



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Nine Months Ended July 31, 2025

TOWER RESOURCES LTD.
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED JULY 31, 2025

Description of Management’s Discussion and Analysis

The purpose of this Management’s Discussion and Analysis (“MD&A”) is to explain management’s point of view regarding the past performance and future outlook of Tower Resources Ltd. (the “Company” or “Tower”). The following MD&A provides a review of activities, results of operations and the financial condition of the Company for the nine months ended July 31, 2025. This MD&A should be read in conjunction with the Company’s condensed interim financial statements and related notes for nine months ended July 31, 2025 (“Financial Statements”) and the audited financial statements and related notes thereto for the year ended October 31, 2024. The following discussion is dated and current as of September 29, 2025. This MD&A contains forward-looking information and statements which are based on the conclusions of management. The forward-looking information and statements are only made as of the date of this MD&A.

All financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards (“IFRS”) and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

The Company’s certifying officers, based on their knowledge, having exercised reasonable diligence, are responsible to ensure that these filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings, and these Financial Statements together with the other financial information included in these filings. The Board of Directors approves the Financial Statements and MD&A and ensures that management has discharged its financial responsibilities. The Board’s review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing.

Forward Looking Statements

Certain disclosures contained in this MD&A may constitute forward-looking information. This is information regarding possible events, conditions or results of operations of the Company that is based upon assumptions about future economic conditions and courses of action which is inherently uncertain. All information other than statements of historical fact may be forward-looking information.

Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to the interpretation of drill results and the estimation of mineral resources, the geology, grade and continuity of mineral deposits, the possibility that future exploration and development results will not be consistent with the Company’s expectations, and the outbreak of an epidemic or a pandemic, or other health crisis and the related global health emergency affecting workforce health and wellbeing. Some other risks and factors which could cause results to differ materially from those expressed in the forward-looking information contained in this MD&A are described under the heading “Risks and Uncertainties”.

Readers are cautioned that any such listings of risks are not, and in fact cannot be, complete. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. The Company believes the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A.

The forward-looking information contained in this MD&A is provided as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

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Description of Business and Discussion of Operations

The Company is incorporated under the Business Corporations Act (British Columbia) and is listed on the TSX Venture Exchange ("TSX-V") under the symbol TWR. The principal business of the Company is the acquisition and evaluation of exploratory projects with the potential for economic viability in British Columbia, Canada. The Company's head office and principal address and registered and records office is located at 2054 Dowad Drive, Squamish, BC, V8B 0Y8.

The Company is a Canadian based mineral exploration company focused on the discovery and advancement of economic mineral projects in the Americas. The Company's key exploration assets are located in British Columbia, Canada. They include the Rabbit North copper-gold porphyry project located between the New Afton and Highland Valley Copper mines, the Nechako Gold project near Artemis' Blackwater project, and the More Creek gold project in the Golden Triangle area.

The Company's current exploration focus is for gold and porphyry copper-gold deposits at Rabbit North and gold deposits at More Creek.

Overall performance

Operating expenses for the nine months ended July 31, 2025 were \$515,789 versus \$406,234 in the comparative period ended July 31, 2024. Expenses have remained relatively consistent, with the exception of share-based compensation, as the Company continues to minimize operating costs and conserve its cash for advancing the Rabbit North and More Creek projects. Changes are further discussed in the "Results of Operations" section.

The Company had a net decrease in cash of \$104,851 during the nine months ended July 31, 2025, for a cash balance as at July 31, 2025 of \$567,193. The decrease in the current period is primarily attributable to funds spent for work performed on Rabbit North, which was offset by the closing of a private placement. Refer to the "Summary of Exploration Activities" for discussion of the expenditures and properties.

Corporate activities

In December 2024, the Company issued 5,333,334 units at a price of \$0.15 per unit for gross proceeds of \$800,000. Each unit was comprised of one flow-through common share and one-half of one share purchase warrant, with each warrant entitling the holder to acquire one additional common share of the Company at an exercise price of \$0.25 per share for a period of 24 months. The Company paid a total of \$48,000 in cash for fees and issued 320,000 finder's warrants. Each finder's warrant entitles the holder to acquire one additional common share of the Company at an exercise price of \$0.25 per share for a period of 24 months.

During the nine months ended July 31, 2025, the Company issued 1,700,000 common shares for proceeds of \$195,500 pursuant to the exercise of options.

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Summary of Exploration Activities

During the nine months ended July 31, 2025, the Company incurred \$496,031 in exploration and evaluation asset expenditures compared to \$453,253 for the corresponding nine months ended July 31, 2024.

The following is a breakdown of the components of the Company’s exploration and evaluation assets, on a property by property basis, for the nine months ended July 31, 2025:

	Rabbit North	Nechako Gold	More Creek	Total
	\$	\$	\$	\$
Balance, October 31, 2024	6,142,007	2,484,720	135,258	8,761,985
Acquisition costs	30,000			30,000
Deferred costs				
Drilling	229,906	-	-	229,906
Field travel, meals, and accommodations	18,651	-	-	18,651
Geology	132,189	-	459	132,648
Laboratory and analytical	74,310	-	-	74,310
Project supplies and fuel	10,516	-	-	10,516
Additions for the period	495,572	-	459	496,031
B.C. mineral exploration tax credit recovery (“BCMETS”)	(63,140)	(206)	(8,305)	(71,651)
Balance, July 31, 2025	6,574,439	2,484,514	127,412	9,186,365

Rabbit North property

The Rabbit North property, acquired in 2013, was initially comprised of 34 mineral tenures covering 16,400 hectares of which 2,850 hectares were optioned from private individuals and the remainder were staked by the Company. The staked claims are known as the Rabbit North Extension property.

The Company earned a 100% interest in the optioned portion of the property by making cash payments of \$170,000, issuing 1,300,000 common shares, and funding aggregate exploration expenditures of \$2,150,000. The vendors also hold a 3% net smelter return royalty (“NSR”), of which 1% of the 3% may be purchased by the Company for \$2,000,000 and the second 1% of the 3% may be purchased by the Company for \$1,500,000.

In March 2017, the Company entered into a royalty buyback assignment agreement with Sandstorm Gold Ltd. (“Sandstorm”) pursuant to which it assigned to Sandstorm the Company’s right to purchase the second 1% of the Company’s 2% buyback rights with respect to the optionors’ NSR. Under the terms of the agreement, the Company received \$50,000. If the Company makes a decision to develop the Rabbit North property and put it into production, the Company has agreed to exercise its right to buy back 1% of the NSR, contingent upon Sandstorm exercising its right to buy back the second 1% (as assigned to it), whereupon the Company will grant directly to Sandstorm a 1% NSR. As at July 31, 2025, the Company had paid a total of \$240,000 in advance annual royalty payments.

In March 2017, the Company entered into a second NSR agreement with Sandstorm. Under the terms of this agreement, the Company received \$150,000 in return for granting Sandstorm a 2% NSR on the Rabbit North Extension property. The Company has the option to buy back 1% of the NSR from Sandstorm for cash consideration of \$500,000.

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Summary of Exploration Activities (continued)

Rabbit North property (continued)

The property is located in the Kamloops mining district in south-central B.C., between the New Afton underground porphyry Cu-Au mine and the Highland Valley open pit porphyry Cu-Mo mine. It is centered on the alkalic Durand Stock which measures 2 x 3 km and is compositionally similar to and of the same age (Late Triassic) as the intrusion that hosts the New Afton deposit. Previous exploration within the stock identified several zones of porphyry Cu-Au mineralization that appear to be of limited size and grade but drilling by the Company in 2017 encountered a more strongly and continuously mineralized zone – Western Magnetite – in the volcanic rocks along the western margin of the stock, including a 247 m vertical intersection averaging 0.51% Cu and 0.34 g/t Au in hole RN17-015.

In 2021, the Company's exploration focus at Rabbit North changed from porphyry Cu-Au deposits to shear-hosted orogenic Au deposits. This change was triggered by the identification of strong gold grain anomalies in two till heavy indicator mineral surveys performed by the Company in May and October of that year over and southeast of (i.e. down the former glacial ice flow path) the Durand Stock. The objective of these surveys was to utilize gold grains, eroded from the tops of the porphyry Cu-Au zones by the ice sheet during glaciation and dispersed down-ice into the sediments (till) that were deposited beneath the ice, to locate any mineralization now hidden by the till and having a stronger gold grain dispersal signature than the known Cu-Au occurrences – and thus potentially being of a significantly larger size and/or higher Au grade.

The initial, reconnaissance-scale survey in May identified a major gold-grain dispersal wider than the Durand Stock and extending up to 10 km down-ice. In the October survey, more detailed sampling was performed within the northwestern (i.e. most source-proximal) part of the train. Two distinct sub-trains – Dominic Lake and Central – were identified between the stock and Durand Creek to the west, and a third, weaker train – Durand Valley – was outlined along the west side of the creek. Both the Dominic Lake and Central Trains were much stronger than known trains from economic porphyry Cu-Au deposits and lacked any Cu indicator minerals, suggesting derivation from a higher-grade, Au-only style of mineralization.

The 2021 till sampling extended up-ice close to but still a few hundred metres short of the sources of the strong Dominic Lake and Central dispersal trains. Consequently, their sources were located by probing with a diamond drill. The first source – the Lightning Zone which is responsible for the western part of the 500-m-wide Dominic Lake Train – was located on the third diamond drill hole in December 1991, just seven months after the first till samples were collected. This hole, No. RN-21-026, returned a 93.2 m intersection averaging 1.42 g/t Au (Table 1).

The Au mineralization in the Lightning Zone was found to be hosted by strongly sheared and pyritized andesitic tuffs of the Nicola Group and to be devoid of Cu, clearly demonstrating that it is of the orogenic rather than porphyry type. In 2022, the Lightning Zone was intersected in four more drill holes at a similar Au grade of ± 1.5 g/t, with the best intersection being 138.0 metres @ 1.55 g/t Au. Dating of syn-mineralization porphyry dykes showed that the orogenic Au event occurred ~65 million years after the porphyry Cu-Au event and in a very different geological setting.

In February 2023, diamond drilling at the head of the Central Train, ~400 m west of the Lightning Zone, located two higher-grade gold zones, Thunder North and Thunder. The discovery hole at Thunder North, No. RN-23-39, returned a 25.7 m intersection averaging 2.04 g/t Au, excluding a 4.6-m, post-mineralization dyke in the middle of the gold zone. The discovery hole at Thunder, No. RN-23-41, intersected two mineralized intervals 10 m apart – 13.3 m averaging 3.28 g/t Au and 10.1 m averaging 2.16 g/t Au. The same hole intersected a new zone of the geologically older porphyry Cu-Au mineralization that also contained significant molybdenum. However, follow-up drilling in 2023-2024 on the Cu-Au-Mo zone – named Rainbow – showed that is of limited size.

In October 2024, in the first hole of a four-hole drilling program, the Company discovered a fourth orogenic Au zone – Blue Sky – at the head of the eastern part of the wide Dominic Lake Train, ~300 m northeast of the Lightning Zone. The discovery hole, No. RN-24-055, intersected a 31.5-m-wide mineralized zone similar to the Thunder and Thunder North Zones but straddling the contact of the Nicola tuff with diorite of the Durand Stock to the east rather occurring entirely within the tuff. Assays were pending at the end of the Company's fiscal year.

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Summary of Exploration Activities (continued)

Rabbit North property (continued)

The four gold zones discovered since 2021 appear to be part of a large orogenic system that was not previously recognized despite the Rabbit North property being intensively explored for 50 years. The shear zones that host the gold zones trend east-west to east-northeast. At least three parallel shear zones appear to be present. Due to their structural deformation and highly altered condition, these shear zones weathered recessively prior to glaciation, forming two sharp, 30-40 m deep valleys that led west-southwest from the Durand Stock to the deeper valley of today's Durand Creek.

Approximately 5 million years ago, volcanic eruptions occurred from two vents in the shear zones near the western edge of the Durand Stock. The hot, low-viscosity, basaltic magma erupted from these vents flowed down the shear-controlled valleys and filled them with lava flows. This "Chilcotin" basalt covers much of the gold mineralization, and only those parts of the gold zones that extend beyond the basalt were exposed to glaciation and produced gold grain dispersal trains. Therefore, additional gold zones are expected to be discovered as more drilling is performed. The failure to recognize such an important gold system in the past appears to be due to a combination of the extensive basalt cover and the single-minded focus of previous explorers on discovering porphyry Cu-Au deposits rather than Au deposits.

Significant Gold Intersections from the Thunder-Lightning-Blue Sky Area

Hole No.	Eastings (m)	Northing (m)	Azimuth (°)	Dip (°)	Total Depth (m)	Mineralized Zone(s)	Mineralized Interval(s)			Average Au Grade (g/t)
							From (m)	To (m)	Length (m)	
RN21-026	663345	5607460	60	-60	197.0	Lightning	51.0	144.2	93.2	1.42
						Including	113.2	132.4	19.2	4.21
RN21-027	663339	5607455	300	-65	209.0	Undetermined	113.7	118.7	5.0	2.09
						Undetermined	140.9	150.6	9.7	1.32
RN22-028	663378	5607499	130	-80	293.0	Lightning	36.5	174.5	138.0	1.55
						Including	45.5	70.0	24.5	4.76
						Including	57.5	59.0	1.5	43.60
						Including	69.0	70.0	1.0	27.80
RN22-029	663414	5607464	310	-60	374.0	Lightning	18.5	89.0	70.5	1.78
						Including	62.0	75.5	13.5	4.92
						Including	66.5	68.0	1.5	20.50
RN22-030	663450	5607504	310	-70	236.0	Undetermined	47.0	52.0	5.0	0.99
						Lightning	130.0	137.0	7.0	1.35
						Lightning	146.0	156.5	10.5	3.40
RN22-031	663450	5607506	310	-45	230.0	Undetermined	158.0	164.0	6.0	1.94
						Lightning North	189.0	211.0	22.0	2.09
						Including	209.0	210.0	1.0	19.20
RN22-033	663481	5607558	310	-45	187.0	Lightning North	113.0	114.0	1.0	69.20

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Summary of Exploration Activities (continued)

Rabbit North property (continued)

Significant Gold Intersections from the Thunder-Lightning-Blue Sky Area (continued)

Hole No.	Easting (m)	Northing (m)	Azimuth (°)	Dip (°)	Total Depth (m)	Mineralized Zone(s)	Mineralized Interval(s)			Average Au Grade (g/t)
							From (m)	To (m)	Length (m)	
RN22-036	663326	5607534	80	-75	220.5	Undetermined	161.1	179.1	18.0	0.89
RN22-037	663353	5607580	250	-60	185.0	Undetermined	19.1	22.1	3.0	2.59
						Undetermined	110.4	136.0	25.6	0.66
RN22-038	663307	5607420	52	-60	291.0	Undetermined	60.0	69.9	9.9	0.85
						Lightning	136.0	184.0	48.0	1.57
						Including	141.0	142.9	1.9	22.50
RN23-039	662871	5607561	144	-45	356.0	Undetermined	142.7	145.7	3.0	4.20
						Thunder North	163.5	173.7	10.2	1.46
						Thunder North	177.2	192.8	15.6	2.41
						Including	191.0	191.8	0.8	25.40
RN23-040	662908	5607578	142	-45	263.0	Thunder North	188.7	196.3	7.7	1.42
RN23-041	662944	5607238	17	-46	303.5	Thunder	124.8	138.0	13.3	3.28
						Thunder	148.0	158.1	10.1	2.16
RN23-045	663388	5607461	359	-80	299.0	Lightning	52.0	144.0	92.0	1.13
						Including	124.0	144.0	20.0	2.13
RN24-051	663155	5607300	350	-50	281.0	Thunder-Lightning	244.23	248.5	4.27	6.06
						Including	247.8	248.5	0.7	24.00
RN24-055	663433	5607852	314.7	-60	332.0	Above Blue Sky	79	83.0	4.0	2.05
						Above Blue Sky	92.3	95	2.7	3.15
						Above Blue Sky	121.5	123.3	1.8	8.48
						Above Blue Sky	152.75	155.5	2.8	1.80
						Above Blue Sky	196.4	198.0	1.6	4.66
						Above Blue Sky	201	211.6	10.6	1.54
						Above Blue Sky	231	240.0	9.0	2.92
						Blue Sky	255	286.5	31.5	4.15
						Including	278.7	279.7	1.0	17.10
RN24-056	663014	5607544	143	-60	200.0	Thunder North	139.50	155.35	15.85	5.80
						Including	139.50	144.00	4.50	13.97
						Including	139.50	140.25	0.75	65.30
						Including	151.00	155.35	4.35	5.70

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Summary of Exploration Activities (continued)

Rabbit North property (continued)

Significant Gold Intersections from the Thunder-Lightning-Blue Sky Area (continued)

Hole No.	Easting (m)	Northing (m)	Azimuth (°)	Dip (°)	Total Depth (m)	Mineralized Zone(s)	Mineralized Interval(s)			Average Au Grade (g/t)
							From (m)	To (m)	Length (m)	
RN24-056	663014	5607544	143	-60	200.0	Thunder North	139.50	155.35	15.85	5.80
						Including	139.50	144.00	4.50	13.97
						Including	139.50	140.25	0.75	65.30
						Including	151.00	155.35	4.35	5.70
RN24-057	663227	5607435	337	-65	211.0	Lightning Offset	24.0	48.0	24.0	0.41
						Lightning Offset	102.0	137.3	35.3	0.51
RN24-058	663146	5607359	350	-75	353.0	Undetermined	276.5	279.5	3.00	1.47
RN25-059	663389	5607884	315	-45	201.9	Undetermined	104.92	109.00	4.08	2.05
						Undetermined	121.08	123.08	2.00	1.38
						Blue Sky	137.40	145.00	7.60	3.28
						Including	137.40	138.37	0.97	16.20
						Undetermined	201.00	201.90	0.90	4.85
RN25-060	663308	5608058	135	-45	244.0	Undetermined	45.00	47.69	2.49	1.75
						Undetermined	51.70	53.88	2.18	4.51
						Undetermined	58.30	60.12	1.82	1.78
						Undetermined	64.50	67.57	3.07	1.49
						Blue Sky	84.14	90.16	6.02	23.63
						Including	84.14	88.95	4.81	28.64
						Including	87.00	88.95	1.95	51.30
						Undetermined	171.00	178.12	7.12	1.49
						Undetermined	207.00	210.00	3.00	2.25

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Summary of Exploration Activities (continued)

Rabbit North property (continued)

Significant Gold Intersections from the Thunder-Lightning-Blue Sky Area (continued)

Hole No.	Easting (m)	Northing (m)	Azimuth (°)	Dip (°)	Total Depth (m)	Mineralized Zone(s)	Mineralized Interval(s)			Average Au Grade (g/t)
							From (m)	To (m)	Length (m)	
RN-25-061	663282	5608004	130.00	-45	271.0	Blue Sky	116.50	134.75	18.25	0.81
						Undetermined	160.00	161.10	1.10	3.24
						Undetermined	210.80	213.00	2.20	5.46
						Undetermined	220.39	220.89	0.50	4.10
						Undetermined	231.00	245.05	13.05	1.76
RN-25-062	663023	5607581	143	-50	236.0	Undetermined	26.35	29.1	2.75	3.22
						Undetermined	101.1	110.89	9.79	0.52
						Thunder North	172.00	191.00	19.00	4.93
						Including	171.00	177.60	5.60	9.47
						which includes	174.23	124.80	0.57	71.40
						and	181.00	183.00	2.00	3.18
						and	189.00	191.00	2.00	16.87
						which includes	189.00	189.50	0.50	64.30

Table 1 - Significant gold intercepts of the shear-hosted type from the Thunder, Lightning and Blue Sky trends. The Au-Ag-Pb-Zn zone intersected in Hole 058 is included but gold-bearing intercepts of the porphyry Cu-Au type are excluded. Gold values are uncut. Samples with Au grades greater than 15 g/t are shown individually. True widths have not been determined.

Q1 – Q3 Activities

In Q1 2025, gold assays were received from Holes RN-24-055 to 058 drilled in Q4 2024. Discovery hole No. 055 on the new Blue Sky Zone yielded the strongest grade x width Au results obtained from Rabbit North to date, with the 31.5 m core length from the main zone averaging 4.15 g/t Au and the overlying (up-hole) diorite averaging 0.75 g/t Au over a vertical thickness of 158 m. Of the main, 31.5 m intersection, the upper 3.5 m were in diorite and the lower 28 m were in Nicola ash tuff. In addition Hole 056, a 150 m step-out east from discovery hole No. RN-23-039 on Thunder North, yielded the widest high-grade Au intersection to that time – 15.85 m of 5.80 g/t Au. Hole 057 succeeded in locating the fault-offset western part of the wide Lightning Zone but at a lesser gold grade than the ~1.5 g/t drill intersections from the eastern part, with the two best intervals being 24.0 m of 0.41 g/t Au and 35.3 m of 0.51 g/t Au.

A small, four-hole, 952.9 m diamond drilling program was completed in Q3 to more precisely define the trends of the high-grade Blue Sky and Thunder North Zones in preparation for a larger, 3000 m program planned for Q4 to evaluate the economic potential of the overall structural system that controls the gold mineralization.

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Summary of Exploration Activities (continued)

Rabbit North property (continued)

The first three holes, Nos. RN-25-059 to 061, were drilled at the Blue Sky Zone. Hole 060, a 70 m step-out east into the dioritic Durand Stock from discovery hole No. 055 on the stock's western contact and drilled in the opposite direction (southeast rather than northwest), intersected 6.02 m of exceptionally high-grade, 23.63 g/t Au mineralization (Table 1) within the diorite. As in Hole 055, several lesser gold zones were intersected higher in the diorite, but on the north rather than south side of the main zone suggesting that a fold axis may be present between the holes.

Holes 059 and 061 intersected relatively low-grade zones of tuff-hosted mineralization above Hole 055's long, 4.15 g/t intersection. These intersections are currently inferred to represent the upper part of the Blue Sky Zone but, paradoxically, a much deeper and more southerly intersection in Hole 061 – 13.05 m of 1.76 g/t Au from 231.0 m down-hole – occurs at the diorite-tuff contact in the same manner as the Hole 055 intersection. This suggests that both the fine ash tuff horizons and crosscutting diorite-tuff contact are fertile gold targets.

The last hole, No. 062, was drilled at Thunder North as a 50-m step-out east from the high-grade intersection (15.85 m of 5.80 g/t Au) in Hole 056 of the preceding drilling campaign. Hole 062 returned a similar, 19.0 m intersection averaging 4.93 g/t Au, including two high-grade, 0.57 and 0.50-m intervals that assayed 71.40 and 64.30 g/t Au, respectively. Several small specks of visible gold were observed in a 2 cm pyrite vein within the 71.40 g/t interval, representing only the second occurrence of visible gold at Rabbit North where most of the gold appears to occur as inclusions in pyrite, normally the only sulphide mineral present in the drill core.

Core Sampling Methods and Quality Controls

The drill core from Holes 059 to 062 was logged at Tower's leased, fully equipped core facility near Kamloops under the direction of Matthew Husslage, P.Geo. Mr. Husslage has managed or co-managed all of Tower's Rabbit North diamond drilling programs since the discovery of the Lightning Zone in December 2021.

Split samples of the core, generally 1.0 or 1.5 m in length, were delivered directly to Activation Laboratories (ActLabs) in Kamloops, BC, a laboratory certified as ISO/IEC 17025 Accredited (Lab 790) by the Standards Council of Canada. QA/QC samples including blanks and standards were inserted regularly into the sample sequence at a ratio of approximately 1:20.

The samples were analyzed for Au by fire assay and ICP-OES and for Ag and 36 additional elements by ICP-OES using a four-acid, near-total digestion. Any over-limit (>5 g/t) Au analyses were repeated using the same fire assay procedure but with a gravimetric rather than ICP finish.

Nechako Gold property

The Nechako Gold property is located on the Nechako Plateau in central B.C., 30 km northeast of the 8,000,000-ounce Blackwater Au deposit. It consists of two claim blocks, Porphyry and Chutanli, that were optioned by the Company in July 2016 under separate agreements and together cover 2936.5 hectares. The Company earned a 100% interest in the Porphyry claims in fiscal 2018 by making staged cash payments totaling \$40,000, issuing 400,000 shares of the Company and expending \$250,000 on mineral exploration on the claims. The Company earned a 100% interest in the Chutanli claims during the year ended October 31, 2019 by making cash payments totaling \$60,000, issuing 600,000 shares of the Company and expending \$225,000 on mineral exploration on the claims. The vendors hold a 1.5% NSR on their respective claims, each of which the Company can buy back in full for \$1,000,000. Sandstorm also holds a 2% NSR on the combined property, of which the Company can buy back 1% for \$500,000.

The Nechako Gold property lies mainly in a valley that is infilled by thick glacial sediments comprised largely of till eroded from the underlying bedrock. At the time the Company acquired the property the bedrock geology was essentially unknown because rock outcrops are very scarce.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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Summary of Exploration Activities (continued)

Nechako Gold property (continued)

Historically, exploration on the Nechako Gold property has focused on copper due to the discovery in 1978 of a small, low-grade porphyry Cu deposit, the C-Zone, but the Company's exploration focus is on gold deposits.

From 2016 to 2020, the Company performed a series of till heavy mineral sampling programs on the property, initially at surface and later by reverse circulation ("RC") drilling. These sampling programs identified a large, 1.5-km-wide, glacially-generated dispersal train of Au, Ag, As, Zn and Pb-bearing sulphide mineral grains. This dispersal train occurs more than 20 m below surface in a Lower Till horizon between bedrock and the younger, well exposed, Upper Till horizon that was deposited at the end of the last glacial period 10,000 years ago. The ice sheet that produced the Upper Till partially eroded the Lower Till, leaving significant gaps in the dispersal train, most notably over the C-Zone Cu deposit. Nevertheless, the train was successfully traced 3 km up-ice (west-southwest) to its point of origin near the western edge of the property.

The bedrock beneath the dispersal train was also sampled in the RC drill holes. The stratigraphic package intersected near the head of the train was named the "April Sequence" or "April Trend" because it is centered on a pond of this name. It is dominated by basalt flows that have undergone extensive biotitic hydrothermal alteration. Intercalated with the basalt are two sedimentary siltstone/mudstone horizons and a dacitic tuff-breccia horizon.

An initial six-hole, 631-metre diamond drill test in August 2019, was highlighted by the intersection, at the bottom of the sixth hole, of 9.4 m of altered volcanoclastic conglomerate or breccia that contains sulphide-rich clasts and assayed 0.80 g/t Au and 5.42 g/t Ag with significant associated As, Zn, and Pb – the same metals found in the dispersal train in the till.

This drilling program was followed in March 2020, by a smaller, four-hole, 393-metre program that, in Hole 10 on the westernmost of the two sedimentary horizons, intersected 7.1 m of altered siltstone containing 2.75 g/t Au, 40.2 g/t (1.2 oz/ton) Ag, 1.18% As, 0.30% Zn and 0.28% Pb. This occurrence was subsequently named the "Discovery Zone".

In July 2020, a grid was cut on the April Trend to provide control for planned ground magnetic and Induced Polarization ("IP") geophysical surveys and follow-up drilling programs. The base line of the grid was 1.3 km long, oriented northwest-southeast parallel to the bedrock strata, and passed directly over through the Discovery Zone. Twenty cross lines totaling 17 km were cut at 50 to 100 m spacing.

In September-October 2020, following the magnetic and IP surveys, the Company completed seven additional diamond drill holes, Nos. 11 to 17, totaling 1244 metres. The first four holes were drilled near the Discovery Zone with the objective of extending it but found the zone to be interrupted by faults. The most interesting results were obtained from Hole 15 at the north end of April Pond on the contact between the basalt flows and a dacitic tuff-breccia horizon that had previously been intersected in several RC drill holes. Hole 15 intersected a 0.6 m thick vein of massive pyrite and pyrrhotite containing 4.0 g/t Au and 34.1 g/t Ag, followed by a 40 m zone of scattered, arsenopyrite bearing quartz veins within which a 3.7 m interval returned 1.00 g/t Au and 7.78 g/t Ag.

In April-May 2021, the Company diamond drilled 13 additional holes, Nos. 18 to 30. The most interesting results were obtained from Hole 18, 300 m southeast along strike from Hole 15 at the opposite (south) end of April Pond. At the contact between the basalt flows and the eastern siltstone/mudstone horizon – the "Pond Trend" – Hole 18 encountered a well mineralized, 8.2 m interval grading 2.0 g/t Au and 7.2 g/t Ag within a 14.7-metre-wide zone grading 1.3 g/t Au and 6.1 g/t Ag.

Two high-grade Au-Ag zones, each 0.6 m wide, were also intersected on the Pond Trend, one in Hole 19 at the north end of the pond grading 18.9 g/t Au and 98.6 g/t Ag and the other in Hole 26 at the south end grading 17.5 g/t Au and 20.7 g/t Ag. Additional drilling was recommended for the section of the Pond Trend between these holes.

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Summary of Exploration Activities (continued)

Nechako Gold property (continued)

Q1 – Q3 Activities

In Q1, plans were made to drill two vertical holes in Q3-Q4 through a 2-km-wide, sill-like intrusion, the Blue Road Porphyry, on the eastern part of the property. The small Au-Ag- Zn-Pb zones discovered by the Company along the April Trend west of the Blue Road Porphyry occur in biotitized volcanic rocks adjacent to small, highly altered and pyritized dykes of the same porphyry. The Blue Road Porphyry itself is pervasively altered to the same degree as the dykes, suggesting that larger, potentially economic Au-Ag-Zn-Pb zones may be present along the base of the intrusion. A 245 m wildcat hole drilled through the porphyry in 2019 to test this hypothesis, before the April Trend was discovered, successfully intersected 6.0 m of April-type mineralization averaging 0.11 g/t Au, 10.5 g/t Ag, 0.57% Zn and 0.22% Pb.

No exploration was performed on the Nechako Gold property in Q2 – Q3.

More Creek property

The More Creek property is located in mountainous terrain of the Golden Triangle mineral district in northwestern B.C. It was acquired by staking in 2016, covers 6,430 hectares and is centered on a mountain known as Lawrence Peak. Sandstorm holds a 2% NSR on the property, of which the company can buy back 1% for \$500,000.

Previous work on the property focused on the Sinter Zone, an area of epithermal alteration that is exposed on a high ridge and hosted by Triassic volcanic rocks. Limited heavy mineral stream sediment sampling by the Company in 2016 identified anomalous concentrations of gold grains in Arrow Creek, a meltwater stream that drains a previously unexplored area upstream from the Sinter Zone and downstream from a receding valley glacier. Arrow Creek traces the Triassic Pass Fault, part of the so-called Red Line structural zone within 2 km of which the Brucejack, Eskay Creek, Red Chris and most of the other important mineral deposits of the Golden Triangle are located and to which they appear to be genetically related.

The Company performed silt sampling along the Arrow Creek in the 2017 field season, but did not perform the recommended heavy mineral sampling to follow the gold grain anomaly upstream to its bedrock source.

On August 21, 2020, the Company entered into an option agreement with Volatus, pursuant to which the Company granted to Volatus the right to acquire its 100% interest in and to the More Creek property (the "More Option"). The Company retained a 1% NSR, of which 0.5% could be repurchased by Volatus for \$500,000. To exercise the More Option and earn a 100% interest, Volatus was required to make a total of \$150,000 in payments (of which Volatus must pay \$50,000 in cash and, at its option, pay up to \$100,000 in cash or shares of Volatus) (\$50,000 cash received and 1,000,000 shares, valued at \$35,000, received in lieu of \$50,000 cash as at October 31, 2023), issue 25,000 common shares (received, valued at \$39,000), and complete \$600,000 in exploration expenditures over a 40-month period. Volatus performed a helicopter-borne magnetic survey covering the More Creek property during the final quarter of 2021, thereby fulfilling its exploration obligations to the Company up to that time and extending the property tenure by two years.

During the year ended October 31, 2023, Volatus terminated the More Option and relinquished any claim to the property by returning it to the Company. In accordance with the terms of the option, Volatus agreed to issue 1,000,000 shares (received, valued at \$10,000) and pay \$85,000 in lieu of a shortfall in assessment work expenditures. The \$85,000 bears interest at 10% per annum and is due on or before November 1, 2025 and is guaranteed by a promissory note. The amount has been recorded; however the Company has taken a full allowance against it due to the uncertainty of collection. The \$85,000 remains outstanding.

In September 2023 the Company performed the previously recommended follow-up gold grain survey. Twelve samples of coarse gravel and four of fine silty sand were collected, mostly from Arrow Creek but also from four small tributaries near their junctions with the main creek.

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Summary of Exploration Activities (continued)

More Creek property (continued)

Together the new samples and the original samples from 2016 showed that Arrow Creek is continuously anomalous in gold grains for 4 km upstream from its junction with More Creek to a 500-m-wide landslide that covers the toe of the valley glacier. In contrast, samples collected from the segment of the creek running on top of the glacier at the upstream edge of the landslide, and comprised of gravel washed from the slumped glacial till in the landslide, contained negligible gold, as did the gravel samples from the four tributary creeks. Together these results indirectly showed that the gold grains in Arrow Creek are sourced from bedrock beneath the landslide and are continuously being conveyed by ice flow to the ice front where they are liberated as the ice melts. The gold-grain-bearing gravel is also enriched in pyrite grains and the creek emerging from the base of the landslide-covered toe of the glacier smells strongly on sulphur whereas the segment of the creek flowing on top of the glacier upstream from the landslide contains pristine glacial melt water.

In Q4 2024, a five-person crew led by Matt Husslage, P.Geo., spent three days mapping and sampling the rock formations in the Arrow Creek valley near the alpine glacier. They discovered that toe of the glacier is underlain by a mudstone/conglomerate marker horizon that is unique to rifted, gold-fertile segments of the Red Line Fault such as the one at Eskay Creek.

The mudstone/conglomerate extends ~500 m downs the valley bottom from the landslide-covered snout of the glacier. Its presence was not previously recognized, probably in part because the valley bottom was exposed only over the last 40 years as the glacier began to recede more rapidly. Samples collected from the mudstone and conglomerate exposures were not significantly anomalous in gold. Evidently, therefore, the targeted gold-bearing segment of the rift zone is still completely covered by the glacier.

Q1 – Q3 Activities

No exploration was performed on the More Creek property in Q1-Q3.

Other properties

The Company is continually reviewing data from and conducting technical due diligence investigations on other exploration projects with a view to acquiring additional properties.

The scientific and technical content and interpretations contained in this MD&A have been reviewed, verified and approved by Stuart A. Averill, B.Sc. (Hons.), P.Geo. (APGO-0641, APEGNL-05465), a Director of the Company and Qualified Person as defined by NI 43-101, *Standards of Disclosure for Mineral Projects*.

Selected Annual Information

The following financial data, which has been prepared in accordance with IFRS, is derived from the Company's financial statements for the year ended October 31, 2024, 2023, and 2022:

Year	October 31, 2024	October 31, 2023	October 31, 2022
Revenue (interest income)	\$ 3,379	\$ 3,480	\$ 749
Income (loss) and comprehensive income (loss)	\$ (411,624)	\$ (259,935)	\$ (352,733)
- per share ⁽¹⁾	\$ (0.00)	\$ (0.00)	\$ (0.00)
Total assets	\$ 9,577,412	\$ 8,778,148	\$ 8,115,183
Total non-current financial liabilities	\$ nil	\$ nil	\$ nil
Distributions or cash dividends	\$ n/a	\$ n/a	\$ n/a

⁽¹⁾ fully diluted loss per share was not calculated as the effect was anti-dilutive.

The increase in total assets year over year is a result of the work done and capitalized to exploration and evaluation assets.

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Summary of Quarterly Results

Quarter ended	July 31, 2025	April 30, 2025	January 31, 2025	October 31, 2024
Revenue (interest income)	\$ 899	\$ 348	\$ 559	\$ 689
Income (loss) and comprehensive income (loss)	\$ (21,431)	\$ (132,058)	\$ (237,897)	\$ (105,360)
- per share ⁽¹⁾	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Exploration and evaluation assets expenditures	\$ 382,695	\$ 53,167	\$ 60,169	\$ 433,815
General and administrative expenses	\$ 126,911	\$ 134,654	\$ 254,224	\$ 135,411

Quarter ended	July 31, 2024	April 30, 2024	January 31, 2024	October 31, 2023
Revenue (interest income)	\$ 1,186	\$ 686	\$ 818	\$ 1,555
Income (loss) and comprehensive income (loss)	\$ (52,748)	\$ (133,330)	\$ (120,186)	\$ (50,675)
- per share ⁽¹⁾	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Exploration and evaluation assets expenditures	\$ 340,872	\$ 45,896	\$ 66,485	\$ 433,150
General and administrative expenses	\$ 128,470	\$ 144,923	\$ 132,841	\$ 211,949

⁽¹⁾ fully diluted loss per share was not calculated as the effect was anti-dilutive.

Variances quarter over quarter can be explained as follows:

- Given the general weather conditions and exploration season in British Columbia, the Company's exploration and evaluation assets expenditures tend to be greater from May to November than in the rest of the year.

Results of Operations – Current Quarter

The following discussion should be read in conjunction with the accompanying Financial Statements and related notes. For the three months ended July 31, 2025, the loss and comprehensive loss includes operating and administrative expenses of \$(126,911) (2024 - \$(128,470)) and net other income of \$105,480 (2024 - \$75,722), for loss and comprehensive loss of \$(21,431) (2024 - \$(52,748)).

The table below explains the significant changes in expenditures, for the three months ended July 31, 2025 as compared to the corresponding three months ended July 31, 2024.

Expenses	Change in Expenses	Explanation for Change
Recognition of flow-through premium	Increase of \$8,233	The Company raised funds through flow-through share financings in December 2024 and recorded a flow-through share premium on the issuance of the flow-through shares. The flow-through share premium is then reduced on a pro-rata basis as qualifying resource expenditures are incurred.
Unrealized gain on marketable securities	Increase of \$21,812	The unrealized gain (loss) on marketable securities relates to the shares received in accordance with the Belle and More Creek option agreements as the Company adjusted the fair value of shares held to reflect market price at period end.

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Results of Operations – Year-To-Date

The following discussion should be read in conjunction with the accompanying Financial Statements and related notes. For the nine months ended July 31, 2025, the loss and comprehensive loss includes operating and administrative expenses of \$(515,789) (2024 - \$(406,234)) and net other income of \$124,403 (2024 - \$99,970), for loss and comprehensive loss of \$(391,386) (2024 - \$(306,264)).

The table below explains the significant changes in expenditures, not described above, for the nine months ended July 31, 2025 as compared to the corresponding nine months ended July 31, 2024.

Expenses	Change in Expenses	Explanation for Change
Office and miscellaneous	Increase of \$15,128	The Company has engaged the services of a marketing company to help promote the company and its exploration and evaluation assets.
Share-based compensation	Increase of \$124,116	The fair value of the options recorded in the current period was higher than in the prior period. Options were granted in the current period; no options granted in the comparative period.

Liquidity, Financial Position and Capital Resources

The Company has no known mineral resources and is not in commercial production on any of its properties, and accordingly the Company does not generate cash from operations. The Company finances exploration activities by raising capital from equity markets from time to time.

The Company's liquidity and capital resources are as follows:

	July 31, 2025	October 31, 2024
	\$	\$
Cash	567,193	672,044
Receivables	28,311	27,083
Marketable securities	43,625	21,813
Prepaid expenses and deposits	14,384	3,713
Total current assets	653,513	724,653
Accounts payables and accrued liabilities	24,207	403,498
Flow-through share premium	112,549	-
Total current liabilities	136,756	403,498
Working capital	516,757	321,155

The change in cash during the nine months ended July 31, 2025 consisted of the use of cash to fund operating activities of \$314,639 (2024 - \$259,720) and the use of cash in investing activities of \$737,712 (2024 - \$603,987), due to exploration and evaluation assets expenditures and an increase in the reclamation bonds (in prior period). Investing activities also include funds received for the BCMETC of \$71,651 (2024 - \$52,932). The primary focus of the exploration and evaluation assets expenditures was for exploration on the Rabbit property. The financing activities for the nine months ended July 31, 2025 provided net proceeds of \$752,000 (2024 - \$871,520) from shares issued in a financing and proceeds of \$195,500 (2024 - \$148,500) from options exercised.

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Liquidity, Financial Position and Capital Resources (continued)

The Company currently has no source of operating cash flow and limited financial resources, and there is no assurance that additional funding will be available to it for further exploration and development of its properties or to enable it to fulfill its obligations under any applicable agreements. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's properties and the possible loss of title to such properties. The ability of the Company to continue as a going concern and realize the carrying value of its resource properties is dependent upon the continued financial support from related parties, the ability of the Company to raise equity financing to continue exploration and development activities or contract out further work with joint venture partners, the discovery of economically recoverable reserves, and future profitable operations or proceeds from disposition of resource properties. These uncertainties may cast significant doubt as to the ability of the Company to continue as a going concern.

Related Party Transactions

During the nine months ended July 31, 2025 and 2024, the Company engaged in the following transactions with related parties (key management), not disclosed elsewhere in this MD&A:

- a) Management fees of \$90,000 (2024 - \$90,000) were paid to Joe Dhami, the President, CEO and director of the Company.
- b) Accounting fees of \$24,750 (2024 - \$24,750) were paid to Lesia Burianyk, the CFO of the Company.

Summary of key management personnel compensation (including officers and directors) for the nine months ended July 31, 2025 and 2024:

	2025	2024
	\$	\$
Accounting fees	24,750	24,750
Management fees	90,000	90,000
Share-based compensation	216,295	103,966
	331,045	218,716

Amounts owing to related parties (including key management personnel) included in accounts payable and accrued liabilities total \$nil as at July 31, 2025 (October 31, 2024 - \$13,388).

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including directors (executive and non-executive) of the Company.

Off-Balance Sheet Transactions

The Company does not have any off-balance sheet arrangements as at July 31, 2025 or as of the date of this report.

Risks and Uncertainties

The main risks that can affect the Company include operational risks, changes in commodity and equity prices, and government regulation.

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Risks and Uncertainties (continued)

Operational

The Company is focused on mineral exploration of its Rabbit North and More Creek properties located in British Columbia. The mineral exploration business is speculative and involves a high degree of risk.

There can be no assurance that the Company's exploration activities will be successful, as few properties that are explored are ultimately developed into producing mines. It is impossible to ensure that the current exploration programs being carried out or planned by the Company will result in a profitable commercial mining operation. At present, none of the Company's properties has a known body of commercial ore and any proposed exploration programs are an exploratory search for ore.

In addition to the risk that no economic body of ore exists on its properties, the Company is subject to an extensive array of other economic, political and technical risks in exploring and developing its exploration and evaluation assets, including, without limitation, volatile stock and currency markets, fluctuations in metals prices, competition, changing government regulations, title issues, undercapitalization, the potential for delays in exploration, the potential for unexpected costs and expenses, accidents, the availability of key personnel and political instability. Since the Company has no revenues, the acquisition and development of its properties depends upon its ability to obtain financing through private placement financings, public financings, the joint venturing of projects or other means. There can be no assurance that the Company will be successful in obtaining the required financings.

Management of industry risk

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company's mineral exploration activities expose it to potential environmental liability risk. It is management's policy to review environmental compliance and exposure on an ongoing basis. The Company follows industry standards and specific project environmental requirements. The Company is currently in the exploration stage on its property interests and has not determined whether significant site recovery costs will be required. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.

Commodity and equity prices

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

Government regulation

The Company's operations may be adversely affected by changes in governmental policies or other economic developments which are not within the control of the Company including a change in taxation policies, economic sanctions, and currency control. The Company is subject to various laws governing exploration, development, production, taxes, labour standards and occupational health, toxic substances, land use, water use, land claims of local people and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could increase the cost of operations.

Health crises

The Company's business and operations could be adversely affected by the outbreak of an epidemic or a pandemic or other health crises. Global government actions, along with market uncertainty could cause an economic slowdown resulting in a decrease in the demand for metals and have a negative impact on metal prices, as well as possible disruptions to global supply chains. While such effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact may not be reasonably estimated.

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Risks and Uncertainties (continued)

Other risks

The Company will need additional funding to complete its short and long term objectives. The ability of the Company to raise such financing in the future will depend on the prevailing market conditions, as well as the business performance of the Company. Current global financial conditions have been subject to increased volatility as a result of which access to public financing has been negatively impacted. There can be no assurances that the Company will be successful in its efforts to raise additional financing on terms satisfactory to the Company. The market price of the Company's shares at any given point in time may not accurately reflect value. If adequate funds are not available or not available on acceptable terms, the Company may not be able to take advantage of opportunities, to develop new projects or to otherwise respond to competitive pressures.

The Company is dependent upon the services of key executives, including the Chief Executive Officer. Certain directors and officers of the Company also serve as directors and/or officers of other companies involved in mineral exploration and development and, consequently, there exists the possibility for such directors and officers to be in a position of conflict.

Critical Accounting Estimates

The preparation of the condensed interim financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim financial statements and the reported revenues and expenses during the period.

Although management uses historical experience and its best knowledge of the amounts, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Critical judgment exercised relates primarily to the application of the going concern basis of preparation.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

Economic recoverability and probability of future economic benefits of exploration and evaluation assets

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessment of economic recoverability and probability of future economic benefits, including geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Valuation of share-based compensation

The Company uses the Black-Scholes option pricing model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

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New or Revised Accounting Standards Adopted

The following amendments to existing standards have been adopted by the Company commencing November 1, 2024:

IAS 1, Presentation of Financial Statements

The amendments clarify the requirements for classifying liabilities as current or non-current. The amendments provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. The impact of adopting these amendments did not have a material impact on the financial statements.

Financial Instruments and Management of Financial Risk

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consist of cash, receivables, marketable securities, reclamation bonds, and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying values, except for marketable securities, which are measured at fair value using level 1 inputs.

The Company is exposed to a variety of financial risks by virtue of its activities including credit, liquidity, interest rate, foreign currency and price risk.

Credit risk

The Company is exposed to industry credit risks arising from its cash holdings and receivables. The Company manages credit risk by placing cash with major Canadian financial institutions. The Company's receivables are primarily due from a government agency. The Company's receivables also include an amount owed from Volatus; an allowance for the full balance has been recorded. Management believes that credit risk related to these amounts is nominal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company reviews additional sources of capital and financing to continue its operations and discharge its commitments. The Company is exposed to liquidity risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As of July 31, 2025, the Company held deposits with a face value of \$68,000. A 1% increase or decrease in the interest rates would have a nominal impact in interest income for the nine months ended July 31, 2025.

Foreign currency risk

The Company is not significantly exposed to foreign currency risk on fluctuations related to items that are denominated in a foreign currency.

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Financial Instruments and Management of Financial Risk (continued)

Price risk

The Company has limited exposure to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities.

Subsequent Events

Subsequent to July 31, 2025, the Company granted 3,000,000 stock options at a price of \$0.20 per common share, vesting 1/3 on grant, 1/3 after one year, and 1/3 after two years, expiring on September 26, 2030.

Disclosure of Data for Outstanding Common Shares, Options and Warrants

Authorized and issued capital stock

Authorized as at the date of this report: Unlimited common shares without par value

Issued and Outstanding as at the date of this report: 161,131,101 common shares

Warrants

The following warrants were outstanding and exercisable as at the date of this report:

Exercise Price	Number Outstanding	Expiry Date
\$		
0.18	1,630,769	May 3, 2026
0.18	3,000,000	May 17, 2026
0.18	3,604,000	July 3, 2026
0.25	2,986,667	December 9, 2026
	<u>11,221,436</u>	

Options

The following options were outstanding and exercisable as at the date of this report:

Exercise Price	Number Outstanding	Number Exercisable	Expiry Date
\$			
0.060	2,066,667	2,066,667	October 26, 2026
0.280	2,768,000	2,768,000	May 4, 2027
0.120	2,600,000	1,733,333	October 19, 2028
0.125	3,350,000	1,116,667	November 28, 2029
0.200	3,000,000	1,000,000	September 26, 2030
	<u>13,784,667</u>	<u>8,684,668</u>	

TOWER RESOURCES LTD.
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED JULY 31, 2025

Other MD&A Requirements

Additional information relating to the Company may be found on or in:

- SEDAR+ at www.sedarplus.ca;
- the Company’s website at www.towerresources.ca;
- the Company’s audited financial statements for the year ended October 31, 2024; and
- the Company’s condensed interim financial statements for the nine months ended July 31, 2025.

Approval

The Board of Directors of the Company has approved the disclosure contained in this Management’s Discussion and Analysis.

On Behalf of the Board of Directors,

/s/ “Joe Dhami”

Director

September 29, 2025