UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ Quarterly report under Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Quarter Ended March 31, 2017

☐ Transition report under Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____.

Commission file number:**001-36247**

TORCHLIGHT ENERGY RESOURCES, INC.

(Name of registrant in its charter)

Nevada	**74-3237581**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

5700 West Plano Pkwy, Suite 3600
Plano, Texas 75093

(Address of Principal Executive Offices)

(214) 432-8002

(Registrant's Telephone Number, Including Area Code)

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☒ Emerging growth company ☐

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

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

As of May 8, 2017, there were 59,226,770 shares of the registrant’s common stock outstanding (the only class of voting common stock).

FORM 10-Q

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NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, among other things, statements regarding plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements, which are other than statements of historical facts. Forward-looking statements may appear throughout this report, including without limitation, Item 2 “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Forward-looking statements generally can be identified by words such as “anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” “predicts,” “projects,” “will be,” “will continue,” “will likely result,” and similar expressions. These forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties, which could cause our actual results to differ materially from those reflected in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in this report and in our Annual Report on Form 10-K for the year ended December 31, 2016 and in particular, the risks discussed in our Form 10-K under the caption “Risk Factors” in Item 1A therein, and those discussed in other documents we file with the Securities and Exchange Commission (“SEC”). Important factors that in our view could cause material adverse effects on our financial condition and results of operations include, but are not limited to, risks associated with the company's ability to obtain additional capital in the future to fund planned expansion, the demand for oil and natural gas, general economic factors, competition in the industry and other factors that may cause actual results to be materially different from those described herein as anticipated, believed, estimated or expected. We undertake no obligation to revise or publicly release the results of any revision to any forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

As used herein, the “Company,” ”Torchlight,” “we,” “our,” and similar terms include Torchlight Energy Resources, Inc. and its subsidiaries, unless the context indicates otherwise.

PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

TORCHLIGHT ENERGY RESOURCES, INC.
CONSOLIDATED BALANCE SHEETS (Unaudited)

	March 31, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash	$ 140,039	$ 1,769,499
Accounts receivable	599,320	603,446
Production revenue receivable	6,970	7,325
Prepayments - development costs	327,468	583,347
Prepaid expenses	-	26,829
Total current assets	1,073,797	2,990,446
Oil and gas properties, net	13,738,014	9,392,288
Office equipment, net	26,627	29,848
Other assets	7,709	21,066
TOTAL ASSETS	$ 14,846,147	$ 12,433,648
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 227,518	$ 422,684
Funds received pending settlement	520,400	520,400
Accrued payroll	560,176	565,176
Related party payables	274,544	237,044
Convertible promissory notes, (Series B) net of discount of $45,511 at March 31, 2017 and $91,379 at December 31, 2016	3,523,989	3,478,121
Due to working interest owners	54,320	54,320
Interest payable	-	6,049
Total current liabilities	5,160,947	5,283,794
Asset retirement obligation	7,092	7,051
Total liabilities	5,168,039	5,290,845
Commitments and contingencies	-	-
Stockholders' equity:		
Preferred stock, par value $.001, 10,000,000 shares authorized; -0- issued and outstanding at March 31, 2017 and December 31, 2016	-	-
Common stock, par value $0.001 per share; 100,000,000 shares authorized; 58,439,564 issued and outstanding at March 31, 2017 55,096,503 issued and outstanding at December 31, 2016	58,443	55,100
Additional paid-in capital	93,263,733	89,675,488
Accumulated deficit	(83,644,068)	(82,587,785)
Total stockholders' equity	9,678,108	7,142,803
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 14,846,147	$ 12,433,648

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

TORCHLIGHT ENERGY RESOURCES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Revenue		
Oil and gas sales	$ 12,950	$ 194,235
SWD and royalties	-	78
Cost of revenue	(4,157)	(105,998)
Gross profit	8,793	88,315
Operating expenses:		
General and administrative expense	993,404	951,285
Depreciation, depletion and amortization	24,517	621,972
Total operating expenses	1,017,921	1,573,257
Other (income) expense		
Interest income	(111)	-
Interest and accretion expense	47,266	122,376
Total other (income) expense	47,155	122,376
Net loss before taxes	(1,056,283)	(1,607,318)
Provision for income taxes	-	-
Net loss	$ (1,056,283)	$ (1,607,318)
Loss per share:		
Basic and Diluted	$ (0.02)	$ (0.05)
Weighted average shares outstanding:		
Basic and Diluted	57,337,607	34,662,567

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

TORCHLIGHT ENERGY RESOURCES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOW (Unaudited)

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Cash Flows From Operating Activities		
Net loss	$ (1,056,283)	$ (1,607,318)
Adjustments to reconcile net loss to net cash from operations:		
Stock based compensation	312,158	82,922
Accretion of convertible note discounts	45,868	48,498
Depreciation, depletion and amortization	24,517	621,972
Change in:		
Accounts receivable	4,126	241,812
Production revenue receivable	355	(4,650)
Prepayment of development costs	255,879	(88,614)
Prepaid expenses	26,829	38,776
Other assets	13,357	24,397
Accounts payable and accrued liabilities	(150,167)	1,367,276
Accounts payable related party	37,500	-
Due to working interest owners	-	5,087
Interest payable	(6,049)	109,783
Net cash from operating activities	(491,910)	839,941
Cash Flows From Investing Activities		
Investment in oil and gas properties	(1,137,550)	(1,523,419)
Net cash from investing activities	(1,137,550)	(1,523,419)
Cash Flows From Financing Activities		
Preferred dividends paid in cash	-	(112,430)
Proceeds from promissory notes	-	505,652
Repayment of promissory notes	-	(109,742)
Net cash from financing activities	-	283,480
Net change in cash	(1,629,460)	(399,998)
Cash - beginning of period	1,769,499	1,026,600
Cash - end of period	$ 140,039	$ 626,602
Supplemental disclosure of cash flow information: (Non Cash Items)		
Common stock issued for services	$ 50,000	$ 53,173
Common stock issued for lease interests	$ -	$ 971,966
Mineral interests received in warrant exercise	$ 3,229,431	$ -
Warrants issued in connection with promissory notes	$ -	$ 27,750
Warrants issued for mineral interests	$ -	$ 318,761
Cash paid for interest	$ 105,618	$ 34,741

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. NATURE OF BUSINESS

Torchlight Energy Resources, Inc. ("Company") was incorporated in October 2007 under the laws of the State of Nevada as Pole Perfect Studios, Inc. ("PPS"). From its incorporation to November 2010, the company was primarily engaged in business start-up activities.

On November 23, 2010, we entered into and closed a Share Exchange Agreement (the "Exchange Agreement") between the major shareholders of PPS and the shareholders of Torchlight Energy, Inc. ("TEI"). As a result of the transactions effected by the Exchange Agreement, at closing TEI became our wholly-owned subsidiary, and the business of TEI became our sole business. TEI was incorporated under the laws of the State of Nevada in June 2010. We are engaged in the acquisition, exploitation and/or development of oil and natural gas properties in the United States. We operate our business through our subsidiaries Torchlight Energy Inc., Torchlight Energy Operating, LLC, Hudspeth Oil Corporation, and Line Drive Energy, LLC.

2. GOING CONCERN

At March 31, 2017, the Company had not yet achieved profitable operations. We had a net loss of $1,056,283 for the three months ended March 31, 2017 and had accumulated losses of $83,644,068 since our inception. We expect to incur further losses in the development of our business. The Company had a working capital deficit as of March 31, 2017 of $(4,087,150). Negative working capital was exacerbated by the inclusion in current liabilities of the $3,523,989 outstanding balance of subordinated convertible notes however the notes were paid in full in April 2017. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent on its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management's plan to address the Company's ability to continue as a going concern includes: (1) obtaining debt or equity funding from private placement or institutional sources; (2) obtain loans from financial institutions, where possible, or (3) participating in joint venture transactions with third parties. Although management believes that it will be able to obtain the necessary funding to allow the Company to remain a going concern through the methods discussed above, there can be no assurances that such methods will prove successful.

These consolidated financial statements have been prepared assuming that the Company will continue as a going concern and therefore, the financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amount and classifications of liabilities that may result from the outcome of this uncertainty.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company maintains its accounts on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America. Accounting principles followed and the methods of applying those principles, which materially affect the determination of financial position, results of operations and cash flows are summarized below:

Basis of presentation— The accompanying interim financial statements are unaudited and have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") regarding interim financial reporting. Certain disclosures have been condensed or omitted from these financial statements. Accordingly, they do not include all of the information and notes required by accounting principles generally accepted in the United States of America ("GAAP") for complete consolidated financial statements, and should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2016. The financial statements are presented on a consolidated basis and include all of the accounts of Torchlight Energy Resources Inc. and its wholly owned subsidiaries, Torchlight Energy, Inc., Torchlight Energy Operating, LLC, Hudspeth Oil Corporation, and Line Drive Energy, LLC. All intercompany transactions have been eliminated in consolidation. Certain reclassifications have been made to the prior year's consolidated financial statements and related footnotes to conform them to the current year presentation. In the opinion of the Company's management, the accompanying unaudited condensed consolidated financial statements include all adjustments, consisting of normal recurring adjustments, necessary to fairly present the financial position as of, and the results of operations for, all periods presented. In preparing the accompanying condensed consolidated financial statements, management has made certain estimates and assumptions that affect reported amounts in the condensed consolidated financial statements and disclosures of contingencies. Actual results may differ from those estimates. The results for interim periods are not necessarily indicative of annual results.

Risks and uncertainties – The Company's operations are subject to significant risks and uncertainties, including financial, operational, technological, and other risks associated with operating an emerging business, including the potential risk of business failure.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

3. SIGNIFICANT ACCOUNTING POLICIES - *continued*

Concentration of risks – At times the Company's cash balances are in excess of amounts guaranteed by the Federal Deposit Insurance Corporation. The Company's cash is placed with a highly rated financial institution, and the Company regularly monitors the credit worthiness of the financial institutions with which it does business.

Fair value of financial instruments – Financial instruments consist of cash, accounts receivable, accounts payable, notes payable to related party, and convertible promissory notes. The estimated fair values of cash, accounts receivable, accounts payable, and related party payables approximate the carrying amount due to the relatively short maturity of these instruments. The carrying amounts of the convertible promissory notes approximated their fair value giving affect for the term of the note and the effective interest rates.

For assets and liabilities that require re-measurement to fair value the Company categorizes them in a three-level fair value hierarchy as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration.
- Level 3 inputs are unobservable inputs based on management's own assumptions used to measure assets and liabilities at fair value.

A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

Accounts receivable – Accounts receivable consist of uncollateralized oil and natural gas revenues due under normal trade terms, as well as amounts due from working interest owners of oil and gas properties for their share of expenses paid on their behalf by the Company. Management reviews receivables periodically and reduces the carrying amount by a valuation allowance that reflects management's best estimate of the amount that may not be collectible. As of March 31, 2017 and December 31, 2016, no valuation allowance was considered necessary.

Oil and gas properties – The Company uses the full cost method of accounting for exploration and development activities as defined by the Securities and Exchange Commission ("SEC"). Under this method of accounting, the costs of unsuccessful, as well as successful, exploration and development activities are capitalized as properties and equipment. This includes any internal costs that are directly related to property acquisition, exploration and development activities but does not include any costs related to production, general corporate overhead or similar activities. Gain or loss on the sale or other disposition of oil and gas properties is not recognized, unless the gain or loss would significantly alter the relationship between capitalized costs and proved reserves.

Oil and gas properties include costs that are excluded from costs being depleted or amortized. Oil and natural gas property costs excluded represent investments in unevaluated properties and include non-producing leasehold, geological, and geophysical costs associated with leasehold or drilling interests and exploration drilling costs. The Company allocates a portion of its acquisition costs to unevaluated properties based on relative value. Costs are transferred to the full cost pool as the properties are evaluated over the life of the reservoir. Unevaluated properties are reviewed for impairment at least quarterly and are determined through an evaluation considering, among other factors, seismic data, requirements to relinquish acreage, drilling results, remaining time in the commitment period, remaining capital plan, and political, economic, and market conditions.

Gains and losses on the sale of oil and gas properties are not generally reflected in income unless the gain or loss would significantly alter the relationship between capitalized costs and proved reserves. Sales of less than 100% of the Company's interest in the oil and gas property are treated as a reduction of the capital cost of the field, with no gain or loss recognized, as long as doing so does not significantly affect the unit-of-production depletion rate. Costs of retired equipment, net of salvage value, are usually charged to accumulated depreciation.

Capitalized interest – The Company capitalizes interest on unevaluated properties during the periods in which they are excluded from costs being depleted or amortized. During three months ended March 31, 2017 and 2016, the Company capitalized $105,618 and $41,912, respectively, of interest on unevaluated properties.

Depreciation, depletion, and amortization – The depreciable base for oil and natural gas properties includes the sum of all capitalized costs net of accumulated depreciation, depletion, and amortization ("DD&A"), estimated future development costs and asset retirement costs not included in oil and natural gas properties, less costs excluded from amortization. The depreciable base of oil and natural gas properties is amortized on a unit-of-production method.

Ceiling test – Future production volumes from oil and gas properties are a significant factor in determining the full cost ceiling limitation of capitalized costs. Under the full cost method of accounting, the Company is required to periodically perform a "ceiling test" that determines a limit on the book value of oil and gas properties. If the net capitalized cost of proved oil and gas properties, net of related deferred income taxes, plus the cost of unproved oil and gas properties, exceeds the present value of estimated future net cash flows discounted at 10 percent, net of related tax affects, plus the cost of unproved oil and gas properties, the excess is charged to expense and reflected as additional accumulated DD&A. The ceiling test calculation uses a commodity price assumption which is based on the unweighted arithmetic average of the price on the first day of each month for each month within the prior 12 month period and excludes future cash outflows related to estimated abandonment costs.

3. SIGNIFICANT ACCOUNTING POLICIES - *continued*

The determination of oil and gas reserves is a subjective process, and the accuracy of any reserve estimate depends on the quality of available data and the application of engineering and geological interpretation and judgment. Estimates of economically recoverable reserves and future net cash flows depend on a number of variable factors and assumptions that are difficult to predict and may vary considerably from actual results. In particular, reserve estimates for wells with limited or no production history are less reliable than those based on actual production. Subsequent re-evaluation of reserves and cost estimates related to future development of proved oil and gas reserves could result in significant revisions to proved reserves. Other issues, such as changes in regulatory requirements, technological advances, and other factors which are difficult to predict could also affect estimates of proved reserves in the future.

Asset retirement obligations –The fair value of a liability for an asset's retirement obligation ("ARO") is recognized in the period in which it is incurred if a reasonable estimate of fair value can be made, with the corresponding charge capitalized as part of the carrying amount of the related long-lived asset. The liability is accreted to its then-present value each subsequent period, and the capitalized cost is depleted over the useful life of the related asset. Abandonment costs incurred are recorded as a reduction of the ARO liability.

Inherent in the fair value calculation of an ARO are numerous assumptions and judgments including the ultimate settlement amounts, inflation factors, credit adjusted discount rates, timing of settlement, and changes in the legal, regulatory, environmental, and political environments. To the extent future revisions to these assumptions impact the fair value of the existing ARO liability, a corresponding adjustment is made to the oil and gas property balance. Settlements greater than or less than amounts accrued as ARO are recorded as a gain or loss upon settlement.

Income taxes - Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is established to reduce deferred tax assets if it is more likely than not that the related tax benefits will not be realized.

Authoritative guidance for uncertainty in income taxes requires that the Company recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an examination. Management has reviewed the Company's tax positions and determined there were no uncertain tax positions requiring recognition in the consolidated financial statements. The Company's tax returns remain subject to Federal and State tax examinations for all tax years since inception as none of the statutes have expired. Generally, the applicable statutes of limitation are three to four years from their respective filings.

Estimated interest and penalties related to potential underpayment on any unrecognized tax benefits are classified as a component of tax expense in the statement of operation. The Company has not recorded any interest or penalties associated with unrecognized tax benefits for any periods covered by these financial statements.

Share-based compensation – Compensation cost for equity awards is based on the fair value of the equity instrument on the date of grant and is recognized over the period during which an employee is required to provide service in exchange for the award. Compensation cost for liability awards is based on the fair value of the vested award at the end of each period.

The Company also issues equity awards to non-employees. The fair value of these option awards is estimated when the award recipient completes the contracted professional services. The Company recognizes expense for the estimated total value of the awards during the period from their issuance until performance completion, at which time the estimated expense is adjusted to the final value of the award as measured at performance completion.

The Company values warrant and option awards using the Black-Scholes option pricing model.

Revenue recognition – The Company recognizes oil and gas revenues when production is sold at a fixed or determinable price, persuasive evidence of an arrangement exists, delivery has occurred and title has transferred, and collectability is reasonably assured.

3. SIGNIFICANT ACCOUNTING POLICIES - *continued*

Basic and diluted earnings (loss) per share – Basic earnings (loss) per common share is computed by dividing net income (loss) available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per common share is computed in the same way as basic earnings (loss) per common share except that the denominator is increased to include the number of additional common shares that would be outstanding if all potential common shares had been issued and if the additional common shares were dilutive. The calculation of diluted earnings per share excludes 23,331,694 shares issuable upon the exercise of outstanding warrants and options because their effect would be anti-dilutive.

Environmental laws and regulations – The Company is subject to extensive federal, state, and local environmental laws and regulations. Environmental expenditures are expensed or capitalized depending on their future economic benefit. The Company believes that it is in compliance with existing laws and regulations.

Recent accounting pronouncements – On August 27, 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-15, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern,* which provides guidance on determining when and how to disclose going-concern uncertainties in the financial statements. The new standard requires management to perform interim and annual assessments of the Company's ability to continue as a going concern within one year of the date the financial statements are issued. An entity must provide certain disclosures if conditions or events raise substantial doubt about the entity's ability to continue as a going concern. The ASU applies to all entities and is effective for annual periods ending after December 15, 2016, and interim periods thereafter, with early adoption permitted. The Company has adopted ASU 2014-15 and the adoption did not have a significant impact on the Company's consolidated financial statements or related disclosures.

In May 2014, the FASB issued ASU 2014-09, *Revenue From Contracts With Customers,* that introduces a new five-step revenue recognition model in which an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU also requires disclosures sufficient to enable users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers, including qualitative and quantitative disclosures about contracts with customers, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. This standard is effective for fiscal years beginning after December 15, 2017, including interim periods within that reporting period. The Company is currently evaluating the new guidance to determine the impact it will have on its consolidated financial statements.

In February 2016, the FASB, issued ASU, 2016-02, *Leases*. The ASU requires companies to recognize on the balance sheet the assets and liabilities for the rights and obligations created by leased assets. ASU 2016-02 will be effective for the Company in the first quarter of 2019, with early adoption permitted. The Company is currently evaluating the impact that the adoption of ASU 2016-02 will have on the Company's consolidated financial statements and related disclosures.

Other recently issued or adopted accounting pronouncements are not expected to have, or did not have, a material impact on the Company's financial position or results from operations.

Subsequent events – The Company evaluated subsequent events through May 12, 2017, the date of issuance of the financial statements. Subsequent events are disclosed in Note 11.

4. OIL & GAS PROPERTIES

The following table presents the capitalized costs for oil & gas properties of the Company as of March 31, 2017 and December 31, 2016:

	2017	2016
Evaluated costs subject to amortization	$ 2,721,503	$ 1,470,939
Unevaluated costs	16,493,200	13,376,742
Total capitalized costs	19,214,703	14,847,681
Less accumulated depreciation, depletion and amortization	(5,476,689)	(5,455,393)
Total oil and gas properties	$ 13,738,014	$ 9,392,288

Unevaluated costs as of March 31, 2017 include cumulative costs on developing projects including the Orogrande and Hazel Projects in West Texas and adjusted costs of nonproducing leases in Oklahoma.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

4. OIL & GAS PROPERTIES - *continued*

On January 30, 2017, we and our wholly-owned subsidiary, Torchlight Acquisition Corporation, a Texas corporation ("TAC"), entered into and closed an Agreement and Plan of Reorganization and Plan of Merger with Line Drive Energy, LLC, a Texas limited liability company ("Line Drive"), under which agreements TAC merged with and into Line Drive and the separate existence of TAC ceased, with Line Drive being the surviving organization and becoming our wholly-owned subsidiary. Line Drive, which was wholly-owned by Gregory McCabe, our Chairman, owned certain assets and securities, including approximately 40.66% of 12,000 gross acres in the Hazel Project and 521,739 warrants to purchase our common stock (which warrants had been assigned by Mr. McCabe to Line Drive). Under the merger transaction, our shares of common stock of TAC converted into a membership interest of Line Drive, the membership interest in Line Drive held by Mr. McCabe immediately prior to the transaction ceased to exist, and we issued Mr. McCabe 3,301,739 restricted shares of common stock as consideration therefor. Immediately after closing, the 521,739 warrants held by Line Drive were cancelled, which warrants had an exercise price of $1.40 per share and an expiration date of June 9, 2020. A Certificate of Merger for the merger transaction was filed with the Secretary of State of Texas on January 31, 2017.

Also on January 30, 2017, our wholly-owned subsidiary, Torchlight Energy, Inc., a Nevada corporation ("TEI"), entered into and closed a Purchase and Sale Agreement with Wolfbone Investments, LLC, a Texas limited liability company ("Wolfbone") which is wholly-owned by Gregory McCabe. Under the agreement, TEI acquired certain of Wolfbone's Hazel Project assets, including its interest in the Flying B Ranch #1 well and the 40 acre unit surrounding the well, for consideration of $415,000, and additionally, Wolfbone caused to be cancelled a total of 2,780,000 warrants to purchase our common stock, including 1,500,000 warrants held by McCabe Petroleum Corporation, an entity owned by Mr. McCabe, and 1,280,000 warrants held by Green Hill Minerals, an entity owned by Mr. McCabe's son, which warrant cancellations were effected through certain Warrant Cancellation Agreements. The 1,500,000 warrants held by McCabe Petroleum Corporation had an exercise price of $1.00 per share and an expiration date of April 4, 2021. The warrants held by Green Hill Minerals included 100,000 warrants with an exercise price of $1.73 and an expiration date of September 30, 2018 and 1,180,000 warrants with an exercise price of $0.70 and an expiration date of February 15, 2020.

Since Mr. McCabe held the controlling interest in both Line Drive and Wolfbone Investments, LLC the transactions were combined for accounting purposes. The working interest in the Hazel Project was the only asset held by Line Drive. The warrant cancellation was treated in the aggregate as an exercise of the warrants with the transfer of the working interests as the consideration. The Company recorded the transactions as an increase in its investment in the Hazel project working interests of $3,644,431 which is equal to the exercise price of the warrants plus the cash paid to Wolfbone.

Upon the closing of the transactions, the Company's working interest in the Hazel project increased by 40.66% to a total ownership of 74%.

5. RELATED PARTY PAYABLES

As of March 31, 2017, related party payables consisted of accrued and unpaid compensation to one of our executive officers totaling $45,000 and $229,544 in Director Fees payable to our Directors.

6. COMMITMENTS AND CONTINGENCIES

Legal Proceeding

Torchlight Energy Resources, Inc. and its subsidiary Torchlight Energy, Inc. has pending in the 429th judicial district court in Collin County, Texas a lawsuit against Husky Ventures, Inc., Charles V. Long, Silverstar of Nevada, Inc., Gastar Exploration Inc., J. Russell Porter, Michael A. Gerlich, and Jerry R. Schuyler that was originally filed in May 2016 (previous defendants April Glidewell, Maximus Exploration, LLC, Atwood Acquisitions, LLC and John M. Selser, Sr have been non-suited without prejudice to re-filing the claims). In the lawsuit, we allege, among other things, that the defendants acted improperly in connection with multiple transactions, and that the defendants misrepresented and omitted material information to us with respect to these transactions. The lawsuit seeks damages arising from 15 different causes of action, including without limitation, violations of the Texas SecuritiesAct, fraud, negligent misrepresentation, breach of fiduciary duty, breach of contract, unjust enrichment and tortious interference. The lawsuit also seeks a complete accounting as to how our investment funds were used, including all transfers between and among the defendants. We are seeking the full amount of our damages on $20,000,000 invested. At this time we believe our damages to be in excess of $1,000,000, but the precise amount will be determined in the litigation. On April 13, 2017, Husky Ventures, Inc. filed in the above lawsuit a counterclaim against Torchlight Energy Resources, Inc. and its subsidiary Torchlight Energy, Inc., and a third-party petition against John Brda, the Chief Executive Officer of Torchlight Energy Resources, Inc., and Willard McAndrew III, a former officer of Torchlight Energy Resources, Inc. ("Husky Counterclaim"). The Husky Counterclaim asserts breach of contract against Torchlight Energy Resources, Inc. and its subsidiary Torchlight Energy, Inc. and asserts a claim for tortious interference with Husky's contractual relationship with Torchlight and a claim for conspiracy to tortiously interfere with unspecified Husky business and contractual relationships against Torchlight Energy Resources, Inc. and its subsidiary Torchlight Energy, Inc., John Brda and Willard McAndrew III. We believe the Husky Counterclaim is without merit and intend to vigorously defend against it.

Environmental matters

We are subject to contingencies as a result of environmental laws and regulations. Present and future environmental laws and regulations applicable to our operations could require substantial capital expenditures or could adversely affect our operations in other ways that cannot be predicted at this time. As of March 31, 2017 and December 31, 2016, no amounts have been recorded because no specific liability has been identified that is reasonably probable of requiring us to fund any future material amounts.

7. STOCKHOLDERS' EQUITY

During the three months ended March 31, 2017 the Company issued 41,322 shares of common stock as a reduction in compensation payable to an officer, with total value of $50,000.

During the three months ended March 31, 2017 the Company issued 3,301,739 shares of common stock in connection with the Line Drive merger transaction in which the Company acquired oil and gas lease related costs valued at $3,229,431.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

7. STOCKHOLDERS' EQUITY - *continued*

During the three months ended March 31, 2017, the Company issued 200,000 warrants for services which resulted in $24,908 of recognized expense.

A summary of warrants outstanding as of March 31, 2017 by exercise price and year of expiration is presented below:

Exercise Price	Expiration Date in 2017	2018	2019	2020	2021	Total
$ 0.50	-	528,099	-	-	-	528,099
$ 0.70	-	-	-	1,700,000	-	1,700,000
$ 0.77	-	-	100,000	-	-	100,000
$ 1.00	150,000	-	54,366	-	1,500,000	1,704,366
$ 1.03	-	-	-	-	120,000	120,000
$ 1.08	-	-	37,500	-	-	37,500
$ 1.40	-	-	-	1,643,475		1,643,475
$ 1.64	-	-	-	-	200,000	200,000
$ 1.73	-	100,000	-	-	-	100,000
$ 1.80	-	-	-	500,000	-	500,000
$ 2.00	126,000	1,906,249	-	-	-	2,032,249
$ 2.03	-	2,000,000	-	-	-	2,000,000
$ 2.09	-	2,800,000	-	-	-	2,800,000
$ 2.23	-	-	-	832,512		832,512
$ 2.29	-	120,000	-	-	-	120,000
$ 2.50	-	-	35,211	-	-	35,211
$ 2.82	-	38,174	-	-	-	38,174
$ 3.50	-	-	15,000	-	-	15,000
$ 4.50	-	-	700,000	-	-	700,000
$ 5.00	170,000	-	-	-	-	170,000
$ 5.05	40,000	-	-	-	-	40,000
$ 6.00	-	523,123	22,580	-	-	545,703
$ 7.00	-	-	700,000	-	-	700,000
	486,000	8,015,645	1,664,657	4,675,987	1,820,000	16,662,289

During the three months ended March 31, 2017, the Company recognized $287,250 of expense related to previously issued employee stock options.

A summary of stock options outstanding as of March 31, 2017 by exercise price and year of expiration is presented below:

Exercise Price	Expiration Date in 2017	2018	2019	2020	2021	Total
$ 0.97	-	-	-	-	259,742	259,742
$ 1.57	-	-	-	5,997,163	-	5,997,163
$ 1.79	112,500	-	-	300,000	-	412,500
	112,500	-	-	6,297,163	259,742	6,669,405

At March 31, 2017 the Company had reserved 23,331,694 shares for future exercise of warrants and options.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

7. STOCKHOLDERS' EQUITY - *continued*

Warrants and options issued were valued using the Black Scholes Option Pricing Model. The assumptions used in calculating the fair value of the warrants issued were as follows:

2017	
Risk-free interest rate	1.47%
Expected volatility of common stock	113% - 114%
Dividend yield	0.00%
Discount due to lack of marketability	20%
Expected life of warrant	3 years - 4 years

2016	
Risk-free interest rate	0.78%
Expected volatility of common stock	191% - 253%
Dividend yield	0.00%
Discount due to lack of marketability	20-30%
Expected life of warrant	3 years - 5 years

8. INCOME TAXES

The Company estimates its annual effective income tax rate in recording its quarterly provision for income taxes in the various jurisdictions in which it operates. Statutory tax rate changes and other significant or unusual items are recognized as discrete items in the quarter in which they occur. The Company recorded no income tax expense for the quarter ended March 31, 2017 because the Company expects to incur a tax loss in the current year. Similarly, no income tax expense was recognized for the quarter ended March 31, 2016 for this same reason.

The Company had a net deferred tax asset related to federal net operating loss carryforwards of $48,604,871 and $47,850,266 at March 31, 2017 and December 31, 2016, respectively. The federal net operating loss carryforward will begin to expire in 2032. Realization of the deferred tax asset is dependent, in part, on generating sufficient taxable income prior to expiration of the loss carryforwards. The Company has placed a 100% valuation allowance against the net deferred tax asset because future realization of these assets is not assured.

9. PROMISSORY NOTES

During 2014, the Company issued $4,569,500 in principal value of 12% Series B Convertible Unsecured Promissory Notes. The 12% Notes were due and payable on June 30, 2017 and provided for conversion into common stock at a price of $4.50 per share and included the issuance of one warrant for each $22.50 of principal amount purchased. The Company issued a total of 203,085 of these five-year warrants to purchase common stock at an exercise price of $6.00 per share. The value of the warrants was $562,404 and the amount recorded for the beneficial conversion feature was $195,466. These amounts were recorded as a discount on the 12% Notes.

During the quarter ended March 31, 2015, the Company amended notes with two holders of its Series B Convertible Unsecured Promissory Notes aggregating $2,000,000 to reset the conversion price to $1.00.

During the fourth quarter of 2015, $1 million in note principal was converted into common stock. The total outstanding balance of the Series B Convertible Unsecured Promissory Notes at March 31, 2017 was $3,569,500.

On April 24, 2017 we used proceeds from the new debt financing closed subsequent to the date of these financial statements to redeem and repay all of these notes, except for $1,000,000 of note principal that was converted into common stock and $60,000 of note principal that was rolled into the new debt financing. Reference Note 11 below.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

10. ASSET RETIREMENT OBLIGATIONS

The following is a reconciliation of the asset retirement obligation liability through March 31, 2017:

Asset retirement obligation – December 31, 2015	$	29,083
Accretion Expense		41
Removal of ARO for wells sold		(22,073)
Asset retirement obligation – December 31, 2016	$	7,051
Accretion Expense		41
Asset retirement obligation – March 31, 2017	$	7,092

11. SUBSEQUENT EVENTS

New Debt Financing

On April 10, 2017, we sold to investors in a private transaction two 12% unsecured promissory notes with a total of $8,000,000 in principal amount. Interest only is due and payable on the notes each month at the rate of 12% per annum, with a balloon payment of the outstanding principal due and payable at maturity on April 10, 2020. The holders of the notes will also receive annual payments of common stock at the rate of 2.5% of principal amount outstanding, based on a volume-weighted average price. Both notes were sold at an original issue discount of 94.25% and accordingly, we received total proceeds of $7,540,000 from the investors. We intend to use the proceeds for working capital and general corporate purposes, which includes, without limitation, drilling capital, lease acquisition capital and repayment of prior debt. On April 24, 2017 we used $2,509,500 of the proceeds from this financing to redeem and repay a portion of the outstanding Series B Convertible Unsecured Promissory Notes. Additionally, $1,000,000 of Note principal was converted into common stock and $60,000 was rolled into the new debt financing.

These 12% promissory notes allow for early redemption, provided that if we redeem before April 10, 2018, we must pay the holders all unpaid interest and common stock payments on the portion of the notes redeemed that would have been earned through April 10, 2018. The notes also contain certain covenants under which we have agreed that, except for financing arrangements with established commercial banking or financial institutions and other debts and liabilities incurred in the normal course of business, we will not issue any other notes or debt offerings which have a maturity date prior to the payment in full of the 12% notes, unless consented to by the holders.

Orogrande Drilling and Development Unit Agreement

On March 22, 2017, the Company, along with their operating partner Founders Oil and Gas, LLC ("Founders"), signed a Drilling and Development Unit (DDU) Agreement with University Lands on its Orogrande Basin Project. The agreement has an effective date of January 1, 2017 and required a payment from both Torchlight and Founders of $335,323 as part of the extension fee. Torchlight's portion of the fee was paid by Founders in April 2017 and will be deducted from the required spud fee payable to Torchlight at commencement of the next well drilled.

The DDU agreement allows for all 192 existing leases covering the 133,000 net acres leased from University Lands to be combined into one lease for development purposes. The time to drill on the unit is extended through April of 2023 on the first extension. The agreement also grants the exclusive right to continue through April of 2028 if compliance with the agreement is met and an extension fee associated with the additional time is paid. The Company's drilling obligations begin with one well in the first year, and increase to five wells per year by year 2023. The drilling obligation set is a minimum requirement and may be exceeded if acceleration is desired. The DDU agreement replaces all prior agreements and will govern future drilling obligations on the lease.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

We are engaged in the acquisition, exploration, exploitation, and/or development of oil and natural gas properties in the United States. We operate our business through our subsidiaries Torchlight Energy Inc., Torchlight Energy Operating, LLC, Hudspeth Oil Corporation, and Line Drive Energy, LLC.

The core strategy of the Company is pursuing the ongoing development of its assets in the Permian basin consisting of the Orogrande and the Hazel Projects. These West Texas properties demonstrate significant potential and future production capabilities based upon the analysis of scientific data already gathered in the day by day development activity. Therefore, the Board has determined to focus its efforts and capital on these two projects to maximize shareholder value for the long run.

The following discussion of our financial condition and results of operations should be read in conjunction with our unaudited financial statements included herewith and our audited financial statements included with our Form 10-K for the year ended December 31, 2016. This discussion should not be construed to imply that the results discussed herein will necessarily continue into the future, or that any conclusion reached herein will necessarily be indicative of actual operating results in the future. Such discussion represents only the best present assessment by our management.

Current Projects

As of March 31, 2017 the Company had interests in three oil and gas projects: the Orogrande Project in Hudspeth County, Texas, and the Hazel Project in Sterling, Tom Green, and Irion Counties, Texas, and the Hunton wells in partnership with Husky Ventures in Central Oklahoma.

Orogrande Project, West Texas

On August 7, 2014, we entered into a Purchase Agreement with Hudspeth Oil Corporation ("Hudspeth"), McCabe Petroleum Corporation ("MPC"), and Greg McCabe. Mr. McCabe was the sole owner of both Hudspeth and MPC. Under the terms and conditions of the Purchase Agreement, at closing, we purchased 100% of the capital stock of Hudspeth which holds certain oil and gas assets, including a 100% working interest in 172,000 mostly contiguous acres in the Orogrande Basin in West Texas. This acreage is in the primary term under five-year leases that carry additional five-year extension provisions. As consideration, at closing we issued 868,750 shares of our common stock to Mr. McCabe and paid a total of $100,000 in geologic originationfees to third parties. Additionally, Mr. McCabe has, at his option, a 10% working interest back-in after payout and a reversionary interest if drilling obligations are not met, all under the terms and conditions of a participation and development agreement. All drilling obligations through March 31, 2017 have been met

On September 23, 2015, our subsidiary, Hudspeth Oil Corporation ("HOC"), entered into a Farmout Agreement by and between HOC, Pandora Energy, LP ("Pandora"), Founders Oil & Gas, LLC ("Founders"), McCabe Petroleum Corporation and Greg McCabe (McCabe Petroleum Corporation and Greg McCabe are parties to the Farmout Agreement for limited purposes) for the entire Orogrande Project in Hudspeth County, Texas. The Farmout Agreement provides for Founders to earn from HOC and Pandora (collectively, the "Farmor") an undivided 50% of the leasehold interest in the Orogrande Project by Founder's spending a minimum of $45 million on actual drilling operations on the Orogrande Project in the following two years.

Under a joint operating agreement (on A.A.P.L. Form 610 – 1989 Model Form Operating Agreement with COPAS 2005 Accounting Procedures) ("JOA") also entered into on September 23, 2015, Founders is designated as operator of the leases.

The Rich A-11 well that was drilled by Torchlight in second quarter, 2015 was evaluated and numerous scientific tests were performed to provide key data for the field development thesis.

The second test well, the University Founders B-19 #1, was spudded on April 24, 2016 and drilled in second quarter, 2016. The well successfully pumped down completion fluid in third quarter and indications of hydrocarbons were seen at the surface on this second Orogrande Project test well.

Effective January 1, 2017, the Company, along with their operating partner Founders Oil and Gas, LLC ("Founders"), signed a Drilling and Development Unit (DDU) Agreement with University Lands on its Orogrande Basin Project.

The DDU agreement allows for all 192 existing leases covering the 133,000 net acres leased from University Lands to be combined into one lease for development purposes. The time to drill on the unit is extended through April of 2023 on the first extension. The agreement also grants the exclusive right to continue through April of 2028 if compliance with the agreement is met and an extension fee associated with the additional time is paid. The Company's drilling obligations begin with one well in the first year, and increase to five wells per year by year 2023. The drilling obligation set is a minimum requirement and may be exceeded if acceleration is desired. The DDU agreement replaces all prior agreements and will govern future drilling obligations on the lease.

The agreement required a payment from both Torchlight and Founders of $335,323 as part of the extension fee. Torchlight's portion of the fee was paid by Founders in April 2017 and will be deducted from the required spud fee payable to Torchlight at commencement of the next well drilled.

Torchlight Energy and Founders have elected to move forward on planning the next phase of drilling in the Orogrande Project. The project operator planned to permit two new wells in 2017. The new wells would be drilled vertically for test purposes and would have sufficient casing size to support lateral entry into any pay zone(s) encountered once the well is tested vertically. Torchlight and the project operator would then run a battery of tests on each well to gain information for future development of the field.

The parties have agreed to amend the drilling schedule for the next well to spud no later than September 1, 2017, as per the University Lands DDU Agreement.

Hazel Project in the Midland Basin in West Texas

Effective April 1, 2016, Torchlight Energy Inc. acquired from McCabe Petroleum Corporation, a 66.66% working interest in approximately 12,000 acres in the Midland Basin in exchange for 1,500,000 warrants to purchase our common stock with an exercise price of $1.00 for five years and a back-in after payout of a 25% working interest to the seller.

Initial development of the first well on the property, the Flying B Ranch #1, began July 10, 2016 and development continued through September 30, 2016. This well was is classified as a test well in the development pursuit of the Hazel Project.

In October, 2016, the holders of the Company's Series C Preferred shares (which were issued in July, 2016) elected to convert into a 33.33% Working Interest in the Company's Hazel Project, reducing Torchlight's ownership from 66.66% to a 33.33% Working Interest.

On December 27, 2016, drilling activities commenced on its next Midland Basin, Hazel Project well, the Flying B Ranch #2. The well is a vertical test similar to the Company's first Hazel Project well, the Flying B Ranch #1.

Following the closing of the new debt financing in April, 2017, the Company disclosed its intent to drill a horizontal well in the Project in June, 2017 in compliance with the continuous drilling obligation.

Acquisition of Additional Interests in Hazel Project

On January 30, 2017, we and our wholly-owned subsidiary, Torchlight Acquisition Corporation, a Texas corporation (“TAC”), entered into and closed an Agreement and Plan of Reorganization and Plan of Merger with Line Drive Energy, LLC, a Texas limited liability company (“Line Drive”), under which agreements TAC merged with and into Line Drive and the separate existence of TAC ceased, with Line Drive being the surviving organization and becoming our wholly-owned subsidiary. Line Drive, which was wholly-owned by Gregory McCabe, our Chairman, owned certain assets and securities, including approximately 40.66% of 12,000 gross acres in the Hazel Project and 521,739 warrants to purchase our common stock (which warrants had been assigned by Mr. McCabe to Line Drive). Under the merger transaction, our shares of common stock of TAC converted into a membership interest of Line Drive, the membership interest in Line Drive held by Mr. McCabe immediately prior to the transaction ceased to exist, and we issued Mr. McCabe 3,301,739 restricted shares of common stock as consideration therefor. Immediately after closing, the 521,739 warrants held by Line Drive were cancelled, which warrants had an exercise price of $1.40 per share and an expiration date of June 9, 2020. A Certificate of Merger for the merger transaction was filed with the Secretary of State of Texas on January 31, 2017.

Also on January 30, 2017, our wholly-owned subsidiary, Torchlight Energy, Inc., a Nevada corporation (“TEI”), entered into and closed a Purchase and Sale Agreement with Wolfbone Investments, LLC, a Texas limited liability company (“Wolfbone”) which is wholly-owned by Gregory McCabe. Under the agreement, TEI acquired certain of Wolfbone’s Hazel Project assets, including its interest in the Flying B Ranch #1 well and the 40 acre unit surrounding the well, for consideration of $415,000, and additionally, Wolfbone caused to be cancelled a total of 2,780,000 warrants to purchase our common stock, including 1,500,000 warrants held by McCabe Petroleum Corporation, an entity owned by Mr. McCabe, and 1,280,000 warrants held by Green Hill Minerals, an entity owned by Mr. McCabe’s son, which warrant cancellations were effected through certain Warrant Cancellation Agreements. The 1,500,000 warrants held by McCabe Petroleum Corporation had an exercise price of $1.00 per share and an expiration date of April 4, 2021. The warrants held by Green Hill Minerals included 100,000 warrants with an exercise price of $1.73 and an expiration date of September 30, 2018 and 1,180,000 warrants with an exercise price of $0.70 and an expiration date of February 15, 2020.

Since Mr. McCabe held the controlling interest in both Line Drive and Wolfbone Investments, LLC the transactions were combined for accounting purposes. The working interest in the Hazel Project was the only asset held by Line Drive. The warrant cancellation was treated in the aggregate as an exercise of the warrants with the transfer of the working interests as the consideration. The Company recorded the transactions as an increase in its investment in the Hazel project working interests of $3,644,431 which is equal to the exercise price of the warrants plus the cash paid to Wolfbone.

Upon the closing of the transactions, the Company's working interest in the Hazel project increased by 40.66% to a total ownership of 74%.

Hunton Play, Central Oklahoma

As of March 31, 2017, we were actively producing from one well in the Viking AMI, and one well in Prairie Grove. The Company also holds undeveloped acreage in the Rosedale and Thunderbird AMI's.

Legal Proceeding

As previously disclosed, in May, 2016, Torchlight Energy Resources, Inc. and its subsidiary Torchlight Energy, Inc. filed a lawsuit in the 429th judicial district court in Collin County, Texas against Husky Ventures, Inc., Charles V. Long, April Glidewell, Silverstar of Nevada, Inc., Maximus Exploration, LLC, Atwood Acquisitions, LLC, Gastar Exploration Inc., J. Russell Porter, Michael A. Gerlich, Jerry R. Schuyler, and John M. Selser, Sr. Reference is made to Part II Item 1, "Legal Proceedings," for more information regarding this lawsuit.

Viking AMI

In the fourth quarter of 2013 we entered into an Area of Mutual Interest (AMI) with Husky Ventures, the Viking Prospect. We acquired a 25% interest in 3,945 acres and subsequently acquired an additional 5% in May, 2014. We had an interest in 8,800 total acres as of March 31, 2017. (Net undeveloped acres = 2,600) Husky drilled the first two wells in the AMI in second quarter, 2014. Our net cumulative investment through March 31, 2017 in undeveloped acres in the Viking AMI was $1,387,928. In addition the company has incurred $133,468 as its share of costs related to the early stages of the construction of a gas pipeline which was to serve the Viking AMI.

Prairie Grove – Judy Well

In February of 2014, we acquired a 10% Working Interest in a well in the Prairie Grove AMI from a non-consenting third party who elected not to participate in the well.

Rosedale AMI

In January of 2014 we contracted for a 25% Working Interest in approximately 5,000 acres in the Rosedale AMI consisting of eight townships in South Central Oklahoma. We subsequently acquired an additional 5% in May, 2014. The Company had an interest in 11,600 total acres as of March 31, 2017 (Net undeveloped acres = 3,500). Our cumulative investment through March 31, 2017 in the Rosedale AMI was $2,833,744.

Thunderbird AMI

In July of 2014, we contracted for a 25% Working Interest in the Thunderbird AMI. The total acres in which the Company has an interest at March 31, 2017 totals 4,300 acres (Net undeveloped acres = 1,100 Our cumulative investment through March 31, 2017 in the Thunderbird AMI was $949,530.

Historical Results for the three months ended March 31, 2017 and 2016:

Revenues and Cost of Revenues

For the three months ended March 31, 2017, we had production revenue of $12,950 compared to $194,235 for the three months ended March 31, 2016. Refer to the table of production and revenue included below for quarterly changes in revenue. Our cost of revenue, consisting of lease operating expenses and production taxes, was $4,157 and $105,998 for the three months ended March 31, 2017 and 2016, respectively.

Property	Quarter	Oil Production {BBLS}	Gas Production {MCF}	Oil Revenue	Gas Revenue	Total Revenue
Marcelina (TX)	Q1 - 2016	3,000	0	$ 92,546	$ -	$ 92,546
Oklahoma	Q1 - 2016	2,026	21,148	54,289	38,624	92,913
Kansas	Q1 - 2016	312	0	8,854	-	8,854
Total Q1-2016		5,338	21,148	$ 155,689	$ 38,624	$ 194,313
Marcelina (TX)	Q2 - 2016	917	0	$ 38,812	$ -	$ 38,812
Oklahoma	Q2 - 2016	675	9,689	30,411	11,142	41,553
Kansas	Q2 - 2016	731	0	28,834	-	28,834
Total Q2-2016		**2,323**	**9,689**	**$ 98,057**	**$ 11,142**	**$ 109,199**
Marcelina (TX)	Q3 - 2016	464	0	$ 20,190	$ -	$ 20,190
Oklahoma	Q3 - 2016	180	2,830	7,925	6,170	14,095
Kansas	Q3 - 2016	0	0	-	-	-
Total Q3-2016		644	2,830	$ 28,115	$ 6,170	$ 34,285
Marcelina (TX)	Q4 - 2016	0	0	$ -	$ -	$ -
Oklahoma	Q4 - 2016	184	2,845	8,024	8,569	16,593
Kansas	Q4 - 2016	0	0	-	-	-
Total Q4-2016		184	2,845	$ 8,024	$ 8,569	$ 16,593
Year Ended 12/31/16		8,488	36,513	$ 289,885	$ 64,505	$ 354,390
Oklahoma	Q1 - 2017	101	2,303	$ 5,346	$ 7,604	$ 12,950
Hazel (TX)	Q1 - 2017	0	0	-	-	-
Total Q1-2017		101	2,303	$ 5,346	$ 7,604	$ 12,950

We recorded depreciation, depletion, and amortization expense of $24,517 for the three months ended March 31, 2017 compared to $621,972 for the three months ended March 31, 2016.

The decline in revenue, cost of revenue and depreciation, depletion, and amortization expense is attributable to the divestiture of oil and gas producing properties beginning in the fourth quarter, 2015 and continuing through December 31, 2016.

General and Administrative Expenses

Our general and administrative expenses for the three months ended March 31, 2017 and 2016 were $993,404 and $951,285, respectively, an increase of $42,119. Our general and administrative expenses consisted of consulting and compensation expense, substantially all of which was non-cash or deferred, accounting and administrative costs, professional consulting fees, and other general corporate expenses. The change in general and administrative expenses for the three months ended March 31, 2017 compared to 2016 is detailed as follows:

Increase(decrease) in non cash stock and warrant compensation	$	229,235
Increase(decrease) in consulting expense		(121,250)
Increase(decrease) in professional fees		(9,092)
Increase(decrease) in investor relations		(3,224)
Increase(decrease) in travel expense		(8,644)
Increase(decrease) in salaries and compensation		(134,190)
Increase(decrease) in legal fees		61,910
Increase(decrease) in insurance		3,860
Increase(decrease) in general corporate expenses		3,360
Increase(decrease) in audit fees		20,154
Total Increase in General and Administrative Expenses	$	42,119

Liquidity and Capital Resources

At March 31, 2017, we had working capital of ($4,087,150) and total assets of $14,846,147. Negative working capital was exacerbated by the inclusion in current liabilities of the $3,523,989 outstanding balance of subordinated convertible notes however the notes were paid in full in April 2017. Stockholders' equity was $9,678,108.

Cash flow provided by (used) in operating activities for the three months ended March 31, 2017 was $(491,910) compared to $839,941 for the three months ended March 31, 2016, a decrease of $1,331,851. Cash flow provided (used) by operating activities for the three months ended March 31, 2017 can be primarily attributed to net losses from operations of $1,056,283. Cash flow provided (used) by operating activities for the three months ended March 31, 2016 can be primarily attributed to net losses from operations of $1,607,318. We expect to continue to use cash flow in operating activities until such time as we achieve sufficient commercial oil and gas production to cover all of our cash costs.

Cash flow used in investing activities for the three months ended March 31, 2017 was $1,137,550 compared to $1,523,419 for the three months ended March 31, 2016. Cash flow used in investing activities consists primarily of oil and gas investments in Texas properties during the three months ended March 31, 2017.

Cash flow provided by financing activities for the three months ended March 31, 2017 was $-0- as compared to $283,480 for the three months ended March 31, 2016. Cash flow provided by financing activities consists primarily of proceeds from common stock issues, promissory notes, and warrant exercises. We expect to continue to have cash flow provided by financing activities as we seek new rounds of financing and continue to develop our oil and gas investments.

Our current assets were insufficient to meet our current obligations as of March 31, 2017. However, the New Debt Financing (refer to Note 11 – Subsequent Events) and the repayment of the outstanding Convertible Notes have resulted in current assets exceeding current liabilities at the date of this filing. We will require additional debt or equity financing to meet our plans and needs. We face obstacles in continuing to attract new financing due to industry conditions and our history and current record of net losses and working capital deficits. Despite our efforts, we can provide no assurance that we will be able to obtain the financing required to meet our stated objectives or even to continue as a going concern.

We do not expect to pay cash dividends on our common stock in the foreseeable future.

Commitments and Contingencies

Leases

The Company has a non cancelable lease for its office premises that expires on November 30, 2019 and which requires the payment of base lease amounts and executory costs such as taxes, maintenance and insurance. Rental expense for the lease was $23,431 for the three months ended March 31, 2017 and $81,595 for the year ended December 31, 2016.

Approximate future minimum rental commitments under the office premises lease are:

For the Year Ending March 31,	Amount
2018	$ 93,720
2019	93,720
To 2019 Expiration	62,480
	$ 249,920

Environmental matters

We are subject to contingencies as a result of environmental laws and regulations. Present and future environmental laws and regulations applicable to our operations could require substantial capital expenditures or could adversely affect our operations in other ways that cannot be predicted at this time. As of March 31, 2017 and December 31, 2016, no amounts have been recorded because no specific liability has been identified that is reasonably probable of requiring us to fund any future material amounts.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Applicable.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), we evaluated the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of March 31, 2017. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective to ensure that the information required to be disclosed by us in the reports we submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the applicable rules and forms and that such information was accumulated and communicated to our Chief Executive Officer and Chief Financial Officer, in a manner that allowed for timely decisions regarding disclosure. This determination is based on the material weaknesses management identified at December 31, 2016 in our internal control over financial reporting—see our Form 10-K for the year ended December 31, 2016 filed on March 31, 2017. As of March 31, 2017, we have not had a sufficient period of time to test the remediation changes we have implemented in our internal control. At such time that we determine this remediation process is complete, this should remedy our disclosure controls and procedures, but we will continue to monitor this issue.

Notwithstanding the results of the evaluation above, we believe all of our reports submitted under the Exchange Act contain, in all material respects, the information required to be disclosed by us in such reports.

Changes in Internal Control over Financial Reporting

As described in our Form 10-K for the year ended December 31, 2016 filed on March 31, 2017, management concluded that we did not maintain effective internal control over financial reporting as of December 31, 2016. Specifically, management identified material weaknesses over the accounting for stock options issued to employees and nonemployees and stock warrants issued for services, property and financings. During the three months ended March 31, 2017, we implemented a remediation process (see below) to address these material weaknesses. We believe this remediation process constitutes changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the three months ended March 31, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Remediation Process

While certain actions have been taken to enhance our internal control over financial reporting relating to the material weaknesses identified above, we are still in the process of implementing our comprehensive remediation plan. Following the identification of the material weaknesses described above, and with the oversight of the Audit Committee, we commenced a process to remediate the underlying causes of those material weaknesses, enhance the control environment and strengthen our internal control over financial reporting. Those steps include review and implementation of equity compensation controls, policies and plan documentation to ensure those terms are accounted for and require timely review by our Chief Financial Officer, or an appropriate designee, of all compensation arrangements for proper accounting treatment, with prior approval required for any revision to or deviation from any pre-defined equity compensation plans.

ITEM 4. CONTROLS AND PROCEDURES - *continued*

The status of our remediation plan is being, and will continue to be, reported by management to the Audit Committee of the Board of Directors on a regular basis. In addition, we have assigned personnel to oversee the remedial changes to the overall design of our internal control environment and to address the root causes of our material weaknesses. Remediation generally requires making changes to how controls are designed and then adhering to those changes for a sufficient period of time such that the operating effectiveness of those changes is demonstrated through testing.

As we continue to evaluate and work to improve our internal control over financial reporting, we may take additional measures to address these control deficiencies or modify our remediation plan. We cannot make assurances, however, of when we will remediate such weaknesses, nor can we be certain of whether additional actions will be required.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Torchlight Energy Resources, Inc. and its subsidiary Torchlight Energy, Inc. has pending in the 429th judicial district court in Collin County, Texas a lawsuit against Husky Ventures, Inc., Charles V. Long, Silverstar of Nevada, Inc., Gastar Exploration Inc., J. Russell Porter, Michael A. Gerlich, and Jerry R. Schuyler that was originally filed in May 2016 (previous defendants April Glidewell, Maximus Exploration, LLC, Atwood Acquisitions, LLC and John M. Selser, Sr have been non-suited without prejudice to re-filing the claims). In the lawsuit, we allege, among other things, that the defendants acted improperly in connection with multiple transactions, and that the defendants misrepresented and omitted material information to us with respect to these transactions. The lawsuit seeks damages arising from 15 different causes of action, including without limitation, violations of the Texas Securities Act, fraud, negligent misrepresentation, breach of fiduciary duty, breach of contract, unjust enrichment and tortious interference. The lawsuit also seeks a complete accounting as to how our investment funds were used, including all transfers between and among the defendants. We are seeking the full amount of our damages on $20,000,000 invested. At this time we believe our damages to be in excess of $1,000,000, but the precise amount will be determined in the litigation. On April 13, 2017, Husky Ventures, Inc. filed in the above lawsuit a counterclaim against Torchlight Energy Resources, Inc. and its subsidiary Torchlight Energy, Inc., and a third-party petition against John Brda, the Chief Executive Officer of Torchlight Energy Resources, Inc., and Willard McAndrew III, a former officer of Torchlight Energy Resources, Inc. ("Husky Counterclaim"). The Husky Counterclaim asserts breach of contract against Torchlight Energy Resources, Inc. and its subsidiary Torchlight Energy, Inc. and asserts a claim for tortious interference with Husky's contractual relationship with Torchlight and a claim for conspiracy to tortiously interfere with unspecified Husky business and contractual relationships against Torchlight Energy Resources, Inc. and its subsidiary Torchlight Energy, Inc., John Brda and Willard McAndrew III. We believe the Husky Counterclaim is without merit and intend to vigorously defend against it.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

In January 2017, we issued John Brda, our Chief Executive Officer, 41,322 restricted shares of common stock in exchange for the elimination of $50,000 in accrued and unpaid compensation due to Mr. Brda, which compensation is undisputed and has been reflected in our prior financial statements.

In February, 2017, the Company issued 200,000 warrants in connection with an agreement for investor relations services. Of these warrants, 50,000 vested immediately and an additional 50,000 warrants will vest each three months thereafter. The warrants have an exercise price of $1.64 per share and expire in February, 2021.

All of the above sales of securities were sold under the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933 and the rules and regulations promulgated thereunder. The issuances of securities did not involve a "public offering" based upon the following factors: (i) the issuances of securities were isolated private transactions; (ii) a limited number of securities were issued to a limited number of purchasers; (iii) there were no public solicitations; (iv) the investment intent of the purchasers; and (v) the restriction on transferability of the securities issued.

ITEM 6. EXHIBITS

Exhibit No.	Description
2.1	Share Exchange Agreement dated November 23, 2010. (Incorporated by reference from Form 8-K filed with the SEC on November 24, 2010.) *
3.1	Articles of Incorporation. (Incorporated by reference from Form S-1 filed with the SEC on May 2, 2008.) *
3.2	Certificate of Amendment to Articles of Incorporation dated December 10, 2014. (Incorporated by reference from Form 10-Q filed with the SEC on May 15, 2015.) *
3.3	Certificate of Amendment to Articles of Incorporation dated September 15, 2015. (Incorporated by reference from Form 10-Q filed with the SEC on November 12, 2015.) *
3.4	Amended and Restated Bylaws (Incorporated by reference from Form 8-K filed with the SEC on October 26, 2016.) *
4.1	Certificate of Designation for Series A Convertible Preferred Stock (Incorporated by reference from Form 8-K filed with the

	SEC on June 9, 2015.) *
4.2	Certificate of Designation for Series B Convertible Preferred Stock (Incorporated by reference from Form 8-K filed with the SEC on September 30, 2015.) *

ITEM 6. EXHIBITS - *continued*

4.3	Certificate of Designation for Series C Convertible Preferred Stock (Incorporated by reference from Form 8-K filed with the SEC on July 11, 2016.) *
10.1	12% Series B Unsecured Convertible Promissory Note (form of) (Incorporated by reference from Form 10-Q filed with the SEC on August 14, 2015.) *
10.2	Securities Purchase Agreement (for Series A Convertible Preferred Stock) (Incorporated by reference from Form 10-Q filed with the SEC on August 14, 2015.) *
10.3	Employment Agreement (with John A. Brda) (Incorporated by reference from Form 8-K filed with the SEC on June 16, 2015.) *
10.4	Employment Agreement (with Roger Wurtele) (Incorporated by reference from Form 8-K filed with the SEC on June 16, 2015.) *
10.5	Loan documentation and warrants with Eunis L. Shockey (Incorporated by reference from Form 10-Q filed with the SEC on August 14, 2015.) *
10.6	Farmout Agreement between Hudspeth Oil Corporation, Founders Oil & Gas, LLC and certain other parties (Incorporated by reference from Form 8-K filed with the SEC on September 29, 2015) *
10.7	Securities Purchase Agreement and Amendment to Securities Purchase Agreement (for Series B Convertible Preferred Stock) (Incorporated by reference from Form 10-Q filed with the SEC on November 12, 2015) *
10.8	Purchase and Sale Agreement with Husky Ventures, Inc. (Incorporated by reference from Form 8-K filed with the SEC on November 12, 2015) *
10.10	Purchase Agreement with McCabe Petroleum Corporation for acquisition of "Hazel Project" (Incorporated by reference from Form 10-Q filed with the SEC on August 15, 2016) *
10.11	Resignation and Settlement Agreement with Willard G. McAndrew (Incorporated by reference from Form 10-Q filed with the SEC on November 10, 2016) *
10.12	Agreement and Plan of Reorganization and Plan of Merger with Line Drive Energy, LLC (Incorporated by reference from Form 10-K filed with the SEC on March 31, 2017) *
10.13	Purchase and Sale Agreement with Wolfbone Investments, LLC (Incorporated by reference from Form 10-K filed with the SEC on March 31, 2017) *
10.14	12% 2020 Senior Unsecured Promissory Note (form of)
31.1	Certification of principal executive officer required by Rule 13a – 14(1) or Rule 15d – 14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of principal financial officer required by Rule 13a – 14(1) or Rule 15d – 14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of principal executive officer and principal financial officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and Section 1350 of 18 U.S.C. 63.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definitions Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase

* Incorporated by reference from our previous filings with the SEC

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Torchlight Energy Resources, Inc.

Date: May 12, 2017

/s/ John A. Brda

By: John A. Brda
Chief Executive Officer

Date: May 12, 2017

/s/ Roger Wurtele

By: Roger Wurtele
Chief Financial Officer and Principal Accounting Officer

Exhibit 10.14

NEITHER THIS 12% 2020 SENIOR UNSECURED PROMISSORY NOTE (THE "NOTE") NOR THE SECURITIES ISSUABLE IN CONNECTION WITH THIS NOTE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("ACT"), OR THE SECURITIES LAWS OF ANY STATE. NEITHER THIS NOTE NOR THE SECURITIES ISSUABLE IN CONNECTION WITH THIS NOTE MAY BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHOUT REGISTRATION UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR DELIVERY TO TORCHLIGHT ENERGY RESOURCES, INC. OF AN OPINION OF LEGAL COUNSEL SATISFACTORY TO TORCHLIGHT ENERGY RESOURCES, INC. THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE ACT OR ANY APPLICABLE STATE SECURITIES LAWS.

12% 2020 SENIOR UNSECURED PROMISSORY NOTE
OF
TORCHLIGHT ENERGY RESOURCES, INC.

NOTE NO. 2020-__ _____, 2017

FOR VALUE RECEIVED, TORCHLIGHT ENERGY RESOURCES, INC., a Nevada corporation with its principal office located at 5700 Plano Parkway, Ste. 3600, Plano, Texas 75093 (the "**Company**" or "**Debtor**"), unconditionally promises to pay to _____ whose address is _____, or the registered assignee, upon presentation of this 12% 2020 Senior Unsecured Promissory Note (the "**Note**") by the registered holder hereof (the "**Registered Holder**" or "**Holder**") at the office of the Company, the principal amount of $_____ ("**Principal Amount**"), together with the accrued and unpaid interest thereon and other sums as hereinafter provided, subject to the terms and conditions as set forth below. The effective date of execution and issuance of this Note is _____, 2017 ("**Original Issue Date**").

1. **Series**. This Note is one of a series of duly authorized and issued promissory notes of the Company designated as its 12% 2020 Senior Unsecured Promissory Notes in an aggregate principal face value for all notes of this series of up to a maximum of $10,000,000 (subject to increase to no more than $12,000,000) with no minimum amount (each, a "**Series Note**," and collectively, the "**Series Notes**"). Each Series Notes is being issued in accordance with that certain Subscription Agreement, between the Company and each holder of the Series Notes, and is subject to the terms and conditions set forth in the Subscription Agreement. The Holder of this Note with the holders of all of the Series Notes are sometimes hereinafter collectively referred to as "**Series Holders**."

2. **Schedule for Payment of Principal and Interest.** The Principal Amount outstanding hereunder shall be paid in one lump sum payment of $_____ on or before April 10, 2020 (the "**Maturity Date**"), and the interest on the Principal Amount outstanding hereunder shall be payable at the rate of 12% per annum and shall be due and payable monthly, in arrears, with the initial interest payment due May 10, 2017, and continuing thereafter on the 10th day of each successive month during the term of this Note. Accrual of interest on the outstanding Principal Amount, payable in cash, shall commence on the date of receipt of funds by the Company and shall continue until payment in full of the outstanding Principal Amount has been made hereunder. The interest so payable will be paid to the person whose name is registered on the records of the Company regarding registration and transfers of this Note (the "**Note Register**"). Payments made by the Company shall be made to all Series Holders at the same time.

3. **Payment**. Payment of any sums due to the Holder under the terms of this Note shall be made in United States Dollars by check or wire transfer at the option of the Company. Payments made by the Company shall be made to all Series Holders at the same time. Payment shall be made at the address last appearing on the Note Register of the Company as designated in writing by the Holder hereof from time to time. If any payment hereunder would otherwise become due and payable on a day on which commercial banks in Dallas, Texas, are permitted or required to be closed, such payment shall become due and payable on the next succeeding day on which commercial banks in Dallas, Texas, are not permitted or required to be closed ("**Business Day**") and, with respect to payments of Principal Amount, interest thereon shall be payable at the then applicable rate during such extension, if any. The forwarding of such funds shall constitute a payment of outstanding principal and interest hereunder and shall satisfy and discharge the liability for principal and interest on this Note to the extent of the sum represented by such payment. Except as provided in Section 4 hereof, this Note may not be prepaid without the prior written consent of the Holder.

4. **Company's Option to Redeem Note**. On or after the Original Issue Date, up to 100%, in whole or in part, of the outstanding Principal Amount of the Note, plus any accrued and unpaid interest, will be subject to redemption at the option of the Company. If the Company elects to redeem before April 10, 2018, however, the Company shall pay the Holder all unpaid interest and Stock Payments (as defined in Section 5) on the portion of the Principal Amount redeemed that would have been earned from the Redemption Payment Date (as defined below) through the April 10, 2018. The Stock Payment triggered by a redemption prior to April 10, 2018 shall be based upon the Volume-Weighted Average Price (as defined in Section 5) for the 30 consecutive trading days immediately preceding the Redemption Payment Date. There will be no redemption penalty for any redemptions occurring after April 10, 2018. Any amount of the Note subject to redemption, as set forth herein (the "**Redemption Amount**"), may be redeemed by the Company at any time and from time to time, upon not less than 10 nor more than 30 days notice to the Holder. If less than 100% of the outstanding Principal Amount of each Series Note, plus any accrued and unpaid interest thereon, is to be redeemed at any time, the Company must redeem a pro rata amount of each Series Note. The Company shall deliver to the Holder a written Notice of Redemption (the "**Notice of Redemption**") specifying the date for the redemption (the "**Redemption Payment Date**"), which date shall be at least 10 but not more than 30 days after the date of the Notice of Redemption (the "**Redemption Period**"). On the Redemption Payment Date, the Redemption Amount must be paid in good funds to the Holder. After the Redemption Payment Date, interest will cease to accrue on the portion of the Note called for redemption.

5. **2.5% Annual Stock Payment**. The Registered Holders of 2020 Senior Unsecured Promissory Notes shall be entitled to receive payments of common stock based on the Principal Amount outstanding on the Series Notes (the "**Stock Payments**"). The Stock Payments shall be calculated and payable (i) as of April 10th of each year that the Series Notes remain outstanding, and (ii) as of a Redemption Payment Date, if applicable, in each case (a "**Stock Payment Date**"). The number of shares of common stock that a Registered Holder receives is determined by multiplying the Principal Amount that is subject to a Stock Payment by 0.00006849315,[1] multiplying that result by the number of days since the previous Stock Payment Date that such Principal Amount was subject to, and dividing that result by the Volume-Weighted Average Price (as defined below) on the present Stock Payment Date.

1 0.025 ÷ 365 = 0.00006849315

As used herein, the "**Volume-Weighted Average Price** " means the volume weighted average sale price of the Company's common stock on NASDAQ as reported by NASDAQ for the 30 consecutive Trading Day (as defined below) period immediately preceding the Stock Payment Date, or, if NASDAQ is not the principal trading market for the Company's common stock, the 30-day volume weighted average sale price of the Company's common stock on the principal securities exchange or trading market where the Company's common stock is listed or traded as reported by Bloomberg L.P. or an equivalent, reliable reporting service. If the Volume-Weighted Average Price cannot be calculated for the Company's common stock on such date in the manner provided above or if the Company's common stock is not publicly-traded, the Volume-Weighted Average Price shall be the fair market value as mutually determined by the Company and the Registered Holder. "**Trading Day**" means any day on which the Company's common stock is traded for any period on NASDAQ, or on the principal securities exchange or other securities market on which the Company's common stock is then being traded.

6. **Representations and Warranties of the Company**. The Company represents and warrants to the Holder that:

(a) Organization. The Company is validly existing and in good standing under the laws of the state of Nevada and has the requisite power to own, lease and operate its properties and to carry on its business as now being conducted. The Company is duly qualified to do business and is in good standing in each jurisdiction in which the character or location of the properties owned or leased by the Company or the nature of the business conducted by the Company makes such qualification necessary or advisable, except where the failure to do so would not have a material adverse effect on the Company.

(b) Power and Authority. The Company has the requisite power to execute, deliver and perform this Note, and to consummate the transactions contemplated hereby. The execution and delivery of this Note by the Company and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Company. This Note has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company and is enforceable against the Company in accordance with its terms except (i) that such enforcement may be subject to bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights and (ii) that the remedy of specific performance and injunctive and other forms of equitable relief are subject to certain equitable defenses and to the discretion of the court before which any proceedings therefor may be brought.

(c) Approvals. No authorization, approval or consent of any court, governmental body, regulatory agency, self-regulatory organization, or stock exchange or market is required to be obtained by the Company for the issuance and sale of the Notes and common stock as contemplated by this Note, except such authorizations, approvals and consents that have been obtained.

(d) SEC Documents, Financial Statements. The Common Stock of the Company is registered pursuant to Section l2(b) of the Securities Exchange Act of 1934 ("Exchange Act"), and the Company, to the best of its knowledge, has filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of Section 13(a) or l5(d) (all of the foregoing including filings incorporated by reference therein being referenced to herein as the "SEC Documents").

(e) As of their respective dates, to the best of the Company's knowledge the SEC Documents complied in all material respects with the requirements of the Act or the Exchange Act as the case may be and the rules and regulations of the SEC promulgated thereunder and other federal, state and local laws, rules and regulations applicable to such SEC Documents, and none of the SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(f) Absence of Certain Changes. Since the filing of the Company's Form 10-K for the year ended December 31, 2016 on March 31, 2017, there has been no material adverse change and no material adverse development in the business, properties, operations, financial condition, or results of operations of the Company.

(g) Liens. The company has no liens, security interests, mortgages, deeds of trust that are filed of record encumbering any of its assets.

7 . **Events of Defaults and Remedies**. The following are deemed to be an event of default ("**Event of Default"**) hereunder: (i) the failure by the Company to pay any installment of interest on this Note or any other Series Notes as and when due and payable and the continuance of any such failure for 10 days; (ii) the failure by the Company to pay all or any part of the principal on this Note or any other Series Notes when and as the same become due and payable as set forth above, at maturity, by acceleration or otherwise; (iii) the failure by the Company to observe or perform any covenant or agreement contained in this Note, the Subscription Agreement or any other Series Notes and the continuance of such failure for a period of 30 days after the written notice is given to the Company; (iv) the assignment by the Company for the benefit of creditors, or an application by the Company to any tribunal for the appointment of a trustee or receiver of a substantial part of the assets of the Company, or the commencement of any proceedings relating to the Company under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debts, dissolution or other liquidation law of any jurisdiction; or the filing of such application, or the commencement of any such proceedings against the Company and an indication of consent by the Company to such proceedings, or the appointment of such trustee or receiver, or an adjudication of the Company bankrupt or insolvent, or approval of the petition in any such proceedings, and such order remains in effect for 60 days; (v) the declaration of an event of default or default, occurring after the Original Issue Date, under any other contract, agreement, debt or obligation of the Company with a monetary amount in excess of $1,000,000; or (vi) the entry of a judgment against the Company, which is not otherwise appealable, or for which all appeals have been exhausted and for which the Company has not posted a bond to satisfy the amount of the judgment in excess of $2,500,000.

8. **The Holder's Rights and Remedies upon the Occurrence of an Event of Default**.

(a) This Note is issued under and pursuant to a private placement of Series Notes and, notwithstanding any other provision to the contrary in this Note, the Holder agrees that its rights granted hereunder are on parity with interests of the Series Holders of the other Series Notes issued pursuant to the private placement and the rights, powers, privileges and remedies of the Holder of this Note shall be at parity with the Series Holders of other Series Notes issued pursuant to this private placement. Notwithstanding any provision of this Note to the contrary, no Series Holders shall take any action which would cause that Holder's interest in the Series Notes to be superior to that of any other Series Holders. Series Holders owning a majority of the outstanding principal amount of the Series Notes ("Acting Holders") shall have the right to appoint an agent ("Agent") on behalf of all Series Holders upon the occurrence of an Event of Default. If an Event of Default occurs and the Acting Holders elect to appoint an Agent, all Series Holders agree that the Agent shall represent the collective interests of the Series Holders.

(b) If any Event of Default occurs and is not otherwise cured, and the Agent, acting in its capacity as the true and lawful attorney-in-fact with full irrevocable power and authority, for purposes of carrying out the terms hereof, shall have, upon the written request of the Acting Holders, provide written notice to the Company, that the full unpaid principal amount of this Note, together with interest owing in respect thereof, is immediately due and payable, time being of the essence, and said principal sum shall bear interest from the date of the Event of Default at the rate per annum 4% in excess of the applicable rate of interest provided in Section 2. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of a subsequent Event of Default. All Series Notes for which the then outstanding principal amount, together with interest owing in respect thereof, shall have been paid in accordance herewith shall promptly be surrendered to or as directed by the Company.

9 . Application of Moneys. All moneys received by the Agent pursuant to any right given or action taken under the provisions of this Note shall be separately accounted for, and all such moneys shall, after payment of any costs incurred by Agent in the collection of such amounts, be applied as follows:

(i) FIRST, to the payment of all interest then due on the Series Notes ratably, according to the amounts due, to the persons entitled thereto without any discrimination or preference; and

(ii) SECOND, to the payment of all principal then due on the Series Notes ratably, according to the amounts due, to the persons entitled thereto without any discrimination or preference.

(iii) Whenever moneys are to be applied by the Agent, such moneys shall be applied by it at such times, and from time to time, as the Agent shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Agent shall apply such funds, it shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal to be paid shall cease to accrue. The Agent shall give such notice as it may deem appropriate of the deposits with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the holder of any unpaid Series Note until such Series Note shall be presented to the Agent for appropriate endorsement or for cancellation if fully paid.

10. **Limitation on Merger, Sale or Consolidation**. The Company may not, directly or indirectly, consolidate with or merge into another person or sell, lease, convey or transfer all or substantially all of its assets (computed on a consolidated basis), whether in a single transaction or a series of related transactions, to another person or group of affiliated persons, unless either (i) in the case of a merger or consolidation, the Company is the surviving entity or (ii) the resulting, surviving or transferee entity expressly assumes by supplemental agreement all of the obligations of the Company in connection with the Notes. Upon any consolidation or merger or any transfer of all or substantially all of the assets of the Company in accordance with the foregoing, the successor entity formed by such consolidation or into which the Company is merged or to which such transfer is made, shall succeed to, and be substituted for, and may exercise every right and power of the Company under the Note with the same effect as if such successor entity had been named therein as the Company, and the Company will be released from its obligations under the Series Notes, except as to any obligations that arise from or as a result of such transaction.

11. **Listing of Registered Holder of Note**. This Note will be registered as to principal amount in the Holder's name on the books of the Company at its principal office in Plano, Texas (the "**Note Register**"), after which no transfer hereof shall be valid unless made on the Company's books at the office of the Company, by the Holder hereof, in person, or by attorney duly authorized in writing, and similarly noted hereon.

12. **Registered Holder Not Deemed a Stockholder.**No Holder, as such, of this Note shall be entitled to vote or receive dividends or be deemed the holder of shares of the Company for any purpose, nor shall anything contained in this Note be construed to confer upon the Holder hereof, as such, any of the rights of a stockholder of the Company or any right to vote, give or withhold consent to any corporate action (whether any reorganization, issue of stock, reclassification of stock, consolidation, merger, conveyance or otherwise), receive notice of meetings, receive dividends or subscription rights, or otherwise.

13. **Waiver of Demand, Presentment, Etc.** The Company hereby expressly waives demand and presentment for payment, notice of nonpayment, protest, notice of protest, notice of dishonor, notice of acceleration or intent to accelerate, bringing of suit and diligence in taking any action to collect amounts called for hereunder and shall be directly and primarily liable for the payment of all sums owing and to be owing hereunder, regardless of and without any notice, diligence, act or omission as or with respect to the collection of any amount called for hereunder.

14. **Attorney's Fees.** The Company agrees to pay all costs and expenses, including without limitation reasonable attorney's fees, which may be incurred by the Holder in collecting any amount due under this Note.

15. **Enforceability.** In case any provision of this Note is held by a court of competent jurisdiction to be excessive in scope or otherwise invalid or unenforceable, such provision shall be adjusted rather than voided, if possible, so that it is enforceable to the maximum extent possible, and the validity and enforceability of the remaining provisions of this Note will not in any way be affected or impaired thereby.

16. **Intent to Comply with Usury Laws.** In no event will the interest to be paid on this Note exceed the maximum rate provided by law. It is the intent of the parties to comply fully with the usury laws of the State of Texas; accordingly, it is agreed that notwithstanding any provisions to the contrary in this Note, in no event shall such Note require the payment or permit the collection of interest (which term, for purposes hereof, shall include any amount which, under Texas law, is deemed to be interest, whether or not such amount is characterized by the parties as interest) in excess of the maximum amount permitted by the laws of the State of Texas. If any excess of interest is unintentionally contracted for, charged or received under this Note, or in the event the maturity of the indebtedness evidenced by the Note is accelerated in whole or in part, or in the event that all of part of the Principal Amount or interest of this Note shall be prepaid, so that the amount of interest contracted for, charged or received under this Note, on the amount of the Principal Amount actually outstanding from time to time under this Note shall exceed the maximum amount of interest permitted by the applicable usury laws, then in any such event (i) the provisions of this paragraph shall govern and control, (ii) neither the Company nor any other person or entity now or hereafter liable for the payment thereof, shall be obligated to pay the amount of such interest to the extent that it is in excess of the maximum amount of interest permitted by such applicable usury laws, (iii) any such excess which may have been collected shall be either applied as a credit against the then unpaid principal amount thereof or refunded to the Company at the Holder's option, and (iv) the effective rate of interest shall be automatically reduced to the maximum lawful rate of interest allowed under the applicable usury laws as now or hereafter construed by the courts having jurisdiction thereof. It is further agreed that without limitation of the foregoing, all calculations of the rate of interest contracted for, charged or received under the Note which are made for the purpose of determining whether such rate exceeds the maximum lawful rate of interest, shall be made, to the extent permitted by applicable laws, by amortizing, prorating, allocating and spreading in equal parts during the period of the full stated term of the Note evidenced thereby, all interest at any time contracted for, charged or received from the Company or otherwise by the Holders in connection with this Note.

17. **Governing Law; Consent to Jurisdiction.** This Note shall be governed by and construed in accordance with the laws of the State of Texas without regard to the conflict of laws provisions thereof. In any action between or among any of the parties, whether rising out of this Note or otherwise, each of the parties irrevocably consents to the exclusive jurisdiction and venue of the federal and/or state courts located in Dallas County, Texas.

18. **Amendment and Waiver**. Any waiver or amendment hereto shall be in writing signed by the Holder. No failure on the part of the Holder to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by the Holder of any right hereunder preclude any other or further exercise thereof or the exercise of any other rights. The remedies herein provided are cumulative and not exclusive of any other remedies provided by law.

19. **Restrictions Against Transfer or Assignment**. Neither this Note nor the shares issuable in connection with this Note may be sold, transferred, assigned, pledged, hypothecated or otherwise disposed of by the Registered Holder hereof, in whole or in part, unless and until either (i) the Note or the shares issuable in connection with the Note have been duly and effectively registered for resale under the Securities Act of 1933, as amended, and under any then applicable state securities laws; or (ii) the Registered Holder delivers to the Company a written opinion acceptable to the Company's counsel that an exemption from such registration requirements is then available with respect to any such proposed sale or disposition. Any transfer of this Note otherwise permissible hereunder shall be made only at the principle office of the Company upon surrender of this Note for cancellation and upon the payment of any transfer tax or other government charge connected therewith, and upon any such transfer a new Series Note will be issued to the transferee in exchange therefor.

20. **Entire Agreement; Headings**. This Note and Subscription Agreement constitute the entire agreement between the Holder and the Company pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, representations and understandings, written or oral, of such parties. The headings are for reference purposes only and shall not be used in construing or interpreting this Note.

21. **Notices**. Any notices or other communications required or permitted hereunder shall be sufficiently given if in writing and delivered in person, or sent by registered or certified mail (return receipt requested) or recognized overnight delivery service, postage pre-paid, or sent by email addressed as follows, or to such other address as such party may notify to the other parties in writing:

(a) If to the Company, to it at the following address:

5700 Plano Parkway, Ste. 3600
Plano, Texas 75093
Attn: John Brda, President
Email: john@torchlightenergy.com

(b) If to Registered Holder, then to the address listed on the front of this Note, unless changed, by notice in writing as provided for herein.

A notice or communication will be effective (i) if delivered in person or by overnight courier, on the Business Day it is delivered, (ii) if sent by registered or certified mail, the earlier of the date of actual receipt by the party to whom such notice is required to be given or three (3) days after deposit in the United States mail and (iii) if sent by email, on the date sent. If any notice or other communication is sent by email, the party providing such notice shall, no later than the next business day after such emailed notice is sent, send a written notice by registered or certified mail (return receipt requested) or recognized overnight delivery service, postage pre-paid.

22. **Use of Proceeds**. The Company intends to use the net proceeds from the funds received hereunder for working capital and general corporate purposes, which includes, without limitation, drilling capital, lease acquisition capital and repayment of prior debt.

23. **Covenants of the Company**.

(a) Limitation on Liens/Obligations. So long as any of the Series Notes are outstanding, neither the Company or any of its subsidiaries will create, assume, or guarantee any debt, liability or obligation which is secured by any mortgage, pledge, lien, security interest or other encumbrance on any assets, capital stock or equity interest of the Company or its subsidiaries unless:

(i) such financing arrangements are with an established commercial banking or financial institution, negotiated on an arm's length basis with commercially reasonable terms in light of market conditions, the proceeds of which are used primarily to finance the acquisition, exploration, drilling or improvements of the Company or its subsidiaries oil and gas properties or for other customary general corporate purposes. Only first priority mortgages, encumbrances, deeds of trust, security interests or liens shall be permitted. Second or subordinate security interests, liens, encumbrances, deeds of trusts or mortgages are not permitted to be incurred by the Company, unless consented to by the Acting Holders.

(ii) Debts and liabilities incurred in the normal course of business, including those relating to financing the acquisition, the construction, development, exploration or improvement of the Company's oil and gas properties and fixed or capital assets including capital lease obligations, operating leases and obligations in connection with drilling and development agreements or other similar arrangements negotiated on terms no less favorable as if negotiated on an arm's length basis.

(b) Limitations on Disposition of Stock or Equity Interest of Subsidiaries. So long as the Series Notes are outstanding and subject to provisions regarding mergers, consolidations and sales of assets in Section 10, no subsidiary will sell or otherwise dispose of any shares of capital stock, equity interest or other assets, unless such transaction is for at least fair value as determined by a majority of the Company's disinterested directors in such transaction acting in good faith or to otherwise comply with an order of a court or regulatory authority or pursuant to any contractual obligation entered into by the Company in the ordinary course of business in connection with drilling, exploration and development of the Company's oil and gas properties.

(c) Issuance of Disqualified Stock or Equity Interests. Neither the Company nor any subsidiary shall issue any preferred stock or any other comparable equity interest which are mandatorily redeemable at a date prior to the maturity date of the Series Notes, without the consent or approval of the Acting Holders, which consent or approval will not be unreasonably withheld.

(d) Limitations on Restricted Payments. Neither the Company nor any of its subsidiaries shall distribute any cash or other assets to any holders of common stock in the form of dividends and other distributions (including repurchase of equity) prior to the payment in full of all Series Notes, without the consent of the Acting Holders, which consent will not be unreasonably withheld.

(e) Transactions with Affiliates. Neither the Company nor any subsidiary will enter into any transaction with an affiliate which is defined to mean any person, corporation or business entity that has a direct or indirect ownership interest of at least 10% of the equity interest of such affiliated party unless:

(i) such transaction is no less favorable than those that could be obtained in arm's length transaction; and

(ii) the transaction is approved by a majority of the disinterested of the Company's board of directors.

(f) No other Note or Debt Offering. Except for an obligation permitted under Section 23(a) above, so long as the Series Notes are outstanding, the Company will not issue any other notes or debt offerings which have a maturity date prior to the payment in full of all Series Notes, unless consented to by the Acting Holders, which consent will not be unreasonably withheld.

24. **Survival**. The representations, warranties, obligations and covenants of the Company shall survive execution of this Note.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, Torchlight Energy Resources, Inc. has caused this Note to be duly executed in its corporate name by the manual signature of its President/CEO.

TORCHLIGHT ENERGY RESOURCES, INC.

By: _____

John Brda, President/CEO

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, John A. Brda, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Torchlight Energy Resources, Inc. for the quarter ended March 31, 2017;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 (e) and 15d- 15 (e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over the financial reporting; and

5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ John A. Brda

John A. Brda
Chief Executive Officer
(Principal Executive Officer)
Date: May 12, 2017

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Roger Wurtele, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Torchlight Energy Resources, Inc. for the quarter ended March 31, 2017;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 (e) and 15d- 15 (e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over the financial reporting; and

5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Roger Wurtele

Roger Wurtele,
Chief Financial Officer
(Principal Financial Officer)
Date: May 12, 2017

Exhibit 32.1

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

I, John A. Brda, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the quarterly report on Form 10-Q of Torchlight Energy Resources, Inc. for the quarter ended March 31, 2017, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such quarterly report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Torchlight Energy Resources, Inc.

/s/ John A. Brda
John A. Brda,
Chief Executive Officer (Principal Executive Officer)

Date: May 12, 2017

I, Roger Wurtele, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the quarterly report on Form 10-Q of Torchlight Energy Resources, Inc. for the quarter ended March 31, 2017, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such quarterly report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Torchlight Energy Resources, Inc.

/s/ Roger Wurtele
Roger Wurtele,
Chief Financial Officer (Principal Financial Officer)

Date: May 12, 2017

The foregoing certification is not deemed filed with the Securities and Exchange Commission for purposes of Section 18 of the Securities Exchange Act of 1934, as amended ("Exchange Act"), and is not to be incorporated by reference into any filing of Torchlight Energy Resources, Inc. under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filing.