



**NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING AND MANAGEMENT INFORMATION CIRCULAR**  
with respect to the Annual and Special General Meeting of Shareholders to be held on June 27, 2023

Dated as of May 23, 2023

**TOWER RESOURCES LTD.**  
**NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the annual and special general meeting (the “**Meeting**”) of the shareholders of Tower Resources Ltd. (the “**Company**”) will be held as a virtual shareholders’ meeting via live audio conference at 1.888.886.7786 on Tuesday, June 27, 2023 at 10:00 AM (Pacific), for the following purposes:

1. to receive the audited financial statements of the Company for the year ended October 31, 2022 and the report of the auditors thereon;
2. to fix the number of directors of the Company to be elected at the Meeting;
3. to elect the directors of the Company to hold office until the next annual meeting of shareholders;
4. to appoint Davidson & Company LLP, Chartered Professional Accountants, as auditors to hold office until the next annual meeting of shareholders at a remuneration to be fixed by the board of directors;
5. to consider and, if deemed advisable, pass, with or without amendment, an ordinary resolution, the full text of which is set out in the accompanying information circular, ratifying, adopting and re-approving the 10% rolling stock option plan of the Company;
6. to consider and, if deemed advisable, to pass a special resolution, the full text of which is set out in the accompanying information circular, to approve and authorize an alternation of the Company’s Articles to include advance notice provisions; and
7. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

This notice is accompanied by a management information circular and form of proxy or voting instruction form, as applicable.

The board of directors of the Company has by resolution fixed the close of business on May 23, 2023 as the record date, being the date for the determination of the registered holders of the common shares of the Company entitled to notice of and to vote at the Meeting and any adjournments or postponements thereof.

Registered shareholders who are unable to attend the Meeting are requested to complete, date, sign, and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting. Shareholders wishing to be represented by proxy at the Meeting or any adjournment or postponement thereof must deposit his/her/its duly completed and executed form of proxy with the Company’s registrar and transfer agent, Computershare Investor Services Inc. (“**Computershare**”) (Attention: Proxy Department) at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, not later than 48 hours (excluding Saturdays, Sundays, and holidays) before the time of the Meeting or adjournments or postponements thereof at which the proxy is to be used.

The Company has made arrangements to hold the Meeting as a completely virtual meeting, which will be conducted via live audio conference, where all shareholders regardless of geographic location and equity ownership will have an equal opportunity to participate at the Meeting and engage with directors and management of the Company as well as other shareholders. Shareholders will not be able to attend the Meeting in person. Registered shareholders and duly appointed proxyholders will be able to vote at the Meeting. Beneficial shareholders (being shareholders who hold their securities through a broker, investment dealer, bank, trust company, custodian, nominee, or other intermediary) who have not duly appointed themselves as proxyholder will be able to attend as a guest, but not be able to participate or vote at the Meeting.

As a shareholder of the Company, it is very important that you read the management information circular of the Company dated May 23, 2023 and other Meeting materials carefully. They contain important information with respect to voting your securities and attending and participating at the Meeting.

Shareholders who wish to appoint a person other than the management nominees identified on the form of proxy or voting instruction form, to represent him, her, or it at the Meeting, may do so by inserting such person's name in the blank space provided in the form of proxy or voting instruction form and following the instructions for submitting such form of proxy or voting instruction form. If you wish that a person other than the management nominees identified on the form of proxy or voting instruction form attend the Meeting as your proxy and vote your shares, including if you are a non-registered shareholder and wish to appoint yourself as proxyholder to vote at the Meeting, you MUST identify such proxyholder on your form of proxy or voting instruction form.

DATED at Vancouver, British Columbia as of the 23<sup>rd</sup> day of May 2023.

BY ORDER OF THE BOARD OF DIRECTORS

*"/s/ R. Joe Dhami"*

R. Joe Dhami

Chief Executive Officer and President

**TOWER RESOURCES LTD.**  
**Management Information Circular**

Unless otherwise stated, information contained herein is given as of May 23, 2023. All references to dollar amounts herein are references to Canadian dollars unless otherwise indicated.

**INFORMATION REGARDING PROXIES AND VOTING AT THE MEETING**

***Solicitation of Proxies***

This management information circular (the “**Information Circular**”) is furnished in connection with the solicitation by the management of Tower Resources Ltd. (the “**Company**”) of proxies to be voted at the annual and special general meeting (the “**Meeting**”) of the holders (the “**shareholders**”) of common shares of the Company (“**Common Shares**”, “**common shares**” or “**Shares**”) to be held as a virtual shareholders’ meeting via audio conference at 1.888.886.7786 on Tuesday, June 27, 2023 at 10:00 AM (Pacific), for the purposes set forth in the accompanying Notice of Meeting.

Unless otherwise stated, the information contained in this Information Circular is given as at May 23, 2023.

In accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) the Company has delivered proxy-related materials to intermediaries to forward to Beneficial Shareholders (as defined herein). The Company does not intend to pay for intermediaries to forward to OBOs (as defined herein) under NI 54-101 the proxy-related materials. In the case of an OBO, the OBO will not receive the materials unless the OBO’s intermediary assumes the cost of delivery.

The head office and registered and records office of the Company is located at 40440 Thunderbird Ridge B1831, Garibaldi Highlands, BC, V0N 1T0.

The solicitation of proxies by management of the Company will be made primarily by mail but solicitation may be made by telephone or in person with the cost of such solicitation to be borne by the Company. **While no arrangements have been made to date, the Company may contract for the solicitation of proxies for the Meeting. Such arrangements would include customary fees which would be borne by the Company.**

***Appointment of Proxyholder***

The persons named in the enclosed form of proxy for the Meeting are officers of the Company and nominees of management. **A registered shareholder has the right to appoint some other person or company, who need not be a shareholder, to represent such registered shareholder at the Meeting by striking out the names of the persons designated in the accompanying form of proxy and by inserting the name of that other person or company in the blank space provided.** If a registered shareholder appoints one of the persons designated in the accompanying form of proxy as a nominee and does not direct the said nominee to vote either “For”, “Against”, or “Withhold”, as applicable, from voting on a matter or matters with respect to which an opportunity to specify how the Shares registered in the name of such registered shareholder shall be voted, the proxy shall be voted “For” such matter or matters.

The instrument appointing a proxyholder must be in writing and signed by the registered shareholder, or such registered shareholder’s attorney authorized in writing, or if the registered shareholder is a corporation, by the authorized representative or a duly authorized person on behalf of such corporation. An undated but executed proxy will be deemed to be dated the date of the mailing of the proxy. In order for a proxy to be valid, a registered shareholder must:

- (a) sign and print his or her name on the lines specified for such purpose at the bottom of the form of proxy; and

- (b) return the properly executed and completed form of proxy by mailing it or delivering it by hand in the appropriate enclosed return envelope addressed to Computershare Investor Services Inc. (“**Computershare**”),

to be received no later than 48 hours (excluding Saturdays, Sundays, and holidays) before any adjournment(s) of the Meeting, unless the Chair of the Meeting elects to exercise their discretion to accept proxies received subsequently.

### ***Revocation of Proxy***

A registered shareholder may revoke a proxy by delivering a signed instrument in writing executed by such registered shareholder or by the registered shareholder’s attorney authorized in writing or, where the registered shareholder is a corporation, by a duly authorized officer or attorney of such corporation, either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, with the Chair of the Meeting on the day of the Meeting or any adjournment thereof, or before any vote in respect of which the proxy is to be used shall have been taken, or in any other manner permitted by law.

### ***Voting of Proxies***

A registered shareholder may direct the manner in which his or her Shares are to be voted or withheld from voting in accordance with the instructions of the registered shareholder by marking the form of proxy accordingly. The management nominees designated in the enclosed form of proxy will vote the Shares represented by proxy in accordance with the instructions of the registered shareholder on any resolution that may be called for and if the registered shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly. **Where no choice is specified with respect to any resolution or in the absence of certain instructions, the Shares represented by a proxy given to management will be voted “For” the resolution. If more than one direction is made with respect to any resolution, such Shares will similarly be voted “For” the resolution.**

### ***Exercise of Discretion by Proxyholders***

The enclosed form of proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the proxyholders named therein with respect to amendments or variations of matters identified in the accompanying Notice of Meeting, and other matters not so identified which may properly be brought before the Meeting. At the date of this Information Circular, management of the Company knows of no such amendments, variations, or other matters to come before the Meeting. If any amendment or variation or other matter comes before the Meeting, the persons named in the proxy will vote in accordance with their judgement on such amendment, variation, or matter.

## **VOTING BY BENEFICIAL SHAREHOLDERS**

The information set out in this section is important to many shareholders, as a substantial number of shareholders do not hold their Shares in their own names.

Persons who hold Shares through their brokers, agents, trustees, or other intermediaries (such shareholders, “**beneficial shareholders**”) should note that only proxies deposited by registered shareholders whose names appear on the share register of the Company may be recognized and acted upon at the Meeting. If Shares are shown on an account statement provided to a beneficial shareholder by a broker, then in almost all cases the name of such beneficial shareholder will not appear on the share register of the Company. Such Shares will most likely be registered in the name of the broker or an agent of the broker. In Canada, the vast majority of such Shares will be registered in the name of “CDS & Co.”, the registration name of CDS Clearing and Depository Services Inc. which acts as a nominee for many brokerage firms. Shares held by brokers, agents, trustees, or other intermediaries can only be voted by those brokers, agents, trustees, or other intermediaries in accordance with instructions received from beneficial shareholders. As a result, beneficial shareholders should carefully review the request for voting

instructions (“VIF”) provided with this Information Circular and ensure they communicate how they would like their Shares voted in accordance with those instructions.

Beneficial shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Company are referred to as “NOBOs”. Those beneficial shareholders who have objected to their intermediary disclosing ownership information about themselves to the Company are referred to as “OBOs”. In accordance with the requirements of NI 54-101, the Company has delivered proxy-related materials to intermediaries to forward to beneficial shareholders. The Company does not intend to pay for intermediaries to forward to OBOs under NI 54-101 the proxy-related materials. In the case of an OBO, the OBO will not receive the materials unless the OBO’s intermediary assumes the cost of delivery.

Generally, a beneficial shareholder who has not waived the right to receive Meeting materials will either:

- (a) be given a form of proxy which has already been signed by the intermediary (typically by a facsimile with a stamped signature), which is restricted as to the number of shares beneficially owned by the beneficial shareholder and must be completed, but not signed, by the beneficial shareholder and deposited with Computershare; or
- (b) more typically, be given a VIF which is not signed by the intermediary and which, when properly completed and signed by the beneficial shareholder and returned to the intermediary or its service Company, will constitute voting instructions which the intermediary must follow.

VIFs should be completed and returned in accordance with the specific instructions noted on the VIF. The purpose of this procedure is to permit beneficial shareholders to direct the voting of the Shares which they beneficially own. Beneficial shareholders should carefully follow the instructions set out in the VIF, including those regarding when and where the VIF is to be delivered.

Although beneficial shareholders may not be recognized directly at the Meeting for the purpose of voting Shares registered in the name of their broker, agent, trustee, or other intermediary, a beneficial shareholder may attend the Meeting as a proxyholder for a registered shareholder and vote Shares in that capacity. Beneficial shareholders who wish to attend the Meeting or have someone else attend on their behalf, and indirectly vote their Shares as proxyholder for the registered shareholder, should contact their broker, agent, trustee, or other intermediary well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their Shares as a proxyholder.

If you are a beneficial shareholder, and the Company or its agent has sent these materials to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for: (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the VIF.

### **ACCESSING AND VOTING AT THE VIRTUAL MEETING**

Registered shareholders may vote at the Meeting, as further described below. See “How do I attend and participate at the Meeting”?

Beneficial shareholders who have not duly appointed themselves as proxyholder will not be able to vote at the Meeting. This is because the Company and its transfer agent do not have a record of the beneficial shareholders of the Company, and as a result, will have no knowledge of your shareholdings or entitlement to vote, unless you appoint yourself as proxyholder. If you are a beneficial shareholder and wish to vote at the Meeting, you have to appoint yourself as proxyholder, by inserting your own name in the space provided on the VIF sent to you and must

follow all of the applicable instructions provided by your intermediary. See “Appointment of a Third Party as Proxy” and “How do I attend and participate at the Meeting”?

### **Appointment of a Third Party as Proxy**

The following applies to shareholders who wish to appoint a person (a “**third-party proxyholder**”) other than the management nominees set forth in the form of proxy or VIF as proxyholder, including beneficial shareholders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting.

Shareholders who wish to appoint a third-party proxyholder to vote at the Meeting as their proxy and vote their Shares MUST submit their proxy or VIF (as applicable) appointing such third-party proxyholder.

To appoint a third-party proxyholder, insert such person’s name in the blank space provided in the form of proxy or VIF (if permitted) and follow the instructions for submitting such form of proxy or VIF. If you are a Beneficial Shareholder located in the United States, you must also provide Computershare with a duly completed legal proxy if you wish to vote at the Meeting, or if permitted, appoint a third party as your proxyholder. See below under this section for additional details.

If you are a beneficial shareholder and wish to attend, participate or vote at the Meeting, you have to insert your own name in the space provided on the VIF sent to you by your intermediary, follow all of the applicable instructions provided by your intermediary, AND register yourself as your proxyholder, as described above. By doing so, you are instructing your intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your intermediary. Please also see further instructions below under the heading “How do I attend and participate at the Meeting”?

### **Legal Proxy – US Beneficial Shareholders**

If you are a beneficial shareholder located in the United States and wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder, in addition to the steps described above and below under “How do I attend and participate at the Meeting?”, you must obtain a valid legal proxy from your intermediary. Follow the instructions from your intermediary included with the legal proxy form and the voting information form sent to you, or contact your intermediary to request a legal proxy form or a legal proxy if you have not received one. After obtaining a valid legal proxy from your intermediary, you must then submit such legal proxy to Computershare. Requests for registration from beneficial shareholders located in the United States that wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as their proxyholder, must be received by 10:00 AM (Pacific) on June 23, 2023.

### **How do I attend and participate at the Meeting?**

The Company is holding the Meeting as a completely virtual meeting, which will be conducted via audio conference. Shareholders will not be able to attend the Meeting in person.

Registered shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting at 1.888.886.7786. In order to vote at the Meeting, shareholders must submit their proxy or VIF (as applicable) appointing their proxyholder.

## **SECURITIES ENTITLED TO VOTE**

As of May 23, 2023 (the “**Record Date**”), the authorized share capital of the Company consists of an unlimited number of Common Shares without par value of which 142,346,805 Common Shares are issued and outstanding. Each shareholder is entitled to one vote for each Common Shares registered in his, her, or its name at the close of business on the Record Date, the date fixed by the board of directors of the Company (the “**Board**”) as the record date for determining the shareholders entitled to receive notice of and to vote at the Meeting.

The failure of any shareholder to receive notice of the Meeting does not deprive a shareholder of the entitlement to vote at the Meeting. Every shareholder of record at the close of business on the Record Date will be entitled to vote at the Meeting or any adjournment thereof, except to the extent that:

- (a) such shareholder has transferred the ownership of any of their Shares after the Record Date; and
- (b) the transferee of those Shares produces properly endorsed share certificates, or otherwise establishes that they own the Shares, and demands, not later than 10 days before the Meeting, that their name be included in the list of shareholders entitled to vote at the Meeting, in which case the transferee is entitled to vote those Shares at the Meeting.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### ***Financial Statements***

The audited financial statements of the Company for the year ended October 31, 2022, including the report of the auditors thereon, will be tabled at the Meeting and received by the shareholders. These audited financial statements of the Company for the year ended October 31, 2022, and the report of the auditors thereon, and the related management's discussion and analysis, are available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### ***Election of Directors***

#### *Advance Notice*

The Company adopted an advance notice policy on May 8, 2023 (the "**Advance Notice Policy**"). The Advance Notice Policy provides for advance notice to the Company in circumstances where nominations of persons for election to the Board are made by shareholders of the Company other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the *Business Corporations Act* (British Columbia) or (ii) a shareholder proposal made pursuant to the provisions of the *Business Corporations Act* (British Columbia).

The purpose of the Advance Notice Policy is to ensure that all shareholders - including those participating in a meeting by proxy rather than in person - receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. Among other things, the Advance Notice Policy fixes a deadline by which holders of Common Shares must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the minimum information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

The Board intends to place the provisions of the Advance Notice Policy before the shareholders of the Company as an amendment to the Articles of the Company for approval at the Meeting. If the approval of the amendment is not received at the Meeting by special resolution of shareholders, the Advance Notice Policy will terminate and be of no further force and effect following the termination of the Meeting.

The foregoing is merely a summary of the Advance Notice Policy, is not comprehensive and is qualified by the full text of such policy which is available under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). The full text of the proposed alteration of the Articles of the Company to include the Advance Notice Policy is set out in Appendix "C" hereto.



## Fixing the Number of Directors

At the Meeting, the shareholders will be asked to fix the number of directors of the Company to be elected at 3 members. Approval of the number of directors will require the affirmative votes of the holders of not less than a simple majority of the votes cast in respect thereof by shareholders represented at the Meeting. **Unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote in favour of fixing the number of directors at 3.**

### Nominees

The persons named below are the nominees of management for election as directors. The term of office of each of the present directors expires at the Meeting. Management of the Company proposes to nominate the persons named below for election as directors of the Company at the Meeting, to serve until the next annual meeting of the shareholders of the Company, unless their office is earlier vacated. All of the nominees are currently members of the Board.

Approval of the election of directors will require the affirmative votes of the holders of not less than a simple majority of the votes cast in respect thereof by shareholders represented at the Meeting. **Unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote in favour of the election, as directors, of the nominees whose names are set forth below.** In the event that prior to the Meeting, any vacancies occur on the slate of nominees submitted herewith, it is intended that discretionary authority will be granted to vote proxies solicited by or on behalf of management for the election of any other person or persons as directors. Management is not currently aware that any such nominees would not be willing to serve as director if elected.

As a group, the proposed directors beneficially own, or control or direct, directly or indirectly, a total of 7,751,438 Common Shares, representing 5.44% of the Common Shares outstanding.

Name, Province or State and Country of Residence, Position	Principal Occupation or Employment for the Past Five Years	Director Since	Number of Common Shares Beneficially Owned or Controlled and Percentage of Total Issued and Outstanding <sup>(1)</sup>
AVERILL, Stuart <sup>(2)</sup> Ontario, Canada	Entrepreneurial geologist	August 22, 2016	2,773,621 1.94%
DHAMI, Joe <sup>(2)</sup> British Columbia, Canada	Self-employed marketing consultant	April 4, 2019	3,530,417 2.48%
SHIELDS, Gerald <sup>(2)</sup> British Columbia, Canada	Self-employed management consultant through his company, GJS Management Corp.	May 22, 2014	1,447,400 1.01%

#### Notes:

- (1) The information, as of the Record Date, as to the number of Common Shares, carrying the right to vote in all circumstances, beneficially owned, directly or indirectly, or over which control or direction is exercised, has been furnished, by the respective nominees. These figures do not include any securities that are convertible into or exercisable for Common Shares.
- (2) Audit Committee member.

The information as to residence, principal occupation, and number of Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been taken from the System for Electronic Disclosure by Insiders (SEDI) or furnished by the respective nominees as of the Record Date.

## Biographies

The following are brief profiles of each of the proposed nominees, including a description of each individual's principal occupation within the past five years.

### **Joe Dhami, President, Chief Executive Officer and Director**

Mr. Dhami has over 20 years of experience in the capital markets working with portfolio managers, retail brokers and high net worth investors. He is a well-respected marketing consultant who provides end to end corporate advisory services from the corporate start-up stage through the high growth cycle of a discovery or product launch, with a view to optimizing shareholder value. Companies which achieved success with Mr. Dhami's assistance include Webtech Wireless, a Canadian telematics and location-based service provider that became an industry leader, recognized as one the fastest growing companies that had top line revenue to 35 million, sold product worldwide and was eventually bought by a competitor, and Rainy River Resources, a Canadian based exploration company which discovered an economic gold deposit in northern Ontario and was eventually acquired by an established gold producer which put Rainy River's project into production.

### **Stuart Averill, Independent Director**

Mr. Averill is Chairman of Overburden Drilling Management Limited (ODM), a company that he founded in 1974 to develop and apply indicator mineral methods for mineral exploration. He has progressively advanced this novel technology and is now recognized as its pioneer and leading authority. Mr. Averill's specialty is early-stage exploration projects in frontier areas but he has also performed many detailed investigations, including demonstrating that Bre-X's drill core samples had been salted with placer gold grains. He has played a leading role in the discovery of several mineral deposits and new mineral districts in Canada including the very productive Casa Berardi and Rainy River gold districts. He is a former director of Nuinsco Resources Limited and was a director of Rainy River Resources Ltd. from 2005 until the company was acquired by New Gold Inc. in 2013 for \$310 million.

Mr. Averill holds a BSc. (Hons.) in geology from the University of Manitoba. He has published several influential papers on indicator minerals and was presented with the PDAC's Distinguished Service Award in 2003.

### **Gerald Shields, Chair of the Board and Independent Director**

Mr. Shields was engaged in the practice of law from 1979 through 2006 in Calgary and Vancouver, specializing in corporate and securities law and mergers and acquisitions. In 2006 he left the law business and joined Providia, a group engaged in public company start-ups. Mr. Shields was a founding shareholder of Ryland Oil Corporation, and served as its President and a member of the Board from 2007 until its sale to Crescent Point Energy in 2010. Mr. Shields was also a founding shareholder of Rainy River Resources Ltd., a TSX listed gold exploration company. He was elected to the Board of Directors of Rainy River in 2008 and was engaged as Vice President in 2009. He was subsequently appointed General Counsel and Corporate Secretary in 2011, positions he held until the sale of Rainy River to New Gold Inc. in 2013.

Mr. Shields holds a Bachelor of Laws degree from the University of Western Ontario.

## Corporate Cease Trade Orders

To the knowledge of the Company, no proposed director is, as at the date of this Information Circular, or has been, within ten years before the date of this Information Circular, a director, Chief Executive Officer, or Chief Financial Officer of any company (including the Company) that: (a) was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemptions under Canadian securities legislation that was in effect for a period of more than 30 consecutive days (an "order"), that was issued while the proposed director was acting in the capacity as director, Chief Executive Officer, or Chief Financial Officer; or (b) was subject to an order that was issued after the proposed director ceased to be a director, Chief Executive

Officer, or Chief Financial Officer and which resulted from an event that occurred while that person was acting in the capacity as director, Chief Executive Officer, or Chief Financial Officer.

#### Corporate Bankruptcies

To the knowledge of the Company, no proposed director: (a) is, as at the date of this Information Circular, or has been within the ten years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold its assets; or (b) has, within the ten years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold the assets of the proposed director.

#### Penalties or Sanctions

To the knowledge of the Company, no proposed director has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

#### ***Appointment of Auditor***

**Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted “FOR” the appointment of Davidson & Company LLP, Chartered Professional Accountants, as the auditors of the Company to hold office until the close of the next annual meeting of shareholders of the Company or until a successor is appointed.** It is proposed that the remuneration to be paid to the auditors be fixed by the Board. Davidson & Company LLP has been the Company’s auditor since September 25, 2012.

#### Fees Paid to Auditor and their Independence from the Company

The aggregate fees billed by the Company’s external auditors in each of the last two fiscal years for audit, audit-related, tax, and all other fees are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
2022	\$26,000	Nil	Nil	Nil
2021	\$25,000	Nil	\$4,500	Nil

#### Notes:

- (1) “Audit Fees” include fees necessary to perform the annual audit of the Company’s financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings, and statutory audits.
- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews, and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning, and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services.

In the event the Company wishes to retain the services of the Company’s external auditors for any non-audit services, prior approval of the Audit Committee must be obtained. All of the engagements and fees for the year ended

October 31, 2022 were pre-approved or ratified by the Audit Committee. The Audit Committee reviews with its auditor whether the non-audit services to be provided are compatible with maintaining the auditor's independence.

### **Ratification and Re-Approval of Stock Option Plan**

At the Meeting, shareholders will be asked to ratify and re-approve the 10% rolling stock option plan of the Company (the "**Option Plan**"). A copy of the Option Plan is attached hereto as Appendix "A".

Pursuant to Policy 4.4 of the TSX Venture Exchange, companies that have a rolling stock option plan reserving a maximum of 10% of the issued and outstanding shares must receive yearly shareholder approval of the Option Plan. The Option Plan was previously approved by the Company's shareholders at the annual general meeting held February 23, 2022. The aggregate maximum number of Shares that may be issued under the Option Plan is 10% of the issued and outstanding Shares on a rolling basis.

Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a resolution (the "**Option Plan Resolution**") re-approving the Option Plan. The Option Plan Resolution requires a favourable vote of a majority of the Common Shares voted in respect thereof at the Meeting. The TSX Venture Exchange requires such approval before it will allow the re-adoption of the Option Plan. Options to purchase Common Shares that were previously granted to directors, officers, employees, consultants and advisors of the Company will be deemed to be granted under the Option Plan.

The text of the Option Plan Resolution is set out below:

**"BE IT RESOLVED**, as an ordinary resolution of the shareholders of Tower Resources Ltd. (the "**Company**") that:

1. The Company's 10% rolling stock option plan (the "**Option Plan**") as described in and attached as Appendix "A" to the management information circular of the Company dated May 23, 2023, as may be revised by the directors of the Company to comply with applicable securities law, the policies and rules of the TSX Venture Exchange, or any requirement or request of any securities regulatory authority, be and is hereby adopted and approved;
2. Any one director or officer of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such further agreements, documents, and instruments and to perform all such other acts, deeds, and things in relation to the Option Plan as such director or officer may deem to be necessary or advisable for the purpose of giving full force and effect to the provisions of this resolution, the execution and delivery by such director or officer of any such agreement, document, or instrument or the doing of any such act or thing being conclusive evidence of such determination; and
3. Notwithstanding the foregoing approvals, the directors of the Company be and are hereby authorized to abandon all or any part of these resolutions at any time prior to giving effect thereto without further notice to or approval of the shareholders of the Company."

**The Board unanimously recommends a vote for the Option Plan Resolution. In the absence of instructions to the contrary, the person(s) designated by management of the Company in the enclosed Form of Proxy will be voted FOR the Option Plan Resolution.**

### **Advance Notice Provision**

Having adopted the Advance Notice Policy, the Board is proposing that the Articles of the Company be altered to include an advance notice provision (the "**Advance Notice Provision**"), which will: (i) facilitate orderly and efficient annual general or, where the need arises, special, meetings; (ii) ensure that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; (iii) allow the Company and

shareholders to evaluate all nominees' qualifications and suitability as a director of the Company; and (iv) allow shareholders to register an informed vote. The full text of the proposed alteration of the Articles to include the Advance Notice Provision is set out in Appendix "C" hereto.

#### *Purpose of the Advance Notice Provision*

The purpose of the Advance Notice Provision is to provide shareholders, directors and management of the Company with guidance and direction on the procedure for shareholder nomination of directors. The Advance Notice Provision is the framework by which the Company seeks to fix a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

#### *Effect of the Advance Notice Provision*

Subject only to the *Business Corporations Act* (British Columbia) (the "**BCBCA**") and the Articles of the Company, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at any special general meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors: (a) by or at the direction of the Board or an authorized officer of the Company, including pursuant to a notice of meeting; (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the BCBCA, or a requisition of the shareholders made in accordance with the provisions of the BCBCA; or (c) by any person (a "**Nominating Shareholder**"): (i) who, at the close of business on the date of the giving of the notice provided for below in the Advance Notice Provision and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (ii) who complies with the notice procedures set forth in the Advance Notice Provision.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder the Nominating Shareholder must have given timely notice thereof in proper written form to the Corporate Secretary of the Company at the principal executive offices of the Company.

To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Company must be made: (a) in the case of an annual general meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual general meeting of shareholders; provided, however, that in the event that the annual general meeting of shareholders is to be held on a date that is less than 40 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual general meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above. Notwithstanding the foregoing, the Board may, in its sole discretion, waive the time periods summarized above, or otherwise waive the application, in whole or in part, of the Advance Notice Provisions.

To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Company must set forth as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age, business address and residential address of the person; (ii) the principal occupation or employment of the person; (iii) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; (iv) a statement as to whether such person would be "independent" of the Company (within the meaning of sections

1.4 and 1.5 of National Instrument 52-110 – *Audit Committees*, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination; and (v) any other information relating to the person that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCBCA and Applicable Securities Laws (as defined in the Advance Notice Provision in Appendix "C" hereto). In addition, a Nominating Shareholder’s notice to the Corporate Secretary of the Company must set forth: (i) any information relating to such Nominating Shareholder that would be required to be made in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCBCA and Applicable Securities Laws (as defined in the Advance Notice Provision in Appendix "C" hereto); and (ii) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.

The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as a director of the Company or that could be material to a reasonable shareholder’s understanding of the independence, or lack thereof, of such proposed nominee.

No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Advance Notice Provision; provided, however, that nothing in the Advance Notice Provision shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the BCBCA. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded. The Advance Notice Provision will be subject to an annual review, and will reflect changes as required by securities regulatory agencies or stock exchanges, or so as to meet industry standards.

Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a resolution (the “**Advance Notice Provision Resolution**”) to approve the alteration of the Articles of the Company to include the Advance Notice Provision. The Advance Notice Provision Resolution must be approved by a majority of the votes cast thereon by disinterested shareholders represented in person or by proxy at the Meeting. Each of the persons listed under “*Ownership of Shares – Ownership by Management*” and “*Particulars to Be Acted Upon – Election of Directors*” are considered interested parties and will be excluded from voting on the Advance Notice Provision Resolution.

The text of the Advance Notice Provision Resolution is set out below:

“**BE IT RESOLVED**, as a special resolution of the shareholders of Tower Resources Ltd. (the “**Company**”), that:

1. the Articles of the Company to be altered by adding the text substantially as set forth in Appendix "C" to the management information circular of the Company dated May 23, 2023, be and is hereby adopted and approved;
2. any one director or officer of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such further agreements, documents and instruments and to perform all such other acts, deeds and things as such director or officer may deem to be necessary or advisable for the purpose of giving full force and effect to the provisions of this resolution, the execution and delivery by such director or officer of any such agreement, document or instrument or the doing of any such act or thing being conclusive evidence of such determination; and

3. notwithstanding the foregoing approvals, the directors of the Company be and are hereby authorized to abandon all or any part of these resolutions at any time prior to giving effect thereto without further notice to or approval of the shareholders of the Company.”

**The Board unanimously recommends a vote for the Advance Notice Provision Resolution. In the absence of instructions to the contrary, the person(s) designated by management of the Company in the enclosed Form of Proxy will be voted FOR the Advance Notice Provision Resolution.**

## OWNERSHIP OF SHARES

### ***Ownership by Management***

The following table sets forth certain information regarding beneficial ownership of the Shares, as of May 23, 2023, by each of the Company’s executive officers:

Name	Beneficially Owned <sup>(1)</sup>	Percentage
Joe Dhami, President, Chief Executive Officer and Director	3,530,417	2.48%
Lesia Burianyky, Chief Financial Officer	Nil	0%
Leah Hodges, Corporate Secretary	6,250	0.0044%

Notes:

(1) These amounts do not include any options to purchase common shares.

### ***Ownership by Principal Shareholders***

To the Company’s knowledge, as of May 23, 2023, the following persons or companies beneficially own, or control or direct, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Company:

Shareholder	No. of Shares Beneficially Owned, Controlled or Directed	Percentage of Outstanding Shares
Brian Tingle	14,757,764	10.37%

## QUORUM

The quorum for the transaction of business at a meeting of shareholders is at least one person who is, or who represents by proxy, one or more shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the Meeting.

No business may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the Meeting.

## CORPORATE GOVERNANCE

The Company’s Board and executive officers consider good corporate governance to be an important factor in the efficient and effective operation of the Company.

### ***Board of Directors***

The Board is currently composed of three directors: Joe Dhami, Stuart Averill and Gerald Shields.

National Policy 58-201 – *Corporate Governance Guidelines* suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent”

director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to materially interfere with the director's ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. Of the proposed nominees for directors of the Company, two (Stuart Averill and Gerald Shields) are considered by the Board to be "independent" within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, and one nominee (Joe Dhami) is considered to be "non-independent." Joe Dhami is not an independent director as he serves as Chief Executive Officer and President.

In order to ensure that the Board exercises independent judgment in carrying out its responsibilities, the independent members of the Board meet without the presence of the non-independent directors and management, known as "in-camera" meetings, before or after every regularly scheduled meeting and at such other times as they deem appropriate.

The Board has not appointed a compensation committee; rather management of the Company is responsible for making recommendations to the Board with respect to compensation for the directors and the CEO. The Board has the ability to adjust and approve such compensation.

### ***Position Descriptions***

The Chair of the Board has the following key responsibilities: duties relating to setting Board meeting agendas; chairing Board and shareholders meetings; director development; and communicating with shareholders and regulators.

The Board has adopted a written position description for the Chair of the Audit Committee which sets out the chair's key responsibilities, including duties relating to setting committee meeting agendas, chairing committee meetings, and working with the applicable committee and management to ensure, to the greatest extent possible, the effective functioning of the committee.

The activities of the executive officers are subject to the overriding supervision and direction of the Board.

### ***Orientation and Continuing Education***

While the Company does not have formal orientation and training programs, orientation of new members of the Board is conducted by informal meetings with members of the Board, briefings by management, and the provision of copies of or access to the Company's documents.

The Company has not adopted formal policies respecting continuing education for Board members. Board members are encouraged to communicate with management, legal counsel, auditors, and consultants, to keep themselves current with industry trends and developments and changes in legislation with management's assistance, and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

### ***Ethical Business Conduct***

The Board has found that the fiduciary duties placed on individual directors by the BCBCA and the common law, and the restrictions placed by the BCBCA on an individual director's participation in decisions of the Board in which the director has an interest, have helped to ensure that the Board operates independently of management and in the best interests of the Company.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company, and exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, if a director of the Company also serves as a director or officer of another company engaged in similar business activities to the Company, that director must comply with the conflict-of-



interest provisions of the BCBCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors that evoke such a conflict.

Further, the Company has a code of business conduct and ethics (the “Code”) that applies to the Company’s directors, officers, and employees. The Code does not address every possible business scenario, but rather, sets out key guiding principles of integrity to which Company personnel are expected to adhere in all matters. These principles include, but are not limited to, honest and ethical conduct, fair dealing with internal and external stakeholders, and compliance with all applicable laws, rules, and regulations.

### ***Nomination of Directors***

When there is a need to fill a position on the Board, either due to a vacancy or as required to carry out the Board’s duties effectively and maintain a breadth of experience, the Nominating, Compensation, and Governance Committee assists the current directors with identifying individuals qualified to become new Board members and potential candidates for consideration.

### ***Board Committees***

The Board has an Audit Committee and a Nominating, Compensation, and Governance Committee. For more details on the committees of the Board, see “*Committees of the Board of Directors.*”

### ***Assessments***

The Board monitors the adequacy of information given to directors, communication between the Board and management, and the strategic direction and processes of the Board and committee(s). On an ongoing annual basis, the Board assesses the performance of the Board as a whole, each of the individual directors, and the committee(s) of the Board, in order to satisfy itself that each is functioning effectively.

### ***Corporate Policies***

The Board has adopted the following policies in place for its directors, officers, employees, and consultants:

- Code of Business Conduct
- Corporate Disclosure Policy
- Corporate Governance Charter
- Insider Trading Policy

The above noted policies are on the Company’s website, <https://www.towerresources.ca/index.php/corporate/governance>. Shareholders may also contact the Company to request copies via email at [lhodges@towerresources.ca](mailto:lhodges@towerresources.ca).

### ***Diversity and Inclusion***

While the Board has not adopted a formal diversity policy that sets forth the Company’s approach to achieving and maintaining inclusion on its Board and in executive officer positions, the Company recognizes that diversity is important to ensure that the profiles of Board members and executive officers provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management. In an increasingly complex global marketplace, the ability to draw on a wide range of viewpoints, backgrounds, skills, and experience is critical to the Company’s success. By bringing together individuals from diverse backgrounds and giving each person the opportunity to contribute their skills, experience and perspectives in an inclusive workplace, the

Company believes that it is better able to develop solutions to challenges and deliver sustainable value for the Company and its stakeholders. The Company considers diversity to be an important attribute of a well-functioning Board and an efficient team of executive officers. For the purposes of Board composition and composition of the team of executive officers, diversity includes, but is not limited to, gender, ethnicity, aboriginal status, physical disabilities and age (collectively, “Designated Groups”).

The Company is working towards having Designated Groups represented among its Board and executive officers. The Company’s current Board has no (0%) women and 1 (33%) is an individual from a Designated Group. Of the Company’s current members of senior management, one (50%) is a women and one (50%) is an individual from a Designated Group.

#### OTHER DIRECTORSHIPS

The following current and proposed directors of the Company also serve as directors of other reporting issuers:

Director	Other Reporting Issuer(s)
SHIELDS, Gerald	Silverstock Metals Inc.

#### MEETINGS OF THE BOARD OF DIRECTORS

The Board meets at least once each calendar quarter to review, among other things, the performance of the Company. Results are compared and measured against a previously established plan and performance of prior fiscal years. The Board will review and assess the Company’s financial budget and business plan for the ensuing year and its overall strategic objectives. This process will establish, among other things, benchmarks against which the Board may measure the performance of management. Other meetings of the Board will be called to deal with special matters, as circumstances require.

#### COMMITTEES OF THE BOARD OF DIRECTORS

There are currently two committees of the Board, namely, the Audit Committee and the Nominating, Compensation and Governance Committee.

##### ***Audit Committee***

The members of the Audit Committee are Gerald Shields, Stuart Averill, and Joe Dhami, two of whom are considered independent directors for the purposes of National Instrument 52-110 – *Audit Committees* (“NI 52-110”). The full text of the Audit Committee’s Charter is annexed as Appendix “B” to this Information Circular.

Each member of the Audit Committee is considered financially literate, as they each have a good command of International Financial Reporting Standards (IFRS) and the ability to understand a set of financial statements that presents a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements and the internal controls and procedures for financial reporting.

At no time since the commencement of the Company’s most recently completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not been accepted by the Board.

As the Company is considered a “venture issuer” for the purpose of NI 52-110, it is relying on the exemption found in section 6.1 of NI 52-110.

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is set out at "*Particulars of Matters to be Acted Upon – Election of Directors – Biographies*".

The members of the Audit Committee are elected by the Board at its first meeting following the annual shareholders' meeting, to serve one-year terms. There are no limits to how many consecutive terms an Audit Committee member may serve.

#### ***Nominating, Compensation and Governance Committee***

The members of the Nominating, Compensation and Governance Committee are Gerald Shields (Chair) and Stuart Averill, all of whom are independent. The purpose of the Nominating, Compensation and Governance Committee is to assist the Board in discharging its responsibilities with respect to: identifying individuals qualified to become new board members; setting director and senior executive compensation; and assessing and making recommendations to the Board regarding certain compensation related and governance matters as delegated by the Board. The Board has adopted a written charter setting forth such purposes.

For additional details regarding the relevant education and experience of each member of the Nominating, Compensation and Governance Committee, including the direct experience that is relevant to each committee member's responsibilities, see "*Particulars of Matters to be Acted Upon – Election of Directors – Biographies*." For information regarding the steps taken to determine compensation for the directors and the executive officers, see "*Statement of Executive Compensation*" herein.

No member of the Nominating, Compensation, and Governance Committee is an officer or employee of the Company, and as such, the Board believes that the Nominating, Compensation, and Governance Committee is able to conduct its activities in an objective manner.

The Board has adopted a written charter setting forth the purpose, composition, authority and responsibility of the Nominating, Compensation and Governance Committee. The Nominating, Compensation and Governance Committee's purpose is to assist the Board in:

- the appointment, performance, evaluation and compensation of the Company's senior executives;
- the recruitment, development and retention of the Company's senior executives;
- maintaining talent management and succession planning systems and processes relating to the Company's senior management;
- developing the compensation structure for the Company's senior executives including salaries, annual and long-term incentive plans including plans involving share issuances and other share-based awards;
- establishing policies and procedures designed to identify and mitigate risks associated with the Company's compensation policies and practices;
- assessing the compensation of the Company's directors;
- developing benefit retirement and savings plans;
- administering the Company's share compensation arrangements;
- developing and recommending criteria for Board and committee membership;
- recommending the persons to be nominated for election as directors and to each of the committees of the Board;
- assessing the independence of directors within the meaning of securities laws and stock exchange rules as applicable;
- reviewing and making recommendations in respect of the Company's corporate governance principles;
- providing for new director orientation and continuing education for existing directors on a periodic basis; and
- overseeing the evaluation of the Board and its committees.

## STATEMENT OF EXECUTIVE COMPENSATION

### *Compensation Discussion and Analysis*

The Company operates in a dynamic and rapidly evolving market. To succeed in this environment and to achieve its business and financial objectives, the Company must attract, retain, and motivate a highly talented team of executive officers. The Company expects its team of executive officers to possess and demonstrate strong leadership and management capabilities, as well as foster a pioneering culture, which is at the foundation of the Company's success and remains a pivotal part of everyday operations. The Board is responsible for assisting the Company in fulfilling its governance and supervisory responsibilities, and overseeing the human resources, succession planning, and compensation policies, processes, and practices. The Board is also responsible for ensuring that the compensation policies and practices provide an appropriate balance of risk and reward consistent with the risk profile. The Company has adopted a written charter for the Board setting out its responsibilities for administering the compensation programs and reviewing and making recommendations to the Board concerning the level and nature of the compensation payable to the directors and officers. The Board's oversight includes reviewing objectives, evaluating performance, and ensuring that total compensation paid to the executive officers and various other key employees is fair, reasonable, and consistent with the objectives of the philosophy and compensation program.

The Board is required to evaluate the Company's compensation programs as circumstances require and on an annual basis. As part of this evaluation process, the Board is guided by the philosophy and objectives outlined above, as well as other factors which may become relevant, such as the cost to the Company if it were required to find a replacement for a key employee.

The Company's compensation practices are designed to retain, motivate, and reward its executive officers for their performance and contribution to the Company's long-term success, while recognizing that a focus on non-cash incentives is appropriate, given the Company's current stage of development. The Board seeks to reward the achievement of corporate and individual performance objectives and to align executive officers' incentives with the Company's performance. Although as of the date of this Information Circular, the Company's directors have not tied the compensation of its Named Executive Officers (as that term is defined below) to the achievement of specific performance goals, they regularly discuss milestones in relation to the Company's project development activities and intend to incorporate performance-based incentives using the Option Plan.

In order for the Company to achieve its growth objectives, attracting and retaining the right team members is critical. Having a considered compensation plan that attracts high performers and compensates them for continued achievements is a key component of this strategy. The Company's Named Executive Officers (as that term is defined below) will be invited to participate in the Option Plan, driving retention and ownership. Communicating clear and concrete criteria for merit-based increases and bonuses will also motivate the entire team to achieve individual and corporate goals.

No risks arising from the Company's compensation policies and practices have been identified that are reasonably likely to have a material adverse effect on the Company. No NEOs (as that term is defined below) or directors are permitted to purchase financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by a NEO or director.

### *Elements of Compensation*

The Company's executive compensation consists primarily of two elements: (a) base salary; and (b) short-term, long-term and bonus incentives. The Company believes that providing competitive overall compensation enables the Company to attract and retain qualified executives. The compensation is set so as to be generally competitive with the compensation received by persons with similar qualifications and responsibilities who are engaged by other companies of corresponding size and stage of development, having similar assets, number of employees and market

capitalization; the peer group the Company uses to determine compensation consists of Oroco Resources Corp., Bolt Metals Corp. and Wedgemount Resources Corp.

### ***Stock Option Plans and Other Incentive Plans***

#### Option Plan

The Company has in place the Option Plan, which is a rolling 10% option plan. As of May 23, 2023, there were 14,234,681 Shares reserved for issuance under the Option Plan and 9,384,667 options outstanding under the Option Plan. The Board is responsible for administering the Option Plan. The Option Plan was approved by the Board on October 18, 2010, re-adopted by the Company's shareholders on February 23, 2022 and amended May 4, 2022 to comply with TSX Venture Exchange Policy 4.4 Security Based Compensation that came into effect November 24, 2021. The Company has obtained shareholder approval of the Option Plan at each annual general meeting since adoption.

The purpose of the Option Plan is to: (a) provide directors, officers, consultants, and employees of the Company with additional incentive; (b) encourage stock ownership by such persons; (c) encourage such persons to remain with the Company; and (d) attract new directors, officers, consultants, and employees, among other purposes.

The Option Plan provides that the aggregate number of common shares in the capital of the Company pursuant to all share compensation arrangements that are at any one time reserved and set aside for issuance cannot exceed 10% of the number of Common Shares issued and outstanding from time to time. As a result, any increase in the issued and outstanding Common Shares will result in an increase in the number of Common Shares that may be reserved and set aside for issuance.

The number of Common Shares reserved for issue to any one optionee pursuant to all share compensation arrangements granted or issued may not exceed 5% of the issued and outstanding Common Shares within a 12-month period, unless the Company has obtained disinterested shareholder approval, being approval by a majority of the votes cast by the shareholders eligible to vote at a shareholders' meeting, excluding votes attaching to Common Shares beneficially owned by insiders and their associates. The number of Common Shares reserved for issue to any one optionee pursuant to all share compensation arrangements granted or issued may not exceed 2% of the issued and outstanding Common Shares within a 12-month period, unless the Company has obtained the consent of the TSX Venture Exchange.

Options granted under the Option Plan will have an exercise price set by the Board and be in accordance with TSX Venture Exchange Policy 4.4 Security Based Compensation.

Vesting provisions and the expiry date for options granted under the Option Plan will be determined by the Board at the time of grant and be in accordance with TSX Venture Exchange Policy 4.4 Security Based Compensation.

#### ***Director and Named Executive Officer Compensation***

Executive compensation is required to be disclosed for (i) each Chief Executive Officer (or individual who served in a similar capacity during the most recently completed financial year), (ii) each Chief Financial Officer (or individual who served in a similar capacity during the most recently completed financial year), (iii) the most highly compensated executive officer (other than the Chief Executive Officer and the Chief Financial Officer) at the end of the most recently completed fiscal year whose total compensation was more than \$150,000; and (iv) each individual who would meet the definition set forth in (iii) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year (the "**Named Executive Officers**" or "**NEO's**").

## Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth all compensation paid or accrued, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or any subsidiary thereof, to each Named Executive Officer and director of the Company, for each of the two most recently completed financial years ended October 31, 2022 and 2021.

Table of compensation excluding compensation securities							
Name and position <sup>(1)</sup>	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$) <sup>(2)</sup>	Value of perquisites (\$) <sup>(3)</sup>	Value of all other compensation (\$) <sup>(4)</sup>	Total compensation (\$)
AVERILL, Stuart <i>Independent Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
DHAMI, R. Joe <i>President, Chief Executive Officer and Director</i>	2022	90,000	Nil	Nil	Nil	Nil	90,000
	2021	90,000	Nil	Nil	Nil	Nil	90,000
BURIANYK, Lesia <i>Chief Financial Officer</i>	2022	24,000	Nil	Nil	Nil	Nil	24,000
	2021	24,000	Nil	Nil	Nil	Nil	24,000
SHIELDS, Gerald <i>Independent Director and Chair of the Board</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil

### Notes:

1. If an individual is an NEO and a director, both positions have been listed.
2. Directors did not receive compensation for acting as directors, other than compensation securities, for the two most recently completed financial years ended.
3. Includes perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are greater than (a) \$15,000, if the NEO or director's total compensation for the financial year is \$150,000 or less; (b) 10% of the NEO or director's salary for the financial year, if the NEO or director's total compensation for the financial year is greater than \$150,000 but less than \$500,000; (c) \$50,000, if the NEO or director's total for the financial year is \$500,000 or greater.
4. No form of other compensation paid or payable equals or exceeds 25% of the total value of other compensation paid or payable to the director or Named Executive Officer other than compensation securities.

### External Management Companies

Please refer to "Employee Agreements, Termination and Change of Control Benefits" below for disclosure relating to any external management company employing, or retaining individuals acting as, any Named Executive Officers of the Company, or that provide Company's executive management services and allocate compensation paid to any Named Executive Officer or director.

### Stock Options and Other Compensation Securities

The following table sets forth all compensation securities granted or issued by the Company, or any subsidiary thereof, to each director and Named Executive Officer in the most recently completed financial year ended October 31, 2022, for services provided or to be provided, directly or indirectly, to the Company or any subsidiary thereof.

### Compensation Securities

Name and position	Type of Compensation security <sup>(1)</sup>	Number of compensation securities, number of underlying securities, and percentage of class <sup>(2)</sup>	Date of issue or grant	Issue, conversion or exercise price (\$) <sup>(3)</sup>	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
DHAMI, R. Joe <i>President, Chief Executive Officer and Director</i>	Stock Options	1,000,000 <sup>(4)</sup>	May 4, 2022	0.28	0.28	0.22	May 4, 2027
AVERILL, Stuart <i>Director</i>	Stock Options	555,000 <sup>(4)</sup>	May 4, 2022	0.28	0.28	0.22	May 4, 2027
SHIELDS, Gerald <i>Director</i>	Stock Options	330,000 <sup>(4)</sup>	May 4, 2022	0.28	0.28	0.22	May 4, 2027
BURIANYK, Lesia <i>Chief Financial Officer</i>	Stock Options	150,000 <sup>(4)</sup>	May 4, 2022	0.28	0.28	0.22	May 4, 2027

**Notes:**

- Each compensation security is exercisable into one Common Share.
- All compensation securities issued to directors and NEO's are subject to a four-month resale restriction hold period expiring four months and one day from the date of issuance.
- Unless otherwise indicated, no compensation security has been re-priced, canceled, replaced, had its term extended, or otherwise been materially modified, in the most recently completed financial year.
- The stock options are subject to vesting provisions with 1/3 vesting on the date of grant and 1/3 vesting every year thereafter for a total vesting period of 2 years.

***Exercise of Compensation Securities by Directors and NEOs***

The following table sets forth each exercise by a director or Named Executive Officer of compensation securities during the recently completed financial year ended October 31, 2022.

### Exercise of Compensation Securities by Directors and NEOs

Name and Position	Type of compensation Security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price of security or underlying security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date <sup>(1)</sup>
AVERILL, Stuart <i>Director</i>	Stock Options	50,000	\$0.16	September 28, 2022	\$0.23	\$0.07	\$3,500

**Notes:**

- (1) For the purposes of this column, the number in the column entitled "Number of underlying securities exercised" is multiplied by the number in the column entitled "Difference between exercise price and closing price on date of exercise".

***Pension Plans Benefits***

The Company does not currently have any pension plans.

### **Employment Agreements, Termination and Change of Control Benefits**

The Company has a verbal consulting contact with Mr. R. Joe Dhama (the “**Dhama Agreement**”) pursuant to which Mr. Dhama provides his services to the Company as President and CEO. Pursuant to the Dhama Agreement, Mr. Dhama receives \$10,000 per month effective as of December 1, 2022 (prior to December 1, 2022, Mr. Dhama received \$7,500 per month). Mr. Dhama is also eligible for security-based compensation pursuant to the Option Plan. The Dhama Agreement may be terminated at the election of Mr. Dhama or the Company on reasonable notice.

### **Compensation of Ms. Lesia Burianyak, Chief Financial Officer**

The Company has a verbal consulting contract with Ms. Lesia Burianyak (the “**Burianyak Agreement**”), pursuant to which Ms. Burianyak provides her services to the Company as Chief Financial Officer. Pursuant to the Burianyak Agreement, Ms. Burianyak receives \$2,750 per month effective as of December 1, 2022 (prior to December 1, 2022, Ms. Burianyak received \$2,000 per month). Ms. Burianyak is also eligible for security-based compensation pursuant to the Option Plan. The Burianyak Agreement may be terminated at the election of Ms. Burianyak or the Company on reasonable notice.

### **Directors’ Compensation**

The Company has no standard arrangement pursuant to which directors are compensated by the Company for their services in their capacity as directors, except for the granting from time to time of incentive stock options in accordance with the policies of the stock exchange on which the Company’s Common Shares are listed for trading and the Option Plan.

## **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets out information as at the end of the Company’s most recently completed financial year ended October 31, 2022 with respect to the Option Plan, which as at the date of this Information Circular is the only compensation plan under which equity securities of the Company are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants, and rights (a)	Weighted-average exercise price of outstanding options, warrants, and rights (b)	Number of securities remaining available for future issuance under equity compensation plans, excluding securities reflected in column (a) (c)
Equity compensation plans approved by securityholders	9,976,333	\$0.13	3,840,292 <sup>(1)</sup>
Equity compensation plans not approved by securityholders	Nil	N/A	-
Total	9,976,333	\$0.13	3,840,292 <sup>(1)</sup>

#### **Notes:**

1. The Option Plan provides that the aggregate number of securities reserved for issuance under the Option Plan, together with all other share compensation arrangements, may not exceed 10% of the issued and outstanding shares of the Company at the time of granting the options. As at the Record Date, there were 142,346,805 Common Shares issued and outstanding and 9,384,667 outstanding options, with the result that 4,850,014 options were available to the Company to be granted.



### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No current or former director, executive officer, or employee of the Company or any of its subsidiaries is, as at the date of this Information Circular, indebted to the Company in connection with the purchase of Shares of the Company or for any other reason, and no such person's indebtedness to any other entity is the subject of a guarantee, support agreement, or understanding provided by the Company or any of its subsidiaries.

### **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

The Company is not aware of any of the directors or executive officers of the Company, any proposed nominee for election as a director of the Company, or any associate or affiliate of any of these persons, having any material interest, direct or indirect, in the matters to be acted upon at the Meeting, other than the election of directors or appointment of auditors, by way of beneficial ownership of securities or otherwise.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

To the best of the Company's knowledge, since the commencement of the Company's most recently completed financial year, no informed person of the Company, proposed nominee for director, or any associate or affiliate of an informed person or proposed nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries. For the purposes of this Information Circular, an "informed person" of the Company means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or Company that is itself an informed person or subsidiary of the Company; (c) any person or Company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or Company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its Shares.

### **MANAGEMENT CONTRACTS**

Except as otherwise disclosed in this Information Circular, management functions of the Company are generally performed by directors and senior officers of the Company and not, to any substantial degree, by any other person to whom the Company has contracted.

### **OTHER MATTERS**

Management of the Company is not aware of any other matters which will be brought before the Meeting other than those set forth in the Notice of Meeting. Should any other matters properly come before the Meeting, the Shares represented by the proxies solicited hereby will be voted on those matters in accordance with the best judgement of the persons voting such proxies.

### **REGISTRAR AND TRANSFER AGENT**

Computershare Investor Services Inc. at 3<sup>rd</sup> floor, 510 Burrard Street, Vancouver, BC, V6C 3B9, is the registrar and transfer agent for the Shares.

### **ADDITIONAL INFORMATION AND AVAILABILITY OF DOCUMENTS**

The Company will provide to any person or company, upon request, one copy of any of the following documents:

- (a) the annual financial statements of the Company for the most recently completed fiscal year, together with the report of the auditor thereon, together with the management's discussion and

analysis in respect thereof, and any interim financial statements of the Company subsequent to the financial statements for the Company's most recently completed fiscal year, together with the management's discussion and analysis in respect thereof; and

- (b) the management information circular of the Company in respect of the most recent annual meeting of shareholders of the Company which involved the election of directors.

Copies of the above documents will be provided, upon request, by the Company by request to [lhodges@towerresources.ca](mailto:lhodges@towerresources.ca), free of charge to shareholders of the Company. The Company may require the payment of a reasonable charge from any person or company who is not a shareholder of the Company and who requests a copy of any such document. Financial information relating to the Company is provided in the Company's financial statements and management's discussion and analysis for its most recently completed fiscal year. Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **MULTIPLE SHAREHOLDERS SHARING THE SAME ADDRESS**

Recent changes in the regulations regarding the delivery of copies of proxy materials to shareholders permit the Company and brokerage firms to send copy of the meeting materials to multiple shareholders who share the same address, under certain circumstances. Shareholders who hold their Shares through a broker may have consented to reducing the number of copies of materials delivered to their address. In the event that a shareholder wishes to revoke such a consent previously provided to a broker, the shareholder must contact the broker to revoke the consent. In any event, if a shareholder wishes to receive a separate Information Circular and accompanying materials for the Meeting, the shareholder may receive copies by contacting the Company via email at [lhodges@towerresources.ca](mailto:lhodges@towerresources.ca). Shareholders receiving multiple copies of these documents at the same address can request delivery of a single copy of these documents by contacting the Company in the same manner. Persons holding Shares through a broker can request a single copy by contacting the broker.

#### **BOARD OF DIRECTORS APPROVAL**

The undersigned hereby certifies that the contents and sending of this Information Circular to the shareholders of the Company have been approved by the Board.

DATED at Vancouver, British Columbia this 23<sup>rd</sup> day of May 2023.

BY ORDER OF THE BOARD OF DIRECTORS

*"/s/ Joe Dhami"* \_\_\_\_\_

Joe Dhami

Director, President and Chief Executive Officer

**APPENDIX "A"**  
**SHARE OPTION PLAN**

**TOWER RESOURCES LTD.**  
**(the "Company")**

**SHARE OPTION PLAN**  
**Dated for Reference October 18, 2010,**  
**as amended July 20, 2011 and May 4, 2022 (to comply with TSX Venture Exchange Policies)**

**ARTICLE 1**  
**PURPOSE AND INTERPRETATION**

**Purpose**

1.1 The purpose of this Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company. It is the intention of the Company that this Plan will at all times be in compliance with TSX Venture Exchange Policies (or, if applicable, NEX Policies) and any inconsistencies between this Plan and TSX Venture Exchange Policies (or, if applicable, NEX Policies) will be resolved in favour of the latter.

**Definitions**

1.2 In this Plan

- (a) **Affiliate** means a company that is a parent or subsidiary of the Company, or that is controlled by the same entity as the Company;
- (b) **Associate** has the meaning set out in the Securities Act;
- (c) **Black-out Period** means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company, or when in anticipation of the release of quarterly or annual financials, to avoid potential conflicts associated with a company's insider-trading policy or applicable securities legislation, (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company or in respect of an Insider, that Insider, is subject);
- (d) **Board** means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Options under this Plan;
- (e) **Change of Control** includes situations where after giving effect to the contemplated transaction and as a result of such transaction:
  - (i) any one Person holds a sufficient number of voting shares of the Company or resulting company to affect materially the control of the Company or resulting company, or,
  - (ii) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, holds in total a sufficient number of voting shares of the Company or its successor to affect materially the control of the Company or its successor,

where such Person or combination of Persons did not previously hold a sufficient number of voting shares to materially affect control of the Company or its successor and, in the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement,

commitment or understanding, holding more than 20% of the voting shares of the Company or resulting company is deemed to materially affect control of the Company or resulting company;

(f) **Common Shares** means the common shares without par value in the capital of the Company providing such class is listed on the TSX Venture Exchange (or, NEX, as the case may be);

(g) **Company** means the company named at the top hereof and includes, unless the context otherwise requires, all of its Affiliates and successors according to law;

(h) **Consultant** means an individual or Consultant Company, other than an Employee, Officer or Director that:

(i) provides on an ongoing bona fide basis, consulting, technical, managerial or like services to the Company or an Affiliate of the Company, other than services provided in relation to a Distribution;

(ii) provides the services under a written contract between the Company or an Affiliate and the individual or the Consultant Company;

(iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the business and affairs of the Company or an Affiliate of the Company; and

(iv) has a relationship with the Company or an Affiliate of the Company that enables the individual or Consultant Company to be knowledgeable about the business and affairs of the Company;

(i) **Consultant Company** means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;

(j) **Directors** means the directors of the Company as may be elected from time to time;

(k) **Discounted Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Exchange Policies;

(l) **Disinterested Shareholder Approval** means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to Common Shares beneficially owned by Insiders who are Service Providers or their Associates;

(m) **Distribution** has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Company from treasury;

(n) **Effective Date** for an Option means the date of grant thereof by the Board;

(o) **Employee** means:

(i) an individual who is considered an employee under the *Income Tax Act* Canada (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);

(ii) an individual who works full-time for the Company or a subsidiary thereof providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or

- (iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions need not be made at source;
- (p) **Exchange Hold Period** has the meaning assigned by Policy 1.1 of the TSX Venture Exchange Policies;
- (q) **Exercise Price** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;
- (r) **Expiry Date** means the day on which an Option lapses as specified in the Option Commitment therefor or in accordance with the terms of this Plan;
- (s) **Insider** means an insider as defined in the TSX Venture Exchange Policies or as defined in securities legislation applicable to the Company;
- (t) **Investor Relations Activities** has the meaning assigned by Policy 1.1 of the TSX Venture Exchange Policies;
- (u) **Management Company Employee** means an individual employed by a Person providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities;
- (v) **Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Exchange Policies;
- (w) **NEX** means a separate board of the TSX Venture Exchange for companies previously listed on the TSX Venture Exchange or the Toronto Stock Exchange which have failed to maintain compliance with the ongoing financial listing standards of those markets;
- (x) **NEX Issuer** means a company listed on NEX;
- (y) **NEX Policies** means the rules and policies of NEX as amended from time to time;
- (z) **Officer** means a Board appointed officer of the Company;
- (aa) **Option** means the right to purchase Common Shares granted hereunder to a Service Provider;
- (bb) **Option Commitment** means the notice of grant of an Option delivered by the Company hereunder to a Service Provider and substantially in the form of Schedule A attached hereto;
- (cc) **Optioned Shares** means Common Shares that may be issued in the future to a Service Provider upon the exercise of an Option;
- (dd) **Optionee** means the recipient of an Option hereunder;
- (ee) **Outstanding Shares** means at the relevant time, the number of issued and outstanding Common Shares of the Company from time to time;
- (ff) **Participant** means a Service Provider that becomes an Optionee;
- (gg) **Person** includes a company, any unincorporated entity, or an individual;

- (hh) **Plan** means this share option plan, the terms of which are set out herein or as may be amended;
- (ii) **Plan Shares** means the total number of Common Shares which may be reserved for issuance as Optioned Shares under the Plan as provided in §2.2;
- (jj) **Regulatory Approval** means the approval of the TSX Venture Exchange and any other securities regulatory authority that has lawful jurisdiction over the Plan and any Options issued hereunder;
- (kk) **Securities Act** means the Securities Act, R.S.B.C. 1996, c. 418, or any successor legislation;
- (ll) **Service Provider** means a Person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;
- (mm) **Share Compensation Arrangement** means any Option under this Plan but also includes any other stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to a Service Provider;
- (nn) **Shareholder Approval** means approval by a majority of the votes cast by eligible shareholders of the Company at a duly constituted shareholders' meeting;
- (oo) **Take Over Bid** means a take over as defined in Multilateral Instrument 62-104 *Take-over Bids and Issuer Bids*, section 1.1, or the analogous provisions of securities legislation applicable to the Company;
- (pp) **TSX Venture** means the TSX Venture Exchange and any successor thereto; and
- (qq) **TSX Venture Policies** means the rules and policies of the TSX Venture as amended from time to time.

#### **Other Words and Phrases**

1.3 Words and phrases used in this Plan but which are not defined in the Plan, but are defined in the TSX Venture Policies (and, if applicable, the NEX Policies), will have the meaning assigned to them in the TSX Venture Policies (and, if applicable, NEX Policies).

#### **Gender**

1.4 Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

## **ARTICLE 2 SHARE OPTION PLAN**

### **Establishment of Share Option Plan**

2.1 The Plan is hereby established to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Company and its Affiliates.

### **Maximum Plan Shares**

2.2 The maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan at any point in time is 10% of the Outstanding Shares at the time Plan Shares are reserved for issuance as a result of the grant of an Option, less any Common Shares reserved for issuance under share options granted under

Share Compensation Arrangements other than this Plan, unless this Plan is amended pursuant to the requirements of the TSX Venture Policies (and, if applicable, NEX Policies).

### **Eligibility**

2.3 Options to purchase Common Shares may be granted hereunder to Service Providers of the Company, or its affiliates, from time to time by the Board. Service Providers that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSX Venture and the Company is obtained.

### **Options Granted Under the Plan**

2.4 All Options granted under the Plan will be evidenced by an Option Commitment in the form attached as Schedule A, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.

2.5 Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

### **Limitations on Issue**

2.6 Subject to §2.10, the following restrictions on issuances of Options are applicable under the Plan:

- (a) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the Outstanding Shares, unless the Company has obtained Disinterested Shareholder Approval to do so;
- (b) the aggregate number of Options granted to all Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture (or NEX, as the case may be); and
- (c) no Consultant can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Consultant in the previous 12 months, exceeding 2% of the Outstanding Shares, without the prior consent of the TSX Venture.

### **Options Not Exercised**

2.7 In the event an Option granted under the Plan expires unexercised or is terminated by reason of dismissal of the Optionee for cause or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to the Plan and will be eligible for re-issuance.

### **Powers of the Board**

2.8 The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to

- (a) allot Common Shares for issuance in connection with the exercise of Options;
- (b) grant Options hereunder;



(c) subject to any necessary Regulatory Approval, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under the Plan unless the alteration or impairment occurred as a result of a change in the TSX Venture Policies or the Company's tier classification thereunder; and

(d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do.

#### **Amendment of the Plan by the Board of Directors**

2.9 Subject to the requirements of the TSX Venture Policies, the prior receipt of any necessary Regulatory Approval, and Shareholder Approval when applicable, the Board may in its absolute discretion, amend or modify the Plan or any Option granted as follows:

- (a) it may make amendments which are of a typographical, grammatical or clerical nature only;
- (b) it may change the vesting provisions of an Option granted hereunder, subject to prior written approval of the TSX Venture, if applicable;
- (c) it may change the termination provision of an Option granted hereunder which does not entail an extension beyond the original Expiry Date of such Option;
- (d) it may make amendments necessary as a result in changes in securities laws applicable to the Company;
- (e) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSX Venture, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (f) it may make such amendments as reduce, and do not increase, the benefits of this Plan to Service Providers.

#### **Amendments Requiring Disinterested Shareholder Approval**

2.10 The Company will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

- (a) the Plan, together with all of the Company's other previous Share Compensation Arrangements, could result at any time in:
  - (i) the aggregate number of Common Shares reserved for issuance that are issuable pursuant to all Share Compensation Arrangements granted or issued to Insiders (as a group) exceeding 10% of the Outstanding Shares;
  - (ii) the number of Common Shares that are issuable pursuant to all Share Compensation Arrangements granted or issued to Insiders (as a group) within a one-year period exceeding 10% of the Outstanding Shares, calculated as at the date any Share Compensation Arrangement is granted or issued to any Insider; or,

(iii) the aggregate number of Common Shares that are issuable pursuant to all Share Compensation Arrangements granted or issued to any one Optionee, within a 12-month period, exceeding 5% of the Outstanding Shares; or

(b) any reduction in the Exercise Price or the term of an Option previously granted to an Insider at the time of the proposed amendment.

### **Options Granted Under the Company's Previous Share Option Plans**

2.11 Any option granted pursuant to a stock option plan previously adopted by the Board which is outstanding at the time this Plan comes into effect shall be deemed to have been issued under this Plan and shall, as of the date this Plan comes into effect, be governed by the terms and conditions hereof.

## **ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS**

### **Exercise Price**

3.1 The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Plan, and cannot be less than the Discounted Market Price.

### **Term of Option**

3.2 An Option can be exercisable for a maximum of 10 years from the Effective Date.

### **Option Amendment**

3.3 Subject to §2.10(b), the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Option, the date the Common Shares commenced trading on the TSX Venture, or the date of the last amendment of the Exercise Price.

3.4 An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in §3.2.

3.5 Any proposed amendment to the terms of an Option must be approved by the TSX Venture prior to the exercise of such Option.

### **Vesting of Options**

3.6 Subject to §3.7, vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:

(a) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or

(b) the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period.

### **Vesting of Options Granted to Service Providers Conducting Investor Relations Activities**

3.7 Notwithstanding §3.6, Options granted to all Service Providers conducting Investor Relations Activities will vest:

- (a) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or
- (b) such longer vesting period as the Board may determine.

Options granted to Service Providers conducting Investor Relations Activities may not have the vesting provisions accelerated without the prior written approval of the TSX Venture.

### **Effect of Take Over Bid**

3.8 If a Take Over Bid is made to the shareholders generally then the Company shall immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, notwithstanding §3.6 and §3.7 or any vesting requirements set out in the Option Commitment, be immediately exercised in whole or in part by the Optionee, subject to approval of the TSX Venture (or the NEX, as the case may be) for vesting requirements imposed by the TSX Venture Policies.

### **Extension of Options Expiring During Blackout Period**

3.9 Should the Expiry Date for an Option fall within a formally imposed Blackout Period by the Company pursuant to an internal trading policy as the result of a bona fide existence of undisclosed material information, during which the Optionee is prohibited from exercising, following the expiration of the Blackout Period, the Expiry Date of the affected Option can be extended to no later than ten business days after the expiry of the Blackout Period, subject to compliance with TSX Venture Policy 4.4.

### **Optionee Ceasing to be Director, Employee or Service Provider**

3.10 Options may be exercised after the Service Provider has left his/her employ/office or has been advised by the Company that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:

- (a) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
- (b) an Option granted to any Service Provider will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the date the Optionee ceases to be employed by or provide services to the Company, and only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company; and
- (c) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

## **Non Assignable**

3.11 Subject to §3.10, all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

## **Adjustment of the Number of Optioned Shares**

3.12 The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following, subject to the prior approval of the TSX Venture Exchange:

(a) in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Common Shares, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;

(b) in the event of a consolidation of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Common Shares, the Company will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;

(c) in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change;

(d) in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this §3.12;

(e) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;

(f) the Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this §3.12, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company; and

(g) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this §3.12, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia (or in the city of the Company's principal executive

office) that the Company may designate and who will be granted access to all appropriate records and such determination will be binding upon the Company and all Optionees.

## **ARTICLE 4 COMMITMENT AND EXERCISE PROCEDURES**

### **Option Commitment**

4.1 Upon grant of an Option hereunder, an authorized officer of the Company will deliver to the Optionee an Option Commitment detailing the terms of such Options and upon such delivery the Optionee will be subject to the Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof, including any additional requirements contemplated with respect to the payment of required withholding taxes on behalf of Optionees.

### **Manner of Exercise**

4.2 An Optionee who wishes to exercise his Option may do so by delivering

- (a) a written notice to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and
- (b) a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price for the Optioned Shares being acquired, plus any required withholding tax amount subject to §3.12.

### **Tax Withholding and Procedures**

4.3 Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Optionee who wishes to exercise an Option must, in addition to following the procedures set out in §4.2 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or
- (b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded;

and must in all other respects follow any related procedures and conditions imposed by the Company.

### **Delivery of Optioned Shares and Hold Periods**

4.4 As soon as practicable after receipt of the notice of exercise described in §4.2 and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue to the Optionee the appropriate number of Optioned Shares. If the Exercise Price is set below the then current Market Price of the Common Shares on the TSX Venture at the time of grant, or if the option is granted:

- (a) to directors, officers and promoters, or
- (b) to persons holding securities carrying more than 10% of the voting rights attached to the Company's securities both immediately before and after the transaction in which securities

are issued, and who have elected or appointed or have the right to elect or appoint one or more directors or senior officer of the Company; or

(c) at a discount of more than 10% to the Market Price;

the certificate representing the Optioned Shares or written notice in the case of uncertificated shares will include a legend stipulating that the Optioned Shares issued are subject to a four-month TSX Venture Exchange hold period commencing the date of the Option Commitment.

## **ARTICLE 5 GENERAL**

### **Employment and Services**

5.1 Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.

### **No Representation or Warranty**

5.2 The Company makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Company.

### **Interpretation**

5.3 The Plan will be governed and construed in accordance with the laws of the Province of British Columbia.

### **Continuation of Plan**

5.4 The Plan will become effective from and after October 18, 2010, and will remain effective provided that the Plan, or any amended version thereof receives Shareholder Approval at each annual general meeting of the holders of Common Shares of the Company subsequent to October 18, 2010.

### **Amendment of the Plan**

5.5 The Board reserves the right, in its absolute discretion, to at any time amend, modify or terminate the Plan with respect to all Common Shares in respect of Options which have not yet been granted hereunder. Any amendment to any provision of the Plan will be subject to any necessary Regulatory Approvals and Shareholder Approvals, unless the effect of such amendment is intended to reduce (but not to increase) the benefits of this Plan to Service Providers.

**SCHEDULE A  
SHARE OPTION PLAN  
OPTION COMMITMENT**

NOTICE IS HEREBY GIVEN THAT, effective «Grant\_Date» (the “Effective Date”) TOWER RESOURCES LTD. (the “Company”) has granted to «Name\_of\_Optionee» (the “Optionee”), an option (the “Option”) to acquire «No\_of\_Optioned\_Shares» common shares (“Optioned Shares”) up to 5:00 p.m. Vancouver Time on «Expiry\_Date» (the “Expiry Date”) at an Exercise Price of CAD«Exercise\_Price» (the “Exercise Price”) per Optioned Share.

The Optioned Shares will vest as follows:

<b>Vesting Schedule</b>	<b>Vesting Date</b>	<b># of Options Vested</b>
1/3 - on Effective Date	«Vesting_1»	«Vesting_Options_1»
1/3 – 12 months from Effective Date	«Vesting_2»	«Vesting_Options_2»
1/3 - 24 months from Effective Date	«Vesting_3»	«Vesting_Options_3»

*[see section 3.7 of the Plan for vesting requirements for Options granted to Service Providers conducting Investor Relations Activities]*

This Option Commitment is made under and is subject in all respects to the Company’s Share Option Plan (the “Plan”) (as the same may be supplemented and amended from time to time). In the event of any inconsistency between the terms of this Option Commitment and the Plan, the terms of the Plan will prevail. Capitalized terms used in this Option Commitment and not otherwise defined will have the meanings attributed to those terms in the Plan.

The Optionee acknowledges receipt of a copy of the Plan, a copy of which is delivered concurrently with this Option Commitment, and the Optionee is deemed to have notice of and to be bound by all of the terms and provisions of the Plan (as supplemented and amended), as if the Plan was set forth in full herein.

This Option Commitment evidences that the Optionee named above is entitled, subject to and in accordance with the Plan, to purchase up to but not more than the maximum number of Optioned Shares set out above at the Exercise Price set out above upon delivery of: (i) an exercise form substantially in the form attached hereto as Schedule “A”; and (ii) a certified cheque, wire or bank draft for the aggregate Exercise Price. A certificate for the Optioned Shares so acquired will be issued by the transfer agent as soon as practicable thereafter and may bear a legend required by applicable securities laws and exchange regulations, which may include the following:

**WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [4 MONTHS AND 1 DAY FROM ISSUANCE].**

**THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “1933 ACT”) OR ANY STATE SECURITIES LAWS. THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATIONS UNDER THE 1933 ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE 1933 ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE LAWS, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE COMPANY. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON EXCHANGES IN CANADA.**

This Option may not be transferred in any manner other than in accordance with the Plan and may be exercised during the lifetime of the Optionee only by, or for the benefit of, the Optionee. The terms of this Option will be binding upon the executors, administrators, heirs, successors, and assigns of the Optionee.

This Option may not be exercised if the issuance of Optioned Shares upon such exercise would constitute a violation of any applicable securities or other law or regulation. The Optionee, as a condition to his, her or its exercise of this Option, represents to the Company that the Optioned Shares that he, she, or it acquires under this Option are being acquired for investment and not with a present view to distribution or resale, unless counsel for the Company is then of the opinion that such a representation is not required under applicable securities laws, regulations, or any other law or valid rule of any governmental agency.

The Plan and each Option will be subject to the requirement that, if at any time the Board of the Company determines that the listing, registration or qualification of the Optioned Shares subject to such Option upon any securities exchange or under any provincial, state or federal law, or the consent or approval of any governmental body, securities exchange, or the holders of the Optioned Shares generally, is necessary or desirable, as a condition of, or in connection with, the granting of such Option or the issue or purchase of Optioned Shares thereunder, no such Option may be granted or exercised in whole or in part unless such listing, registration, qualification, consent or approval will have been affected or obtained free of any conditions not acceptable to the Board.

As a condition to the issuance of Optioned Shares under this Option, the Optionee: (a) authorizes the Company to withhold, in accordance with applicable law, any taxes of any kind required to be withheld by the Company under applicable law as a result of the Optionee's exercise of this Option ("**Withholding Taxes**") from payments of any kind otherwise due to the Optionee; and (b) agrees, if requested by the Company, to remit to the Company at the time of exercise of this Option amounts necessary to pay any Withholding Taxes.

The Company and the Optionee represent that the Optionee, under the terms and conditions of the Plan, is entitled to receive Options under the Plan. The Optionee, by accepting delivery of this Option Commitment, acknowledges and agrees to be bound by the terms and conditions of this Option Commitment and the Plan pursuant to which it is issued. The Optionee also acknowledges and consents to the collection and use of personal information by both the Company and the TSX Venture Exchange on the date of this Option Commitment.

**TOWER RESOURCES LTD.**

\_\_\_\_\_  
Authorized Signatory

Accepted: \_\_\_\_\_

\_\_\_\_\_  
«Name\_of\_Optionee»



**EXERCISE NOTICE**

To: **TOWER RESOURCES LTD.**  
[lhodges@towerresources.ca](mailto:lhodges@towerresources.ca)

**To Exercise the Option, Complete and Return this Form**

Capitalized terms used in this Option Commitment and not otherwise defined will have the meanings attributed to those terms in the Tower Resources Ltd. (the "**Company**") Share Option Plan (the "**Plan**") (as the same may be supplemented and amended from time to time). All Optioned Shares acquired pursuant to an Option Commitment, will be acquired in accordance with the terms, provisions, and conditions of the Plan and the Option Commitment.

The undersigned Optionee or his, her or its legal representative(s) permitted under the Plan hereby notify the Company of the election to exercise certain options as set forth below (cross out inapplicable item):

- (a) all of the Optioned Shares; or
- (b) \_\_\_\_\_ of the Optioned Shares;

which are the subject of the Option Commitment held by the undersigned evidencing the undersigned's Option to purchase said Optioned Shares.

Calculation of total Exercise Price:

- (i) number of Optioned Shares to be acquired on exercise \_\_\_\_\_ Optioned Shares
- (ii) multiplied by the Exercise Price per Optioned Share: **CDN«Exercise Price»**

**TOTAL EXERCISE PRICE**, enclosed herewith: \$ \_\_\_\_\_

**ADD**, (if applicable) CRA Withholding Taxes: \$ \_\_\_\_\_

**TOTAL EXERCISE PRICE**, enclosed herewith: \$ \_\_\_\_\_

The undersigned tenders herewith a certified cheque or bank draft (circle one) in the amount of \$ \_\_\_\_\_ payable to the Company in an amount equal to the total Exercise Price of the aforesaid Optioned Shares, as calculated above, and directs the Company to issue the share certificate evidencing said Optioned Shares be issued and registered in the name of the Optionee as follows:

\_\_\_\_\_  
Full Name of Option Holder

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City/Town

\_\_\_\_\_  
Province & Postal Code

The Optionee authorizes and directs the Company to mail the certificate representing the Optioned Shares to the Optionee at (check one)  the above-mentioned address or  the following address:

\_\_\_\_\_  
Full Name

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City/Town

\_\_\_\_\_  
Province & Postal Code

The Company will issue the Optionee the Optioned Shares as DRS, unless the following box is checked indicating the Optionees preference for a physical share certificate .

A certificate for the Optioned Shares so acquired will be issued by the transfer agent as soon as practicable and may bear a legend required by applicable securities laws and exchange regulations, which may include the following:

**WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [4 MONTHS AND 1 DAY FROM ISSUANCE].**

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT") OR ANY STATE SECURITIES LAWS. THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATIONS UNDER THE 1933 ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE 1933 ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE LAWS, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE COMPANY. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON EXCHANGES IN CANADA.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Signature of Optionee

\_\_\_\_\_  
Name of Witness (please print)

\_\_\_\_\_  
Name of Optionee (please print)

**APPENDIX "B"**  
**AUDIT COMMITTEE CHARTER**

## **AUDIT COMMITTEE CHARTER**

### **TOWER RESOURCES LIMITED (the "Company")**

APPROVED BY AUDIT COMMITTEE February 22, 2011  
(implemented pursuant to National Instrument 52-110 (the "Instrument"))

This charter has been adopted by the Board in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Company. Nothing in this Charter is intended to restrict the ability of the Board or Committee to alter or vary the procedures in order to comply more fully with the Instrument, as amended from time to time.

#### **PART 1**

##### **Purpose:**

The purpose of the Committee is to manage and maintain the effectiveness of the financial aspects of the governance structure of the Company.

##### **1.1 Definitions**

In this Charter,

"accounting principles" has the meaning ascribed to it in National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

"affiliate" means a company that is a subsidiary of another company or companies that are controlled by the same entity;

"audit services" means the professional services rendered by the Company's external auditor for the audit and review of the Company's financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

"Board" means the board of directors of the Company;

"Charter" means this audit committee charter;

"Company" means **TOWER RESOURCES LIMITED**;

"Committee" means the committee established by and among certain members of the Board for the purpose of overseeing the accounting and financial reporting processes of the Company and audits of the financial statements of the Company;

"control person" means any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of the Company so as to affect materially the control of the Company, or that holds more than 20% of the outstanding voting shares of the Company, except where there is evidence showing that the holder of those securities does not materially affect control of the Company;

"executive officer" means an individual who is:

- a) the chair of the Company;
- b) the vice-chair of the Company;
- c) the President of the Company;

- d) the vice-president in charge of a principal business unit, division or function including sales, finance or production;
- e) an officer of the Company or any of its subsidiary entities who performs a policy-making function in respect of the Company; or
- f) any other individual who performs a policy-making function in respect of the Company;

“financially literate” has the meaning set forth in Section 1.3;

“immediate family member” means a person’s spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the person or the person’s immediate family member) who shares the individual’s home;

“independent” has the meaning set forth in Section 1.2;

“Instrument” means National Instrument 52-110;

“MD&A” has the meaning ascribed to it in National Instrument 52-102;

“Member” means a member of the Committee;

“National Instrument 51-102” means National Instrument 51-102 *Continuous Disclosure Obligations*;

“non-audit services” means services other than audit services;

## **1.2 Meaning of Independence**

1. A member is independent if the Member has no direct or indirect material relationship with the Company.
2. For the purposes of subsection 1, a material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member’s independent judgement.
3. Despite subsection 2 and without limitation, the following individuals are considered to have a material relationship with the Company:
  - a) a control person of the Company;
  - b) an affiliate of the Company; and
  - c) an employee of the Company.

**1.3 Meaning of Financial Literacy** – For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

## **PART 2**

**2.1 Audit Committee** – The Board has hereby established the Committee for, among other purposes, compliance with the requirements of the Instrument.

**2.2 Relationship with External Auditors** – The Company will henceforth require its external auditor to report directly to the Committee and the Members shall ensure that such is the case.

**2.3 Committee Responsibilities** –

1. The Committee shall be responsible for making the following recommendations to the Board:

a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and

b) the compensation of the external auditor.

2. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:

a) reviewing the audit plan with management and the external auditor;

b) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;

c) reviewing audit progress, findings, recommendations, responses and follow up actions;

d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;

e) reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtain an explanation from management of all significant variances between comparative reporting periods;

f) reviewing the evaluation of internal controls by the external auditor, together with management's response;

g) reviewing the appointments of the chief financial officer and any key financial executives involved in the financial reporting process, applicable; and

h) annual approval of audit mandate.

3. The Committee shall pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the issuer's external auditor.

4. The Committee shall review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information.

5. The Committee shall ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, and shall periodically assess the adequacy of those procedures.

6. When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Policy 31, and the planned steps for an orderly transition.

7. The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in National Policy 31, on a routine basis, whether or not there is to be a change of auditor.

8. The Committee shall, as applicable, establish procedures for:

- a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
- b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.

9. As applicable, the Committee shall establish, periodically review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer, as applicable.

10. The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.

#### **2.4 De Minimis Non-Audit Services**

1. The Committee shall satisfy the pre-approval requirement in subsection 2.3 (3) if:

- a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the issuer and its subsidiary entities to the issuer's external auditor during the fiscal year in which the services are provided;
- b) the Company or the subsidiary of the Company, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- c) the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

#### **2.5 Delegation of Pre-Approval Function**

1. The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3 (3).

2. The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 1 must be presented to the Committee at its first scheduled meeting following such pre-approval.

### **PART 3**

#### **3.1 Composition**

1. The Committee shall be composed of a minimum of three Members.

2. Every Member shall be a director of the issuer.
3. The majority of Members shall be independent.
4. Every audit committee Member shall be financially literate.

#### **PART 4**

##### **4.1 Authority**

1. Until replacement of this Charter, the Committee shall have the authority to:
  - a) to engage independent counsel and other advisors as it determines necessary to carry out its duties;
  - b) to set and pay the compensation for any advisors employed by the Committee;
  - c) to communicate directly with the internal and external auditors; and
  - d) recommend the amendment or approval of audited and interim financial statements to the Board.

#### **PART 5**

**5.1 Disclosure in Information Circular** – If management of the Company solicits proxies from the security holders of the Company for the purpose of electing directors to the Board, the Company shall include in its management information circular the disclosure required by Form 52-110F2 (*Disclosure by Venture Issuers*).

#### **PART 6**

##### **6.1 Meetings**

1. The Committee shall meet at such times during each year as it deems appropriate.
2. Opportunities shall be afforded periodically to the external auditor, the internal auditor and to members of senior management to meet separately with the Members.
3. Minutes shall be kept of all meetings of the Committee.



**APPENDIX "C"**  
**ALTERATIONS TO ARTICLES – ADVANCE NOTICE PROVISION**

## Nomination of Directors

14.12 (a) Subject only to the Business Corporations Act, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting):

(i) by or at the direction of the board or an authorized officer of the Company, including pursuant to a notice of meeting;

(ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the *Business Corporations Act* or a requisition of the shareholders made in accordance with the provisions of the *Business Corporations Act*; or

(iii) by any person (a "Nominating Shareholder"): (a) who, at the close of business on the date of the giving of the notice provided for below in this Article 14.12 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (b) who complies with the notice procedures set forth below in this Article 14.12.

(b) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given timely notice thereof in proper written form to the Corporate Secretary of the Company at the principal executive offices of the Company in accordance with this Article 14.12.

(c) To be timely under Article 14.12 (b), a Nominating Shareholder's notice to the Corporate Secretary of the Company must be made:

(i) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 40 days after the date (the "Notice Date") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and

(ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

(d) To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Company, under Article 14.12 (b) must set forth:

(i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (a) the name, age, business address and residence address of the person, (b) the principal occupation or employment of the person, (c) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, (d) a statement as to whether such person would be "independent" of the Company (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* of the Canadian Securities

Administrators, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination, and (e) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined below); and

(ii) as to the Nominating Shareholder giving the notice: (a) any information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws, and (b) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.

(iii) The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

(e) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Article 14.12; provided, however, that nothing in this Article 14.12 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the *Business Corporations Act*. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

(f) For purposes of this Article 14.12:

(i) "**Affiliate**", when used to indicate a relationship with a person, shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;

(ii) "**Applicable Securities Laws**" means the *Securities Act* (British Columbia) and the equivalent legislation in the other provinces and in the territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each of the applicable provinces and territories of Canada;

(iii) "**Associate**", when used to indicate a relationship with a specified person, shall mean: (a) any corporation or trust of which such person owns beneficially, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of such corporation or trust for the time being outstanding, (b) any partner of that person, (c) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity, (d) a spouse of such specified person, (e) any person of either sex with whom such specified person is living in conjugal relationship outside marriage or (f) any relative of such specified person or of a person mentioned in clauses (d) or (e) of this definition if that relative has the same residence as the specified person;

(iv) **"Derivatives Contract"** shall mean a contract between two parties (the "Receiving Party" and the "Counterparty") that is designed to expose the Receiving Party to economic benefits and risks that correspond substantially to the ownership by the Receiving Party of a number of shares in the capital of the Company or securities convertible into such shares specified or referenced in such contract (the number corresponding to such economic benefits and risks, the "Notional Securities"), regardless of whether obligations under such contract are required or permitted to be settled through the delivery of cash, shares in the capital of the Company or securities convertible into such shares or other property, without regard to any short position under the same or any other Derivatives Contract. For the avoidance of doubt, interests in broad-based index options, broad-based index futures and broad-based publicly traded market baskets of stocks approved for trading by the appropriate governmental authority shall not be deemed to be Derivatives Contracts;

(v) **"meeting of shareholders"** shall mean such annual shareholders meeting or special shareholders meeting, whether general or not, at which one or more persons are nominated for election to the board by a Nominating Shareholder;

(vi) **"owned beneficially"** or **"owns beneficially"** means, in connection with the ownership of shares in the capital of the Company by a person, (a) any such shares as to which such person or any of such person's Affiliates or Associates owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (b) any such shares as to which such person or any of such person's Affiliates or Associates has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (c) any such shares which are beneficially owned, directly or indirectly, by a Counterparty (or any of such Counterparty's Affiliates or Associates) under any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such person or any of such person's Affiliates or Associates is a Receiving Party; provided, however that the number of shares that a person owns beneficially pursuant to this clause (c) in connection with a particular Derivatives Contract shall not exceed the number of Notional Securities with respect to such Derivatives Contract; provided, further, that the number of securities owned beneficially by each Counterparty (including their respective Affiliates and Associates) under a Derivatives Contract shall for purposes of this clause be deemed to include all securities that are owned beneficially, directly or indirectly, by any other Counterparty (or any of such other Counterparty's Affiliates or Associates) under any Derivatives Contract to which such first Counterparty (or any of such first Counterparty's Affiliates or Associates) is a Receiving Party and this proviso shall be applied to successive Counterparties as appropriate; and (d) any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Company or any of its securities; and

(vii) **"public announcement"** shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company or its agents under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com).

(g) Notwithstanding any other provision to this Article 14.12, notice or any delivery given to the Corporate Secretary of the Company pursuant to this Article 14.12 may only be given by personal delivery, facsimile transmission or by email (provided that the Corporate Secretary of the Company has stipulated an email address for purposes of this notice, at such email address as stipulated from time to time), and

shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

(h) In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described in this Article 14.12.

(i) Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Article.