members;
- working directly with the President and CEO to provide counsel and guidance regarding the strategic management process and definition of significant business challenges; and
- facilitating communication between the Board, executive officers and shareholders.

Director Orientation and Continuing Education

The Board provides an informal orientation program for all new directors. New members of the Board are provided with background information about Touchstone's business, current issues and corporate strategy. New members of the Board also receive a copy of Touchstone's vision and values statement (the "**Vision and Values statement**"). In addition, Touchstone expects its directors to be informed about issues affecting

Touchstone's business and the industry in which Touchstone operates, and as such, all directors are encouraged to attend, at the expense of Touchstone, applicable educational programs. Educational programs are also provided for directors on an "as requested" basis. As well, all directors have unrestricted direct access to any member of senior Management and their staff at any time.

Four current directors of the Board are members of the Institute of Corporate Directors, namely, Mr. Paul Baay, Mr. Kenneth McKinnon, Mr. Stanley Smith and Dr. Harrie Vredenburg. The Institute of Corporate Directors prescribes minimum annual continuing education requirements. Furthermore, all of the Company's directors have significant experience in the international oil and gas industry. The majority are members of professional organizations such as the Association of Professional Engineers and Geoscientists of Alberta, the Chartered Professional Accounts of Canada, the Law Society of Alberta and the Canadian Bar Association. Each of those organizations have continuing education requirements that apply to its members.

The Board believes that these procedures are practical and effective in light of Touchstone's particular circumstances, including the size of the Board, the size of Touchstone, the nature and scope of Touchstone's business and operations and the experience and expertise of Board members.

Ethical Business Conduct

Touchstone believes that maintaining high standards of business conduct is essential to the long-term success of the Company. To that end, the Company has in place a written Vision and Values statement, which outlines Touchstone's commitment to safety, shareholder value, its employees, the environment and integrity. Management of Touchstone and the Board are of the view that the Vision and Values statement encourages and promotes a culture of ethical business conduct within Touchstone Further, the Company has established Code of Conduct Policies since its inception. The Code of Conduct Policies were most recently reviewed and amended in November 2018, a summary of which is available on the Company's website (www.touchstoneexploration.com). The Code of Conduct Policies are applicable to all directors, executive officers and employees of the Company, and it is a requirement that the Code of Conduct Policies be read, understood and signed off by the Board and all employees annually.

Copies of the Vision and Values statement and code of Conduct Policies can be obtained by writing to the Chief Financial Officer of Touchstone at Suite 4100, 350 – 7th Avenue SW, Calgary, Alberta, T2P 3N9.

The Board has adopted an extensive Disclosure, Confidentiality and Trading Policy to which all directors, executive officers and employees are subject to. This policy encourages ethical conduct in that it reflects the importance of confidentiality in respect of Touchstone's activities and restricts trading in the securities of Touchstone at times when individuals may be in possession of material non-public information. Touchstone also has written policies in place in respect of conduct, privacy, harassment, bribery and anti-corruption, ethics and whistle-blowing. The Board has instructed its executive officers and employees to abide by the various policies and to bring any breaches to the attention of the Compensation Committee or to follow the guidelines contained in Touchstone's Whistle-blowing Policy. Compliance with the policies is monitored primarily through the reporting process within the Company's organizational structure. In addition, four current directors of the Board are members of the Institute of Corporate Directors, who further subscribe to the statement of ethics of that organization.

The Company has not filed any material change reports since its inception that pertains to any conduct of a director or executive officer that constitutes a departure from the Company's Code of Conduct Policies.

Nomination of Directors

The Board is charged with the responsibility of recommending and approving nominees for appointment as directors. The Board considers the skills and qualifications of existing directors and the long-term perceived needs of Touchstone in respect of the Board and each of the committees of the Board. The Board will typically identify potential candidates and review the qualifications of such potential candidates in the first quarter meeting of each year. In particular, the Board assesses, among other factors, industry experience, functional expertise, financial literacy and expertise, board experience and diversity of background and considers possible conflicts arising in connection with potential candidates. Upon such review, and after conducting appropriate due diligence, the Board will approve candidates.

The Company does not have a specific nomination committee composed entirely of independent directors. To encourage an objective nomination process, the Board will also meet without non-independent members when approving nominees for appointment as directors.

Touchstone does not currently have a policy regarding term limits for directors. Board composition is assessed by the Board as required to ensure that the Board has the right mix of skills and experience that will enable it to provide strong stewardship for the Company. Since 2016, Mr. Smith joined the Board to replace a departed director, and Mr. Nicol joined the Board to enhance its expertise in the United Kingdom capital market.

Board Assessments

The Board is responsible to assess, on an ongoing basis, its overall performance and that of its committees. The objective of this review is to contribute to a process of continuous improvement in the Board's execution of its responsibilities. The review will identify any areas where the directors of the Company or Management believe that the Board could make a better collective contribution to overseeing the affairs of the Company.

The Board is also responsible for regularly assessing the effectiveness and contribution of each director, having regard to the competencies and skills each director is expected to bring to the Board. The Board does not formally review the contributions of individual directors; however, it believes that its current size facilitates informal discussion and evaluation of members' contributions within that framework. The Board relies on informal evaluations of the effectiveness through both formal and informal communications with Board members and through participation with other Board members on committees and matters relating to the Board.

Director Participation with Other Reporting Issuers

Certain Touchstone directors and proposed nominees are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Name	Reporting Issuer (or equivalent in a foreign jurisdiction)
Kenneth R. McKinnon	Alvopetro Energy Ltd. The Supreme Cannabis Company Inc.
Peter Nicol	Eco (Atlantic) Oil and Gas Ltd.
Stanley T. Smith	Toscana Energy Income Corporation
Thomas E. Valentine	NXT Energy Solutions Inc.
John D. Wright	Alvopetro Energy Ltd.

The Board has determined that the above memberships and common Board membership does not impair the ability of these directors to exercise independent judgement as members of Touchstone's Board of Directors.

Conflicts of Interest

To address conflicts of interest, the members of the Board and executive officers are required to declare the nature and extent of any material interest in any transactions or agreements and may not vote in relation to any such matter. In certain cases, an independent committee may be formed to deliberate on such matters in the absence of the interested party. In any situation where a potential conflict may arise, a director must disclose such conflict and abstain from consideration of the particular transaction or agreement and voting as a result.

Board Committees

The Board has established the Audit Committee, the Compensation Committee, and the HSE and Reserves Committee; each is comprised entirely of independent directors in accordance with NI 58-101 and in respect of the HSE and Reserves Committee in accordance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*. The Board has also developed mandates for each Committee of the Board which detail the composition, duties, and responsibilities of the Committees. The Board may also form independent or special committees from time to time to evaluate certain transactions.

The primary function of the Audit Committee is to assist the Board in fulfilling its responsibilities by reviewing: the financial reports and other financial information provided by Touchstone to any regulatory body or the public; Touchstone's systems of internal controls regarding preparation of those financial statements and related disclosures that Management and the Board have established; Touchstone's auditing, accounting and financial reporting processes; and overseeing financial risks including balance sheet risk and review of appropriate financial related risk management policies and strategies. Certain information regarding the Audit Committee, including the Mandate of the Audit Committee, is contained in the 2019 AIF.

The Compensation Committee is responsible for assisting the Board in fulfilling its responsibility by reviewing and evaluating matters relating to compensation of the directors, executive officers and employees of Touchstone in the context of the current budget and business plan of Touchstone. The Compensation Committee is also responsible for the oversight of compensation risk, including ensuring compensation practices do not motivate undue risk taking and short-term decision making at the expense of long-term goals. See "*Statement of Executive Compensation – Compensation Governance*" in this Information Circular for further details.

The HSE and Reserves Committee's responsibilities include reviewing and monitoring the adequacy of the Company's HSE response policies, plans, reporting and resources, including security risk. The Committee also assists the Board in the selection, engagement and instruction of an independent reserves evaluator for Touchstone, ensuring there is a process in place to provide all relevant reserves data to the independent reserves evaluator and monitoring the preparation of the independent reserves evaluation of Touchstone.

The following table sets forth the members of each committee as of December 31, 2019, as well as the individual director's attendance at the meetings in the 2019 fiscal year.

Director	Total Board and Committee Attendance	Board Meetings	Audit Committee Meetings	Compensation Committee Meetings	HSE and Reserves Committee Meetings
Paul R. Baay	4/4 (**100%**)	Member 4/4			
Kenneth R. McKinnon	9/9 (**100%**)	Member 4/4	Member 4/4	Chair 1/1	
Peter Nicol	10/10 (**100%**)	Member 4/4	Member 4/4		Chair 2/2
Stanley T. Smith	9/9 (**100%**)	Member 4/4	Chair 4/4	Member 1/1	
Thomas E. Valentine	1/4 (**25%**)	Member 1/4			
Dr. Harrie Vredenburg	7/7 (**100%**)	Member 4/4		Member 1/1	Member 2/2
John D. Wright	6/6 (**100%**)	Chair 4/4			Member 2/2

Mr. John Wright is the Board Chair and is a member of the HSE and Reserves Committee; however, he attends additional committee meetings regularly by invitation from the committee chairs. Mr. Valentine is the Corporate Secretary of the Company and also attends additional committee meetings regularly by invitation from the committee chairs. Mr. Paul Baay was a management director in 2019 and attended all Board and committee meetings.

Diversity

Touchstone recognizes the benefits of diversity within its Board, at the executive level and at all levels of the organization. It further recognizes the importance of meritocracy and fairness in its recruitment practices and overall corporate environment. The Company believes that Board appointments and executive officer appointments should be made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements and needs of the Board and management at the applicable time. The Company believes that considering the broadest group of individuals who have the skills, knowledge, experience and character required to provide the good governance, guidance and leadership needed to achieve the Company's business objectives, without reference to their age, gender, race, ethnicity or religion, is in the best interest of the Company and all of its stakeholders. The Company is committed to meritocracy and does not currently have any targets, rules or formal policies that specifically require the identification, consideration, nomination or appointment of board nominees or candidates for executive management positions that would otherwise force the composition of the Board or the Company's executive management team.

While the emphasis in filling Board vacancies has been finding the best qualified candidates given the needs and circumstances of the Board, a nominee's diversity of age, gender, race, ethnicity, religion, experience and other attributes have and will be considered favourably in the assessment of director nominees. Moreover, as to gender, the Board is receptive to increasing the representation of women on the Board as turnover occurs, taking into account the skills, background, experience and knowledge desired at that particular time by the Board. The Board also encourages the consideration of women who have the necessary skills, knowledge, experience and character for promotion or hiring into a management position within the Company. Currently, Touchstone does not have any women who are executive officers of the Company (0%), and there are currently no women on the Board (0%).

Environment, Social and Governance

Touchstone ensures that the communities in which we operate benefit from our operations and that the environment and the health and safety of our employees and contractors are not compromised. Touchstone maintains a Vision and Values statement that sets out its corporate responsibility commitments on environmental sustainability, health, safety and public engagement in those areas where it operates, all within the context of business integrity.

Environmental stewardship is a core value at Touchstone, and the Company is focused on reducing the environmental impact of its exploration and production operations by continuously monitoring environmental impact, developing corporate strategies, and investing in new technologies to address any risks. The objective is to minimize the environmental footprint of its operations and at the same time pursue new technologies which also contribute to this objective. In 2020, the Board intends to implement environmental criteria into executive officer individual and corporate targets.

Touchstone is proactive in its communications with the local communities in which it is actively exploring or developing projects. The goal is to establish open and fair consultation processes with all stakeholders, provide information on local business and employment opportunities, identify areas of interest or concern and develop mutually beneficial working relationships. The Company has established policies and practices that complement its basic responsibilities as a development tool for the local communities in the jurisdictions in which it operates. The Company's social responsibility strategy aims at creating local employment opportunities and providing industry education and health training programs.

Touchstone is committed to providing a healthy and safe working environment for employees, contractors and the general public. This is supported by dedicated staff and contractors who provide on-site health and safety support as well as ongoing hazard assessments, interim and annual audits and training programs.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, no director, proposed director, executive officer, nor any of their respective associates or affiliates, is or has been indebted to the Company or its subsidiaries, and there has been no such indebtedness at any time since incorporation.

INTEREST OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

Management of the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership or otherwise, of any director or executive officer or anyone who has held office as such since the beginning of the Company's last financial year, any proposed nominee for election as a director of the Company or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting, other than the election of directors or the appointment of auditors as disclosed herein.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There are no material interests, direct or indirect, of any informed person of the Company (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*), any proposed director of the Company or any associate or affiliate of any informed person or proposed director of the Company in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries, other than as disclosed herein.

ADDITIONAL INFORMATION

Financial information is provided in the Company's comparative audited annual consolidated financial statements and management's discussion and analysis for its most recently completed financial year. Shareholders can access this and other additional information, including the 2019 AIF, on our website (www.touchstoneexploration.com) and on SEDAR (www.sedar.com). Alternatively, shareholders may request physical copies of the financial statements, management's discussion and analysis and the 2019 AIF free of charge by contacting the Chief Financial Officer of the Company at 4100, 350 - 7th Avenue SW, Calgary, Alberta, Canada T2P 3N9.

ADVISORIES

Forward-looking Information

Certain information provided in this Information Circular may constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements in this Information Circular include, but are not limited to, those in respect of: the Company's exploration plans and strategies, including anticipated drilling, development, tie-in, production commencement and the timing thereof; the Company's drilling and development location inventory, including the number and quality of, and risk associated with, those locations; future production levels and product mix ratios; effluent disposal and solution gas capture initiatives; contractual arrangements; business plans and strategies; and the sufficiency of resources and available financing to fund future operations. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Certain of these risks are set out in more detail in the Company's 2019 AIF. The forward-looking statements contained in this Information Circular are made as of the date hereof, and except as may be required by applicable securities laws, the Company assumes no obligation to update publicly or revise any forward-looking statements made herein or otherwise, whether as a result of new information, future events or otherwise.

Oil and Gas Metrics

This Information Circular contains certain oil and gas industry metrics, including production per common share, finding, development and acquisition ("**FD&A**") costs and recycle ratio, which do not have standardized meanings or standardized methods of calculation and therefore such measures may not be comparable to similar measures presented by other companies and should not be used to make comparisons. Such metrics have been included herein to provide readers with additional measures to evaluate the Company's performance; however, such measures are not reliable indicators of the future performance of the Company, and future performance may not compare to the performance in prior periods and therefore such metrics should not be unduly relied upon.

Production per common share is calculated by dividing crude oil sales for the period over the weighted average common shares outstanding in the corresponding period.

FD&A costs represent the costs of net property acquisitions and dispositions, exploration, and development incurred. Specifically, FD&A is calculated as the sum of net acquisition costs less proceeds of dispositions, capital expenditures excluding capitalized general and administrative costs and corporate capital expenditures incurred in the period and the change in future development costs required to develop those reserves. FD&A costs per barrel of crude oil is determined by dividing current period net reserve additions to the corresponding period's FD&A cost. The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserves additions for that year.

Recycle ratios are calculated by dividing the annual FD&A costs per barrel to operating netback per barrel prior to realized gains or losses on commodity derivative contracts in the corresponding period. The recycle ratio compares netbacks from existing reserves to the cost of finding new reserves and may not accurately indicate the investment success unless the replacements of reserves are of equivalent quality as the produced reserves.

Non-GAAP Measures

Terms commonly used in the oil and natural gas industry, such as funds flow from operations, funds flow from operations per share, operating netback, and net debt may from time to time be used by the Company. These terms do not have a standardized meaning under Generally Accepted Accounting Principles ("**GAAP**") and may not be comparable to similar measures presented by other companies. Shareholders and investors are cautioned that these measures should not be construed as alternatives to cash provided by operating activities, net earnings, net earnings per share, total liabilities, or other measures of financial performance as determined in accordance with GAAP. Management uses these non-GAAP measures for its own performance measurement and to provide stakeholders with measures to compare the Company's operations over time.

Funds flow from operations is an additional GAAP measure included in the Company's consolidated statements of cash flows. The Company calculates funds flow from operations per share by dividing funds flow from operations by the weighted average number of common shares outstanding during the applicable period.

The Company uses operating netback as a key performance indicator of field results. Operating netback is presented on a total and per barrel basis and is calculated by deducting royalties and operating expenses from petroleum sales. If applicable, the Company also discloses operating netback both prior to realized gains or losses on derivatives and after the impacts of derivatives are included. Realized gains or losses represent the portion of risk management contracts that have settled in cash during the period, and disclosing this impact provides Management and investors with transparent measures that reflect how the Company's risk management program can impact netback metrics. The Company considers operating netback to be a key measure as it demonstrates Touchstone's profitability relative to current commodity prices. This measurement assists Management and investors with evaluating operating results on a historical basis.

The Company closely monitors its capital structure with a goal of maintaining a strong financial position in order to fund current operations and the future growth of the Company. The Company monitors working capital and net debt as part of its capital structure to assess its true debt and liquidity position and to manage capital and liquidity risk. Working capital is calculated as current assets minus current liabilities as they appear on the consolidated statements of financial position. Net debt is calculated by summing the Company's working capital and the principal (undiscounted) amount of senior secured debt.

APPROVAL

This Information Circular dated April 24, 2020 has been approved by the Board of Directors of the Company.

APPENDIX A

Touchstone Exploration Inc. Compensation and Governance Committee Mandate

Approved and adopted by the Board of Directors on November 16, 2012 and approved on March 25, 2020

Role and Objective

The Compensation and Governance Committee (the "**Committee**") is a committee of the Board of Directors of Touchstone Exploration Inc. (the "**Corporation**"). Its primary function is to assist the Board in carrying out its responsibilities by reviewing and approving compensation and human resources issues and making recommendations to the Board as appropriate. In particular, the Committee is responsible for discharging the Board's responsibilities relating to compensation of the Corporation's officers and the President and Chief Executive Officer.

1. Reporting

The Committee shall report to the Board of Directors of the Corporation.

2. Composition of the Committee

The Committee shall consist of a minimum of three directors appointed by the Board. All of the members of the Committee shall be independent. The Committee refers to Canadian securities regulation for definitions and guidance as to the meaning of "independent". The duties and responsibilities of a member of the Committee are in addition to his or her duties and responsibilities as a director.

3. Appointment of Committee Members

The Committee shall be comprised of three members or such greater number as the Board may from time to time determine, of whom the majority shall be independent directors, provided that any member may be removed or replaced at any time by the Board and shall, in any event, cease to be a member of the Committee upon ceasing to be a member of the Board.

4. Vacancies

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board.

5. Chairman

The Board shall appoint the Chairman of the Committee. The role of the Chairman is to act as leader of the Committee to manage and co-ordinate the meetings and activities of the Committee and to oversee the execution by the Committee of its duties and responsibilities. If the Chairman of the Committee is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen to preside by a majority of members of the Committee present at such meeting.

6. Meetings of the Committee

The Committee shall meet at least annually at the call of the Chairman. The Chairman may call additional meetings as required. In addition, a meeting may be called by the Chairman of the Board, the Chief Executive Officer or any member of the Committee.

Committee meetings may be held in person, by video conference, by means of telephone, by means of other electronic or other communication facility that permits each person to communicate with each other during the meeting or by a combination of any of the foregoing.

The Chief Executive Officer is expected to be available to attend meetings or portions thereof. The Committee may, by specific invitation, have other resource persons in attendance. The Committee shall have the right to determine who shall and who shall not be present at any time during a meeting of the Committee. Directors, who are not members of the Committee, may attend Committee meetings, on an ad hoc basis, upon prior consultation and approval by the Committee Chairman or by a majority of the Committee. At the request of the Committee or its Chairman, certain members of senior management and others may attend Committee meetings on an ad hoc or a regular basis.

7. Notice of Meeting

Notice of the time and place of each meeting may be given orally, or in writing, or by facsimile to each member of the Committee at least 48 hours prior to the time fixed for such meeting.

A member may in any manner waive notice of the meeting. Attendance of a member at a meeting shall constitute waiver of notice of the meeting except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.

8. Quorum

A majority of Committee members, present in person, by video conference, by telephone, by other electronic or communication facility or by a combination thereof, shall constitute a quorum.

9. Minutes

At each meeting, the Committee shall appoint a Recording Secretary to take the minutes of the meeting. Minutes of Committee meetings shall be sent to all Committee members. The full Board of Directors shall be kept informed of the Committee's activities by a report following each Committee meeting.

10. Outside Resources

The Committee may engage independent outside resources, at the expense of the Corporation, if it deems it necessary to carry out its responsibilities.

11. Duties and Responsibilities of the Committee

The Committee shall:

(a) Recommend to the Board human resources, compensation policies and programs, and guidelines for application to the Corporation and oversee the administration of such policies and guidelines as are approved by the Board;

(b) Ensure that the Corporation has in place programs to attract and develop management of the highest caliber and has a process to provide for the orderly succession of management;

(c) Review compliance by management of the Corporation with securities regulatory requirements governing executive compensation committees and executive compensation reporting of the Corporation, including the report on executive compensation of the Corporation required by applicable securities regulations;

(d) Periodically review compensation policies of peer organizations to permit effective comparison with those of the Corporation;

(e) Review the performance of the Chief Executive Officer for the purpose of determining the compensation of the Chief Executive Officer;

(f) Approve the annual salary, bonus and other benefits, direct and indirect, of the Chief Executive Officer and, after considering the recommendations of the Chief Executive Officer, all other Officers of the Corporation;

(g) Annually receive from the Chief Executive Officer recommendations concerning annual compensation policies and budgets for all employees;

(h) Periodically review with the Chief Executive Officer the Corporation's policies on compensation for all employees and overall human resources matters;

(i) Periodically review the adequacy and form of compensation of directors and the members of Committees of the Board of Directors to ensure that the compensation realistically reflects the responsibility and risks involved in being an effective director and to report and make recommendations to the Board accordingly;

(j) Administer the stock option plan in accordance with its terms, including the grant of stock options in accordance with the terms thereof. The Committee shall be permitted to amend the provisions of any stock option agreement, in accordance with the stock option plan of the Corporation and all applicable regulations, including, without limitation, amendments related to the vesting of stock options. In addition, the Committee shall be permitted to delegate its authority with respect to the stock option plan, by resolution of the Committee; and

(k) Any sub-committee of the Committee or any management delegate, duly authorized by resolution of the Committee, shall be permitted to exercise the authority granted to it and carry out its responsibilities in accordance with terms and provisions of such delegation of authority.

APPENDIX B

Touchstone Exploration Inc. Board of Directors Mandate

Approved and adopted by the Board of Directors on November 16, 2012 and approved on March 25, 2020

This mandate defines the role of the Board of Directors of the Corporation. The fundamental responsibilities of the Board of Directors of Touchstone Exploration Inc. (the "**Corporation**") are to: (i) appoint and oversee a competent executive team to manage the business of the Corporation, with a view to maximize shareholder value, (ii) identify and understand the risks associated with the business of the Corporation and (iii) ensure corporate conduct in an ethical and legal manner via an appropriate system of corporate governance, disclosure processes and internal controls. The following are the key guidelines governing how the Board will operate to carry out its duties.

1. Duty of Oversight

The Board is responsible for overseeing and supervising management's conduct of the business of the Corporation to ensure that such business is being conducted in the best interests of the Corporation and its shareholders.

2. Formulation of Corporate Strategy

Management is responsible for the development of an overall corporate strategy to be presented to the Board. The Board shall ensure there is a formal strategic planning process in place and shall review and, if it sees fit, endorse the corporate strategy presented by management. The Board shall monitor the implementation and execution of the corporate strategy.

3. Principal Risks

The Board should have a continuing understanding of the principal risks associated with the business of the Corporation. It is the responsibility of management to ensure that the Board and its committees are kept well informed of changing risks. The principle mechanisms through which the Board reviews risks are the Audit Committee and the Health, Safety, Environment and Reserves Committee and the strategic planning process. It is important that the Board understands and supports the key risk decisions of management.

4. Internal Controls and Communication Systems

The Board ensures that sufficient internal controls and communication systems are in place to allow it to conclude that management is discharging its responsibilities with a high degree of integrity and effectiveness. The confidence of the Board in the ability and integrity of management is the paramount control mechanism.

5. Financial Reporting, Operational Reporting and Review

The Board ensures that processes are in place to address applicable regulatory, corporate, securities and other compliance matters, including applicable certification requirements regarding the financial, operational and other disclosures of the Corporation.

The Board reviews and approves the financial statements, related management's discussion and analysis and reserves evaluations of the Corporation.

The Board reviews annual operating and capital plans and reviews and considers all amendments or departures proposed by management from established strategy, capital and operating plans or matters of policy which diverge from the ordinary course of business.

The Board reviews operating and financial performance results relative to established strategy, budgets and objectives.

6. Succession Planning and Management Development

The Board considers succession planning and management recruitment and development. The Chief Executive Officer and the Compensation Committee shall periodically review succession planning and management recruitment and development.

7. Disclosure and Communication Policy

The Corporation has adopted a policy governing disclosure and communication concerning the affairs of the Corporation. Housekeeping and non-material amendments to the Policy may be made by the Disclosure Committee. Significant changes to the Disclosure and Communication Policy shall be reviewed by the Board.

8. The Chair of the Board

The Board shall appoint a Chair from among its members. The role of the Chair is to act as the leader of the Board, to manage and co-ordinate the activities of the Board and to oversee execution by the Board of this written mandate.

9. Committees

The Board may appoint such committees as it sees fit. Each committee operates according to the mandate for such committee approved by the Board outlining its duties and responsibilities and the limits of authority delegated to it by the Board. The Board reviews and re-assesses the adequacy of the mandate of each committee on a regular basis and, with respect to the Audit Committee, at least once a year.

10. Committee Chairs and Committee Members

The Chair shall propose the leadership and membership of each committee. In preparing recommendations, the Chair will take into account the preferences, skills and experience of each director. Committee Chairs and members are appointed by the Board at the first Board meeting after the annual shareholder meeting or as needed to fill vacancies during the year.

Each committee's meeting schedule will be determined by its Chair and members based on its work plan and mandate. The committee Chair will develop the agenda for each committee meeting. Each committee will report in a timely manner to the Board on the results of its meetings.

11. Board Meetings, Agendas and Notice

The Board will meet a minimum of four (4) times per year.

The Chair, in consultation with the Chief Executive Officer, the Chief Financial Officer and the Corporate Secretary, will develop the agenda for each Board meeting. Under normal circumstances, management will use its best effort to distribute the agenda and related materials to directors not less than two (2) business days before the meeting. All directors are free to suggest additions to the agenda.

Notice of the time and place of every meeting may be given orally, in writing, or by email to each member of the Committee at least two (2) business days prior to the time fixed for such meeting. A member may in any manner waive notice of the meeting. Attendance of a member at a meeting shall constitute waiver of notice of the meeting except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

12. Information for Board Meetings

Material distributed to the directors in advance of Board meetings should be concise, yet complete, and prepared in a way that focuses attention on critical issues to be considered. Reports may be presented during Board meetings by directors, management or staff, or by invited outside advisors. Presentations on specific subjects at Board meetings should briefly summarize the material sent to directors to maximize the time available for discussion on questions regarding the material.

It is recognized that under some circumstances, due to the confidential nature of matters to be discussed at a meeting, it would not be prudent or appropriate to distribute written material in advance.

13. Non-Directors at Board Meetings

The Board appreciates the value of having management team members attend Board meetings to provide information and opinions to assist the directors in their deliberations. The Board, through the Chair, can determine management attendees at Board meetings.

14. Board Relations with Management

Board policies and guidelines are issued to management for their adherence. Directors may direct questions or concerns on management performance to the Chair, to the President and Chief Executive Officer or through Board and committee meetings. While the Board establishes limits of authority delegated to management, directors must respect the organizational structure of management. A director has no authority to direct any staff member.

15. New Director Orientation

New directors will be provided with an orientation which will include written information about the duties and obligations of directors and the business and operations of the Corporation, documents from recent Board meetings and opportunities for meetings and discussion with senior management and other directors.

16. Assessing the Board's Performance

The Board is responsible for annually assessing its overall performance and that of its committees. The objective of this review is to contribute to a process of continuous improvement in the Board's execution of its responsibilities. The review should identify any areas where the directors or management believe that the Board could make a better collective contribution to overseeing the affairs of the Corporation.

17. Board Compensation

The Compensation Committee will review director compensation in accordance with the mandate of the Compensation Committee and will make changes in compensation to the Board when warranted and in light of the responsibilities and risks involved in being a director.

18. Annual Evaluation of the President and Chief Executive Officer – Compensation Committee

The Compensation Committee will conduct an annual performance review of President and Chief Executive Officer in accordance with the mandate of the Compensation Committee. The results of this performance review will be communicated to the President and Chief Executive Officer by the Chair of the Compensation Committee.

19. Outside Advisors for Individual Directors

Occasionally, a director may need the services of an advisor to assist with matters involving responsibilities as a director. A director who wishes to engage an outside advisor at the expense of the Corporation may do so with the authorization of the Chair of the Board.

20. Conflict of Interest

(a) Directors have a duty to act honestly and in good faith with a view for the best interests of the Corporation and to exercise the care, diligence and skills a reasonably prudent person would exercise in comparable circumstances.

(b) Directors shall not allow personal interests to conflict with their duties to the Corporation and shall avoid and refrain from involvement in situations of conflict of interest.

(c) A director shall disclose promptly any circumstances such as an office, property, a duty or an interest, which may create a conflict with that director's duty to the Corporation.

(d) A director shall disclose promptly any interest that director may have in an existing or proposed contract or transaction of or with the Corporation.

(e) The disclosures contemplated in paragraphs (c) and (d) above shall be immediate if the perception of a possible conflict of interest arises during a meeting of the Board or any committee of the Board, or if the perception of a possible conflict arises at another time then the disclosure shall occur at the first Board meeting after the director becomes aware of the potential conflict of interest.

(f) A director's disclosure to the Board shall disclose the full nature and extent of that director's interest either in writing or by having the interest entered in the minutes of the meeting of the Board.

(g) A director with a conflict of interest or who is capable of being perceived as being in conflict of interest vis-à-vis the Corporation shall abstain from discussion and voting by the Board or committee of the Board on any motion to recommend or approve the relevant contract of transaction unless the contract or transaction is an arrangement by way of security for obligations undertaken by the director for the benefit of the Corporation or one relating primarily to the director's remuneration or benefits. If the conflict of interest is obvious and direct, the director shall withdraw while the item is being considered.

(h) Without limiting the generality of "conflict of interest" it shall be deemed a conflict of interest if a director, a director's relative, a member of the director's household in which any relative or member of the household is involved has a direct or indirect financial interest in, or obligation to, or a party to a proposed or existing contract or transaction with the Corporation.

(i) Directors shall not use information obtained as a result of acting as a director for personal benefit or for the benefit of others.

(j) Directors shall maintain the confidentiality of all information and records obtained as a result of acting as a director.

21. Corporate Governance and Nominating

The Board retains overall responsibility for the implementation and enforcement of an appropriate system of corporate governance, including policies and procedures to ensure the Board functions independently of management. The Board shall establish and maintain such corporate governance policies and procedures as are necessary to ensure that the Corporation is fully compliant with applicable securities laws and prevailing governance standards. Such policies and procedures shall contain clear reporting, oversight and enforcement provisions that reserve the right for the Board to take appropriate remedial action in the event of a breach thereof. The Board shall mandate the Corporation's Corporate Secretary and professional advisors to keep it apprised of developing corporate governance issues and shall, each year after the annual shareholder meeting of the Corporation, review the sufficiency of the Corporation's corporate governance policies and procedures.

The Board retains overall responsibility to identify and recommend suitable candidates for nomination for election as directors of the Corporation and to consider the competencies and skills the Board, as a whole, should possess.

22. Mandate Review

This mandate shall be reviewed and approved by the Board each year.