

TOWER RESOURCES LTD.
(the “Corporation”)
CORPORATE GOVERNANCE CHARTER

SYNOPSIS

This Corporate Governance Charter (the “**Charter**”) has been adopted by the Board of Directors of the Corporation (the “**Board**”) to:

- outline the manner in which its constitutional powers and responsibilities will be exercised and discharged; and
- outline the core principles of corporate governance to which the Corporation ascribes.

The Board places great importance on the governance of the Corporation and this Charter reflects the Board’s position. The Board intends that the Corporation should adopt and comply with best practice principles and all applicable corporate laws, as well as the requirements and policies of the TSX Venture Exchange (the “**TSXV**”), to address corporate governance issues. The Board is of the opinion that the development and implementation of best practice corporate governance is a performance enhancement opportunity, rather than just a compliance issue.

1. THE BOARD OF DIRECTORS

The Board is ultimately responsible for the oversight and review of management, administration and the overall governance of the Corporation and its strategic direction.

This includes:

- the protection of shareholders’ interests by seeking to ensure that the Corporation’s strategic direction provides value for its shareholders;
- establishing goals for management and monitoring the achievement of those goals;
- engaging and replacing the Chief Executive Officer;
- authorising policies and overseeing the strategic implementation of these policies; and
- seeking to ensure that the Corporation’s internal control and reporting procedures are adequate, effective and ethical and that the Corporation’s strategic direction provides value for its shareholders.

This is an active, not a passive responsibility and the Board’s role is to seek to ensure that in good times as well as in difficult times, management is capably executing its responsibilities. To this end, the Board’s policy is that it must regularly monitor the effectiveness of management policies and decisions, including the execution of its strategies.

The Board oversees the implementation and operation of a risk management system. In carrying out its responsibilities and powers as set out in this Charter, the Board will at all times recognise its ultimate responsibility to:

- maintain good corporate governance standards;
- act honestly, fairly and diligently;
- seek to prevent bribery by persons associated with the Corporation and to foster a culture in which bribery is never acceptable;
- act in accordance with laws and regulations;
- avoid or manage conflicts of interest; and

- achieve and maintain community respect.

Non-executive directors should use all reasonable endeavours to satisfy themselves that the Corporation's transactions are conducted in accordance with applicable law and the highest standards of propriety.

2. BOARD COMPOSITION

It is intended that the composition of the Board of the Corporation be determined using the following principles:

- the Board shall comprise at least 3 directors;
- the Board should comprise a majority of independent and/or non-executive directors;
- recognising that the composition of the Board is subject to shareholder approval, the Board considers that it should comprise directors with an appropriate range and mix of skills, experience, expertise and diversity that will enable the Board to effectively function;
- the positions of Chairman and Chief Executive Officer are required to be held by separate persons;
- the position of Chairman of the Board is always to be filled by a non-executive director. This does not prevent another director chairing all or a part of a meeting in the absence of the Chairman; and
- the Chairman is the official spokesperson for the Board, unless the Board determines otherwise.

It is the Board's intention that there are a sufficient number of non-executive directors to:

- bring an "independent" view to the Board's deliberations;
- help the Board (and the Chairman) to provide the Corporation with effective leadership and to seek to ensure that the Corporation is competently run in its own best interests and consequently in the best interests of all stakeholders; and
- foster the continuing effectiveness of the Chief Executive Officer and management.

3. BOARD INDEPENDENCE

At any given point, at least two of the directors of the Corporation will be independent. The Board recognises that various principles and factors are relevant in determining independence, but considers that true independence is a matter of judgement in the particular circumstances.

A non-executive director will be considered to be independent where the director:

- has not within the last 3 years been employed in an executive capacity by the Corporation or an affiliate of the Corporation or been a director after ceasing to hold such employment;
- has no material relationship with the Corporation or an affiliate of the Corporation other than as a director of the Corporation; 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 in the best interests of the Corporation.

A director who is also an executive of the Corporation will not be considered to be independent. In determining independence, the Board will consider "materiality" on an on-going basis, having regard to the need to continually re-assess corporate governance practices in the light of the changing circumstances facing the Corporation. As such, the Board chooses not to take a prescriptive approach to independence, but to consider the true independence of each director, on a case by case basis.

The Board reviews the independence of each director on an on-going basis, in light of interests disclosed to the Board.

4. ROLE OF THE BOARD

The Board has ultimate responsibility to set strategic direction and policy regarding the business and affairs of the Corporation and its controlled entities for the benefit of the shareholders and other stakeholders of the Corporation.

4.1 Key responsibilities

In particular, the following are regarded as the key responsibilities and functions of the Board and may be considered with the benefit of recommendations from Board committees:

4.1.1 Senior appointments and succession planning

- the appointment, the terms of the appointment, delegation of authority to, review of performance of and removal of the Chief Executive Officer;
- succession planning for the Chief Executive Officer and his/her direct reports;
- the appointment, review of performance of and, where appropriate, the removal of the Chief Financial Officer;
- the appointment, the terms of the appointment and review of performance and, where appropriate, the removal, of other executive directors; and
- the appointment, review of performance and, where appropriate, the removal of, the Corporate Secretary.

4.1.2 Board and senior management

- ratification of the organisation chart for senior management;
- ratification of evaluation and reward of senior management (including ratification of remuneration and incentive policies);
- seeking to ensure effective executive and Board succession planning;
- assessment of the organisation's and Board's performance;
- requiring that there is continuing education and information provided to directors regarding:
 - the Corporation's various businesses; and
 - the role of the Board and its functions and obligations; and
- other corporate governance issues.

4.1.3 Business Strategy

- approval of budgets and the strategic plan;
- evaluating the performance of the Corporation against strategies and business plans in order to:
 - monitor the performance of functions delegated to management; and
 - assess the suitability of the Corporation's overall strategies, business plans and resource allocation;
- approval of the capital and operating expenditure budget and any alterations to it;
- approval of significant mergers, acquisitions and divestitures of members of the Corporation; and

- approval of expenditure and/or commitments that are in excess of budget or the CEO's delegation.

4.1.4 Relations with members

- oversight of relations with members by monitoring communications to members and the TSXV, including monitoring:
 - arrangements for the annual general meeting and other members' meetings (if any);
 - matters relating to reports as required by law; and
 - disclosures made under the TSXV continuous disclosure requirements.

4.1.5 Financial matters

- approval of annual and interim accounts and directors' reports;
- approval of accounting policies;
- approval of the internal and external audit plan;
- approval of major borrowing or giving of security over assets; and
- acceptance of audit reports including management letters.

5. DAY TO DAY OPERATIONS AND CHEQUE SIGNING AUTHORITY

The Board does not manage the day-to-day operations of the Corporation. This is delegated to management through the Chief Executive Officer; however, the Board shall approve no resolution that permits cheques of the Corporation to be authorized for issuance by fewer than two authorized signatories of the Corporation.

6. BANKING FUNCTIONS

Unless otherwise specified by the Board, all banking contracts, banking documents and other banking instruments requiring execution by the Corporation shall be signed by two persons, one of whom holds the office of Chief Financial Officer and the other of whom holds one of the offices of Chairman of the Board, President, Vice-President, Treasurer, or any other office created by by-law or by the Board or a Director of the Corporation. The Board is authorized from time to time by resolution to appoint any officer or officers or any other person or persons on behalf of the Corporation to sign specific banking contracts, banking documents or other banking instruments requiring execution by the Corporation.

7. TIMELY DISCLOSURE

The Board shall be responsible for ensuring that the Corporation continually complies with and abides by the continuous disclosure and timely disclosure requirements set forth in National Policy 51-201 – *Disclosure Standards*, TSXV Policy 3.2 – *Filing Requirements and Continuous Disclosure*, and TSXV Policy 3.3 – *Timely Disclosure*.

8. SHARE ISSUANCES

The Board may from time to time allot or grant options to purchase the whole or any part of the authorized and unissued shares of the Corporation at such times and to such persons and for such consideration as the Board shall determine, provided that no shares shall be issued unless: (i) the share issuance complies with the by-laws of the Corporation; (ii) the share issuance complies with applicable corporate laws; (iii) the share issuance complies with applicable securities laws; and (iv) the share issuance complies with applicable rules, policies and regulations of the TSXV.

9. BOARD RENEWAL

Board renewal is important and is promoted to enhance the overall performance of the Board and the Corporation. Reappointment is not automatic. When recommending a director for re-election, the Board will balance its composition, skills and competences with the tenure, performance, skills and competence of the incumbent director. Tenure is a consideration after ten years of office.

10. NEW APPOINTMENTS

The Board as a whole sets and reviews the criteria for appointment of new directors having regard to the composition of the Board.

11. REVIEW OF BOARD PERFORMANCE

Every 12 months, the Board conducts a formal review of its performance, policies and practices.

The review includes:

- examination of the effectiveness and composition of the Board, including the required mix of skills, experience, expertise and diversity which the non-executive directors should bring to the Board for it to function competently and efficiently;
- review of the Corporation's strategic direction and objectives;
- assessment of whether corporate governance practices are appropriate; and
- assessment of whether the expectations of differing stakeholders have been met.

Informal reviews of the Board's performance are conducted as necessary. In addition, any director may suggest that the Board conduct a formal review earlier than the 12-month timeframe which generally applies.

12. BOARD REVIEW OF CHIEF EXECUTIVE OFFICER AND MANAGEMENT

The Board is responsible for establishing performance criteria applicable to the Chief Executive Officer. The Board formally conducts a performance review of the Chief Executive Officer at least annually.

All employment, consulting or other compensation arrangements between the Corporation (including its subsidiaries) and any director or senior officer of the Corporation shall be considered and approved by non-executive (independent) directors in accordance with TSX Venture Exchange's Corporate Governance Policies.

13. CONFLICTS AND DECLARATIONS OF INTEREST

As a matter of practice, the Board approves the following protocol:

- directors and officers must disclose all interests and other directorships and shall ensure proper public dissemination is made of the material interest of any officer or director of the Corporation (including its subsidiaries) in any material agreement or proposed agreement between the Corporation (including its subsidiaries) and that director or officer;
- directors may choose to submit standing notices of interest to all Board members, or must disclose their interest in a matter being considered by the Board at that time;
- directors must warn of any potential conflict with duty to another company and ensure any change in circumstances is advised;

- the Board will continually consider the application of the relevant provisions of the ABCA and, if the Chairman determines that a director's interest in a matter is sufficiently material, or would result in a conflict of interest arising:
 - the director will not receive information on the subject of interest that would normally have been distributed to directors in advance of a Board meeting, but will be advised that certain materials have been excluded;
 - the director cannot be present at the meeting when the matter is considered unless the other directors resolve that the director in question can stay; and
 - each material agreement or proposed agreement between the Corporation (including its subsidiaries) and any director or officer of the Corporation will be considered and approved by a majority of the disinterested directors; and
 - directors must obtain the Corporation's consent before disclosing company information to another company or third party.

Each director has a duty to avoid conflicts of interest, and, as noted above, must notify the Board of any potential conflicts he or she may have, including any which may arise as a result of his or her duty to another company.

Each director has a duty to maintain the confidentiality of information he or she learns by virtue of his or her position as director. Disclosure of such information by the director should only be made after consultation with the Chairman or the Board.

The Chief Executive Officer does not participate in deliberations of the Board or a Board Committee when matters could affect his position.

14. DELEGATION TO MANAGEMENT

The Board has retained ultimate responsibility for the strategic direction and control of the Corporation. The Board delegates management of the Corporation's resources to the senior management team under the leadership of the Chief Executive Officer, to deliver the strategic direction and goals determined by the Board. A key function of the Board is to monitor the performance of senior management in this function.

The Chief Executive Officer conducts a formal review each year assessing the performance of senior management and reports back to the Board.

15. DELEGATION TO COMMITTEES

The Board from time-to-time establishes committees to streamline the discharge of its responsibilities. For each standing committee, the Board adopts a formal charter setting out the matters relevant to the composition, role, function, responsibilities and administration of such committees.

The Board also delegates specific functions to ad hoc committees on an "as needs" basis. The terms of reference and powers delegated to any such committee will be agreed by the Board at the time the committee is established as set out in Board resolutions.

16. DIRECTORS' AND MANAGEMENT'S SHAREHOLDINGS AND REMUNERATION

All directors' shareholdings are required to be disclosed publicly. The disclosed interests in shares held by directors and their associated entities are the same as their economic interest.

Directors and senior management are prohibited from hedging their shareholdings.

Executive directors and senior management participating in the Corporation's Stock Option Plan are prohibited from hedging their options. Executives and directors may not trade (including hedging) their shares prior to vesting of shares or options.

Executives and directors shall adhere to the Corporation's blackout policies which provide that the Corporation's shares may not be bought or sold during certain periods as dictated by the Board.

17. ETHICAL STANDARDS AND CODE OF CONDUCT

As a matter of Board policy, directors and management are expected to conduct themselves with the highest ethical standards. All directors, executives and staff are expected to behave ethically and professionally at all times and thereby protect and promote the reputation and performance of the Corporation.

All the Corporation's directors, executives and staff are expected to:

- act honestly and fairly in all their business dealings;
- prevent bribery by persons associated with the Corporation, to foster a culture in which bribery is never acceptable and commit to zero tolerance towards bribery;
- comply with the law and respect the local communities wherever the Corporation operates;
- be accurate, diligent and professional in all activities and in preparing all documents; and
- work together to promote a safe, ethical and professional workplace.

The Board is responsible for establishing compliance and evaluating the effectiveness of the Corporation's code of conduct.

18. EFFECTIVE DATE

This Charter was adopted by the Board on January 10, 2023.