

TOWER RESOURCES LTD.
(the “Corporation”)

INSIDER TRADING AND REPORTING POLICY

The purpose of the Insider Trading and Reporting Policy (the “Policy”) is to summarize the insider trading restrictions to which directors, officers and certain employees are subject under applicable securities legislation, and to set forth a policy governing investments in the securities of the Corporation and the reporting thereof which is consistent with the applicable legislation.

This Policy is not intended to discourage investment in the Corporation’s securities. Rather, it is intended to highlight the obligations and the restrictions imposed on Insiders by relevant securities legislation, refer to “Insider Reporting Obligations” set forth in section 4 below.

1. Summary of Legislation

Securities legislation prohibits any person in a “special relationship” with the Corporation from either:

- (a) purchasing or selling the Corporation’s securities with the knowledge of a material fact or material change (together with a material fact, “**Material Non-Public Information**”) concerning the Corporation that has not been generally disclosed to the public; or
- (b) informing (or “**tipping**”), other than when necessary in the course of business, another person or corporation of a material fact or material change concerning the Corporation before the Material Non-Public Information has been generally disclosed. A material change to the business or affairs of the Corporation or a material fact is one which would reasonably be expected to have an effect on the market price or value of any securities of a public issuer. A material change is specifically defined to include any decision by a board of directors to implement a material change, as well as any decision made to implement such a change by senior management, if board of director approval is probable.

Material Non-Public Information may be either positive or negative information. While it is not possible to define all categories of Material Non-Public Information, examples of information that should be considered material are as follows:

- (a) Financial results;
- (b) News of a merger, acquisition or disposition;
- (c) News of a material discovery, material drill results, project sanction, joint venture, or other business; operation, transaction or development;
- (d) Impending bankruptcy or financial liquidity problems;
- (e) New equity or debt offerings;
- (f) Significant exposure from actual or threatened litigation;
- (g) Changes in senior management;
- (h) Changes in corporate structure;
- (i) Material disruption in operations; and

- (j) Any proposed or pending event of the types described above.

This prohibition applies to any of the following persons who are deemed to have a “special relationship” with the Corporation:

- (a) directors, officers, employees and consultants of the Corporation; and
- (b) persons or corporations who learn of Material Non-Public Information concerning the Corporation.

While the penalties for a breach of this prohibition vary among jurisdictions, a breach may render you personally liable to prosecution and, upon conviction, to a fine not exceeding one million dollars or two years in jail, or both. Further, you may be subject to civil actions at the instance of certain security holders, the companies whose securities were traded, various securities commissions, or any of these.

You should note that any person who is associated with you, including any member of your family, your spouse or any person living with you, is also deemed to be a person in a special relationship with the Corporation, and is subject to the same legal obligations and duties.

2. Trading Prohibitions

In light of the foregoing, all directors, officers and employees of the Corporation will be subject to the following prohibitions relating to investments in the Corporation’s securities and securities of other public issuers:

- (a) If one has knowledge of a material fact or material change related to the affairs of the Corporation or any public issuer involved in a transaction with the Corporation which is not generally known, no purchase or sale may be made until the information has been generally disclosed to the public and the blackout periods set forth below have expired;
- (b) No purchase or sale may be made at the same time as the release of financial results. The deadline for the Corporation to release its financial results is as follows:
 - (i) Audited annual consolidated financial statements - 120 days after year end;
 - (ii) Unaudited interim consolidated financial statements - 60 days after quarter end;
- (c) Knowledge of a material fact or change must not be conveyed to any other person for the purpose of assisting that person in trading securities;
- (d) The practice of hedging, selling “short” securities of the Corporation at any time is not permitted;
- (e) The practice of buying or selling a “call” or “put” or any other prepaid forward contracts, equity swaps, collars, units of exchange funds, or derivative security in respect of any securities of the Corporation is not permitted; and
- (f) Trading is prohibited in the event that the Corporation has provided notice of a pending material fact or material change until the information has been generally disclosed to the public and the blackout periods set forth below have expired.

Notwithstanding the above, a director, officer or employee of the Corporation may sell a security which such person does not own if such person owns another security convertible into the security sold or an option or right to acquire the security sold and, within 10 days after the sale, such person: (i) exercises the conversion privilege, option or right and delivers the security so associated to the purchaser; or (ii) transfers the convertible security, option or right, if transferable, to the purchaser.

For purposes of this Policy, public issuer includes any issuer, whether a corporation or otherwise, whose securities are traded in a public market, whether on a stock exchange or “over the counter”.

The above prohibitions and the insider reporting obligations provided below applies equally to the trading or exercising of options of the public issuer.

3. Blackout Periods

The Corporation may impose blackout periods during which certain persons will be prohibited from buying, selling or otherwise effecting transactions in any securities of the Corporation, even though the trading window would otherwise be open (a “**Blackout**”). A Blackout will be determined by the Corporation’s Chief Executive Officer (“**CEO**”) when deemed necessary and may affect all employees or specific groups of employees as seen fit or applicable at the time a Blackout is determined.

The Corporation may also, at its discretion, impose regular recurring Blackout’s related to the period around the preparation, review, approval and dissemination of the quarterly and annual financial statements and management’s discussion and analysis. Such Blackout will be determined by the Corporation’s CEO when deemed necessary and Insiders will be notified by the Corporation’s CEO or Corporate Secretary at the time a Blackout is determined.

4. Insider Reporting Obligations

Under applicable laws a person who becomes an insider of the Corporation must file an insider report within 10 days of the date of becoming an insider. In addition, an insider whose direct or indirect beneficial ownership of or control or direction over securities of the Corporation changes, must file an insider report of the change within 5 days of the date of the change.

Generally, securities legislation defines Insiders as:

- (a) every director or “officer” (as defined below) of a public issuer;
- (b) every director or officer of an issuer that is itself an insider of a public issuer, which includes its subsidiaries;
- (c) any person that:
 - (i) beneficially owns, directly or indirectly, voting securities of a public issuer, or
 - (ii) exercised control or direction over voting securities of a public issuer, or
 - (iii) beneficially owns, directly or indirectly, certain voting securities of a public issuer and exercises control or direction over certain other voting securities of a public issuer,

carrying more than 10% of the voting rights attached to all voting securities of the public issuer for the time being outstanding other than voting securities held by the person as underwriter in the course of distribution.

Generally, an “officer” is the Chairperson or Vice-Chairperson of the Board of Directors, or a CEO, Chief Operating Officer, Chief Financial Officer, the President, Vice-President, Secretary, Assistant Secretary, Treasurer, Assistant Treasurer or General Manager or any other individual who performs functions for the issuer similar to those performed by an individual occupying that office.

A copy of the insider report may be obtained from the Corporation and is required to be filed electronically on the System for Electronic Disclosure by Insiders (“SEDI”).

It is each insider’s personal responsibility to ensure that all requisite insider trading reports are filed with the appropriate securities commissions within the statutory time limits.

5. Effective Date

This Policy was implemented by the Board on January 10, 2023.