

CDN. \$15,000,000
TERM CREDIT FACILITY
FIRST AMENDING AGREEMENT
AMONG
TOUCHSTONE EXPLORATION INC.
(as Borrower)
AND
CROWN CAPITAL FUND IV, LP
(as Lender)

Dated as of May 15, 2017

FIRST AMENDING AGREEMENT

THIS AGREEMENT dated as of May 15, 2017.

AMONG:

TOUCHSTONE EXPLORATION INC as borrower (the "**Borrower**")

OF THE FIRST PART

- and -

CROWN CAPITAL FUND IV, LP, as Lender (the "**Lender**")

OF THE SECOND PART

WHEREAS the Borrower and the Lender are parties to the Credit Agreement;

AND WHEREAS the parties hereto have agreed to amend certain provisions of the Credit Agreement as set out herein;

NOW THEREFORE in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged by each of the parties hereto, the parties hereto covenant and agree as follows:

1. INTERPRETATION

1.1 In this Agreement (including the recitals hereto), unless something in the subject matter or context is inconsistent therewith:

"**Agreement**" means this first amending agreement;

"**Credit Agreement**" means the credit agreement dated November 7, 2016 among the Borrower and the Lender; and

1.2 Capitalized terms used herein without express definition shall have the same meanings herein as are ascribed thereto in the Credit Agreement.

1.3 The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Section or other portion hereof and include any agreements supplemental hereto. Unless expressly indicated otherwise, all references to "Section" or "Sections" are intended to refer to a Section or Sections of the Credit Agreement.

1.4 This Agreement shall be effective as of the date hereof.

2. AMENDMENT

2.1 Section 8.1(w)(i) of the Credit Agreement is deleted in its entirety and replaced with the following:

"(w) as of the date of each balance sheet delivered to the Lender pursuant to Sections 8.1(d) and (e) above, have Cash Reserves of not less than \$5,000,000 (or the Equivalent Amount thereof) provided that if:

- (A) EBITDA for any twelve month period ending at any time after the Closing Date exceeds \$8,000,000 or;
- (B) the Borrower raises \$8,000,000 or more in gross proceeds from the issuance of its equity securities,

such minimum Cash Reserve requirement shall be reduced to \$2,500,000."

3. CONFIRMATION OF CREDIT AGREEMENT AND OTHER DOCUMENTS

The Credit Agreement and all covenants, terms and provisions thereof, except as expressly amended and supplemented by this Agreement, shall be and continue to be in full force and effect. The Credit Agreement as amended hereby is hereby ratified and confirmed and shall from and after the date hereof continue in full force and effect as herein amended.

4. MISCELLANEOUS

4.1 This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and federal laws of Canada applicable therein.

4.2 The parties hereto shall from time to time do all such further acts and things and execute and deliver all such documents as are required in order to effect the full intent of and fully perform and carry out the terms of this Agreement.

4.3 This Agreement may be executed in any number of counterparts, including by way of facsimile or PDF, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument.

4.4 This Agreement shall constitute a Loan Document for the purposes of the Credit Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the 15th day of May, 2017.

TOUCHSTONE EXPLORATION INC.

By: (signed) "Paul R. Baay"
Name: Paul R. Baay
Title: President and Chief Executive Officer

By: (signed) "Scott Budau"
Name: Scott Budau
Title: Chief Financial Officer

CROWN CAPITAL FUND IV MANAGEMENT INC.,
as general partner for and behalf of **CROWN**
CAPITAL FUND IV, LP, as Lender

By: (signed) "Brent Hughes"
Name: Brent Hughes
Title: Authorized Signatory