TOWER RESOURCES LTD. (FORMERLY TOWER ENERGY LTD.)
FORM 51-102.F1 INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS – April 30, 2012
FOR THE THREE MONTHS ENDED JANUARY 31, 2012

Description of Management Discussion and Analysis

This Interim Management Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim financial statements ("Interim Financial Statements") of Tower Resources Ltd. (the "Company") for the quarter ended January 31, 2012 and the audited financial statements ("Financial Statements") for the year ended October 31, 2011. The following discussion is dated and current as of April 30, 2012. 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.

Financial results are now being reported in accordance with International Financial Reporting Standards ("IFRS"). As a result, accounting policies, presentation, financial statement captions and terminology used in this discussion and analysis differ from those used in previous financial reporting. Further details on the transition to IFRS are included in the Interim Financial Statements for the quarter ended January 31, 2012.

Description of Business and Discussion of Operations

Tower Resources Ltd. (formerly Tower Energy Ltd.) is engaged in the business of acquiring, exploring and developing exploration and evaluation assets. The Company does not have any properties in production and, therefore, did not generate any revenue from operations during the three months ended January 31, 2012 and the year ended October 31, 2011. None of the Company's exploration and evaluation assets have any reserves of ore identified thereon and all of the Company's activities to date have been exploratory in nature only.

On September 8, 2011 the Company changed its name from Tower Energy Ltd. to Tower Resources Ltd. in order to reflect the change in its focus from oil & gas properties to exploration and evaluation assets.

On September 20, 2011 the Company consolidated its capital stock on the basis of one post-consolidated common share for four common shares then held. The Company also cancelled its preference shares. All share and per share amounts have been restated to reflect the share consolidation unless otherwise indicated.The management of the Company has determined that, in its opinion, the consolidation of its capital stock could improve access to capital markets and institutional investors in the future.

On December 9, 2011 the Company granted 100,000 incentive stock options to a consultant of the Company. The incentive stock options are priced at $0.35 each and may be exercised for a period of up to five years from the date of grant with 12.5% of the options vesting at the date of grant and an additional 12.5% vesting every four months thereafter. The fair value of $31,355 was calculated using the Black-Scholes option pricing model with the risk-free interest rate of 1.33%, dividends of nil and calculated volatility of 144%.

On December 23, 2011 the Company completed a non-brokered private placement of 2,545,000 flow-through common shares at a price of $0.40 per share for gross proceeds of $1,018,000 and issued 400,000 shares pursuant to the Waterloo property option agreement.

On February 20, 2012 the Company granted 200,000 incentive stock options to two consultants of the Company. The incentive stock options are priced at $0.35 each and may be exercised for a period of up to five years from the date of grant with 12.5% of the options vesting at the date of grant and an additional 12.5% vesting every four months thereafter. The fair value of $62,901 was calculated using the Black-Scholes option pricing model with the risk-free interest rate of 1.48%, dividends of nil, and calculated volatility of 145%.

On March 23, 2012 the Company granted 100,000 incentive stock options to a consultant of the Company. The incentive stock options are priced at $0.35 each and may be exercised for a period of up to five years from the date of grant with 12.5% of the options vesting at the date of grant and an additional 12.5% vesting every four months thereafter. The fair value of $42,463 was calculated using the Black-Scholes option pricing model with the risk-free interest rate of 1.65%, dividends of nil, and calculated volatility of 164%.

Due to the Company's net loss, the continuation of the Company is dependent upon its ability to attain profitable operations and to generate cash flow there from and/or to raise equity capital through the sale of its securities, or secure additional exploration funding through option or joint venture agreements on its properties, or through the sale of capital assets or properties. The Company has no earnings and therefore has historically financed its acquisition and exploration activities by the sale of common shares. On November 2, 2010 the Company closed a private placement of 30,000,000 units (7,500,000 post-consolidation) for net proceeds of $1,500,000. On December 23, 2011 the Company closed a private placement of 2,545,000 flow-through common shares for gross proceeds of $1,018,000. Proceeds from the offerings will be used by the Company to finance its 2012 exploration program in British Columbia.

EXPLORATION AND EVALUATION ASSETS

Dragon and Dorado properties

The Company entered into an option agreement with Sidewinder Exploration Ltd., dated June 26th, 2011 to acquire up to a 100% (subject to a 2% NSR) interest in two exploration and evaluation assets known as "Dragon" and "Dorado", located on Vancouver Island, British Columbia.

The 7,200 hectare Dragon (Zn, Cu, Au, Ag) project is located 25 km northwest of Gold River, Vancouver Island and 60 km northwest of the Myra Falls Zn-Cu-Pb-Ag-Au mine (Nyrstar NV), the largest producing volcanogenic massive sulphide deposit in western Canada. Geological mapping of the Dragon property indicates that a strongly silica altered and sulfide mineralized rhyolite flow-dome complex comprises the footwall of a prospective volcanogenic massive sulphide (VMS) horizon which is conformably overlain by limestone. On the Dragon property, the conformable transition from footwall altered felsic volcanic rocks to overlying limestones indicates a shallow marine environment for the hydrothermal system. This geological setting may be prospective for precious metal enriched, Eskay Creek-like VMS mineralization. A historical airborne geophysical survey of the Dragon property outlined several conductors that are coincident with this prospective horizon. These conductors have yet to be tested by diamond drilling. Several VMS occurrences exist on the Dragon property, most notably the Falls-North showing. A 2 meter chip sample from the Falls-North occurrence yielded base and precious metal grades of 7.3% Zn, 1.3% Pb, 0.68 g/t Au and 19 g/t Ag. The prospective horizon that hosts polymetallic VMS mineralization of the Falls-North occurrence has been traced along strike for over 4 kilometres. Historic exploration of the Dragon property by Noranda Inc., and Westmin Resources Ltd. outlined multiple, untested targets. These and other untested targets recently identified by a previous operator will be examined during a 2012 field program comprising geological mapping, rock sampling, geophysical surveys and diamond drilling.

The 2,347 hectare Dorado project (Cu, Au) is located 25 kilometres southwest of Gold River, Vancouver Island. Here, a recently discovered 1.8 km long corridor of strong quartz-epidote-carbonate alteration and associated gold-copper bearing stringer to massive sulfide mineralization has been defined in basaltic volcanic rocks. Grab samples of stockwork-like stringer chalcopyrite mineralization associated with this corridor has yielded up to 1.5% Cu, 0.3 g/t Au, and 12 g/t Ag. An exploration program combining geophysics, geological mapping, stream sediment and soil sampling is planned for the Dorado property during the summer of 2012.

Under the option agreement, the Company may earn an initial 75% interest in the properties by making cash payments of $45,000 and issuing 1.2 million common shares to Sidewinder, in addition to funding aggregate exploration expenditures of $2,000,000 all over a total 41-month period. The Company also has an exclusive right and option to earn an additional 25% interest in the properties (for an aggregate of 100% subject to a 2% NSR) by funding and delivering a Feasibility Study.

Initial field programs on the Dragon and Dorado properties have commenced.

JD property

On September 7, 2011 the Company entered into an agreement to acquire the JD gold - silver property located in the Omineca mining division of British Columbia. Under the terms of the agreement, Tower may acquire a 100% interest (subject to a 2% NSR) in the property.

The JD property comprises 5,575 hectares located in the historically significant Toodoggone gold district of north-central BC. The property is underlain by a thick succession of interlayered volcaniclastic and intermediate volcanic rocks that are locally cut by high level porphyritic intrusions. These rocks appear to host a large epithermal gold-silver system with many significant high-grade gold and silver showings exposed over an area of 3 km2.

The majority of the historic drilling on the JD property was focused on the Finn Zone where in excess of 200 resource style diamond drill holes were completed between 1995 and 1998 by Antares Mining and Exploration Corporation and ACG Americas Gold Corp. Highlights from historic drilling in the Finn Zone include:

• 26m of 6.4g/t Au and 8.4g/t Ag (DDH 94-15)

• 34m of 3.7g/t Au and 17.7g/t Ag including 16m of 7.4g/t Au and 27.6g/t Ag (DDH 95-41)

• 20m of 12.2g/t Au and 161.5g/t Ag including 1m of 216g/t Au and 308.9g/t Ag (DDH 95-47)

• 37m of 4.1g/t Au and 15.2g/t Ag including 13.5m of 8.5g/t Au and 33.2g/t Ag (DDH 95-68)

• 19m of 9.4g/t Au and 64.3g/t Ag including 4m of 17.2g/t Au and 183.8g/t Ag (DDH 95-97)

Historic work on the JD property includes soil and rock geochemistry, geophysics (airborne and ground), trenching and diamond drilling. Previous workers on the property focused on advancing a low tonnage, high grade epithermal Au-Ag deposit. Tower believes there is potential on the JD property to discover a lower grade, bulk-tonnage gold and silver deposit. Furthermore, the potential exists on the JD property for the discovery of related Cu-Au porphyry mineralization similar to the Kemess Mine (Northgate Minerals) located 30 km to the south.

Tower plans to immediately undertake a multi-phase exploration program on the property comprising a property visit and compilation of data from historical exploration. Exploration in 2012 will consist of a ground IP geophysical survey, mapping, and drilling. Tower plans on updating shareholders regularly as exploration proceeds.

Under the terms of the option agreement Tower can earn a 100% interest in the property by making cash payments of $200,000, and issuing 1.2 million common shares over a 5-year period, to the vendors, in addition to funding aggregate exploration expenditures of $5,000,000 over a total 63-month period. The agreement is subject to a 2% NSR, 1% of which can be purchased by Tower for $3,000,000.

Waterloo property

On October 18, 2011 the Company entered into an agreement to acquire the Waterloo property located in the Osoyoos mining division of British Columbia. Mineralization is polymetallic (Pb, Zn, Cu, Au, Ag) and widespread. Under the terms of the option agreement Tower may acquire a 100% interest in the property by making cash payments of $70,000 and issuing 400,000 common shares to the vendor, in addition to funding aggregate exploration expenditures of $2,000,000 over a total 41-month period. The agreement is subject to a 1% NSR which can be purchased by Tower for $3,000,000.

Other properties

During calendar 2011 the Company acquired for nominal staking costs the Baez, Straw and Sinkut properties located in British Columbia.

EXPLORATION AND EVALUATION ASSETS - OIL & GAS

Sarcee 12-13-23-4w5m well-deep foothills test well and surrounding lands

On June 13, 2005 the Company entered into an agreement with Arapahoe Energy Corporation for a 10% participating interest in the drilling of a well located at 12-13-23-4 W5M (the "Mississippian Test Well") on the Tsuu T'ina First Nations land immediately west of Calgary. The Company paid $534,283 - 10% of the total well anticipated costs, to earn a 5% working interest in this well and 2,560 surrounding acres ("The Mississippian Block"). The Company paid an additional $340,112; $5,270; $926; $2,961 and $3,571 in well costs in the years ended October 31, 2006 through 2010 respectively.

During the year ended October 31, 2010 management of the Company resolved to relinquish its interest in the property and write off the entire capitalized cost of $897,123. During the year ended October 31, 2011 the Company entered into an agreement to quit claim the property with no further liability to the Company.

Poplar Winstar Strachan

On December 4, 2006 the Company entered into an agreement with Poplar Point Energy Ltd. ("Poplar"), to participate in a Participation Agreement between Poplar and Winstar Resources Ltd. ("Winstar"), dated October 20, 2006, wherein Poplar agreed to participate in the Winstar Strachan 8-10-38-10 W5M well in the West Central area of Alberta. The Company paid $300,000 of the drilling, completion and tie in costs of the well to earn an equalization interest 1.2366423%. During the year Winstar sold its interest in the well to Crossbow Energy Partners Ltd, which sold its interest to Vermilion Energy Trust.

During the year ended October 31, 2009 management of the Company resolved to write down the value of the property to the estimated recoverable amount of $1 (2008 - $10,000).

Costs summaries for the Oil and Gas Properties:

	October 31, 2011			
	Acquisition Costs	Deferred Costs	Write-off of Capitalized Costs	Total
Poplar Winstar Strachan	$ 1	$ -	$ -	$ 1
Sarcee 12-13-23-4W5M well	-	-	-	-
	$ 1	$ -	$ -	$ 1

Selected Annual Information

Year ended	Revenues	Profit or (Loss)	Profit or (Loss) per share	Exploration Expenditures	General & Admin. Expenditures	Total Assets
	$	$	$	$	$	$
31-Oct-11	-	(533,908)	(0.02)	44,395	565,983	2,287,720
31-Oct-10	-	(1,318,975)	(0.11)	3,571	182,176	1,197,735
31-Oct-09	-	(244,231)	(0.04)	2,961	162,463	978,024

The net loss of $1,318,975 in the year ended October 31, 2010 includes a loss on write-down of oil and gas property of $897,123 and a loss on disposal of investment of $241,907.

Results of Operations

The following discussion should be read in conjunction with the accompanying Interim Financial Statements and related notes. The Company realized a net loss of $202,820 or $0.01 per share in the three months ended January 31, 2012 or $0.01 per share (2011 - $134,266 or $0.01 per share).

Audit and accounting fees totaled $8,560 in the three months ended January 31, 2012 (2011 - $7,179). The Company incurred consulting costs of $17,200 in the period (2011 - $6,000). The increase is due to commencement of services by the Company's vice president of exploration and the engagement of additional geologists. The Company recorded stock-based management fees of $112,426 due to the vesting of newly granted stock options (2011 - $71,319). Legal fees were $7,900 (2011 - $13,383) due to services related to project evaluations, mineral property acquisition and general corporate matters.

Office and miscellaneous expenses were $31,705 in the three months ended January 31, 2012 (2011 - $11,206). The increase is primarily due to increased rent as the Company expanded its office facilities and increased website and printing expenditures as the Company expanded its activities. Property examination costs in the period were $4,903 (2011 - $6,250) as the Company increased its project evaluation and acquisition activity. Transfer agent costs were $2,351 (2011 - $4,393). Filing fees were $2,729 (2011 – $3,363). Travel and promotion costs were $2,404 (2011 - $10,087) due to decreased travel related to corporate finance and project evaluations.

Summary of Quarterly Results

Period	Revenues	Profit or (Loss)	Profit or (Loss) per share	Exploration Expenditures	General & Admin. Expenditures
1st Quarter 2012	$ -	$ (202,820)	$ (0.01)	$ 156,742	$ 203,102
4th Quarter 2011	-	(202,929)	(0.02)	44,395	209,118
3rd Quarter 2011	-	(53,635)	-	-	76,796
2nd Quarter 2011	-	(75,613)	-	-	76,282
1st Quarter 2011	-	(134,266)	-	-	136,322
4th Quarter 2010	-	(1,202,175)	(0.10)	25	63,856
3rd Quarter 2010	-	(30,025)	-	3,546	30,742
2nd Quarter 2010	-	(54,290)	-	-	55,094

Liquidity

The amount of cash on hand as of January 31, 2012 was $2,808,724 as compared to $2,058,418 at October 31, 2011. The primary uses of cash in the three months ended January 31, 2012 were the funding of operations - $83,854 (2011 - $74,246); exploration and evaluation assets - $156742 (2011 - $nil); and the acquisition of equipment - $16,623 (2011 – $nil). The main sources of cash were the issuance of shares - $1,018,000 (2011 - $1,200,000) and related party advances -$5,865 (2011 – net repayments of $4,003).

The Company had working capital of $2,743,961 at January 31, 2012. The Company currently has no source of operating cash flow, limited financial resources, and has 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 Issuer'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 upon future profitable operations or proceeds from disposition of resource properties.

Significant Transactions for the Issue of Capital stock

On November 2, 2010 the Company closed a private placement of 30,000,000 (7,500,000 post-consolidation) units at a price of $0.05 ($0.20 post consolidation) per unit and has received the sum of $1,500,000 as gross proceeds of the private placement. Each unit is comprised of one common share and one share purchase warrant which entitles the holder to purchase one additional common share of the company for $0.10 ($0.40 post-consolidation) up to November 2, 2015. The shares forming part of the units or which may be purchased upon exercise of the warrants forming part of the units were subject to a hold period expiring on March 3, 2011.

On November 30, 2010 8,200,000 (pre-consolidation) warrants from the earlier private placement were exercised at $0.05 for proceeds of $410,000.

In February 2011 50,000 (pre-consolidation) options were exercised at $0.10 for proceeds of $5,000. On April 21, 2011 100,000 (pre-consolidation) options were exercised at $0.10 for proceeds of $10,000. On May 10, 2011 25,000 (pre-consolidation) options were exercised at $0.10 for proceeds of $2,500.

On June 29, 2011 Company issued 1,200,000 (300,000 post-consolidation) common shares for property acquisition.

On September 21, 2011 the Company issued 125,000 common shares for property acquisition.

On August 12, 2011 the Company granted 750,000 (187,500 post-consolidation) incentive stock options to an officer of the Company. The incentive stock options (the "Options") are priced at $0.10 ($0.40 post consolidation) each and may be exercised for a period of up to three years from the date of grant with 12.5% of the options vesting at the date of grant and an additional 12.5% vesting every three months thereafter. The fair value of $64,103 was calculated using the Black-Scholes option pricing model with an expected life of 3 years, risk-free interest rate of 1.12%, dividends of nil, and calculated volatility of 167%.

On September 29, 2011 the Company granted 1,000,000 incentive stock options to four directors, an officer and two consultants of the Company. The incentive stock options (the "Options") are priced at $0.35 each and may be exercised for a period of up to five years from the date of grant with 12.5% of the options vesting at the date of grant and an additional 12.5% vesting every three months thereafter. The fair value of $311,098 was calculated using the Black-Scholes option pricing model with an expected life of 5 years, risk-free interest rate of 1.4%, dividends of nil, and calculated volatility of 141%.

On December 9, 2011 the Company granted 100,000 incentive stock options to a consultant of the Company. The incentive stock options are priced at $0.35 each and may be exercised for a period of up to five years from the date of grant with 12.5% of the options vesting at the date of grant and an additional 12.5% vesting every four months thereafter. The fair value of $31,355 was calculated using the Black-Scholes option pricing model with the risk-free interest rate of 1.33%, dividends of nil and calculated volatility of 144%.

On December 23, 2011 the Company closed a private placement of 2,545,000 flow-through common shares for gross proceeds of $1,018,000 and issued 400,000 shares pursuant to the Waterloo property option agreement

On February 20, 2012 the Company granted 200,000 incentive stock options to two consultants of the Company. The incentive stock options are priced at $0.35 each and may be exercised for a period of up to five years from the date of grant with 12.5% of the options vesting at the date of grant and an additional 12.5% vesting every four months thereafter. The fair value of $62,901 was calculated using the Black-Scholes option pricing model with the risk-free interest rate of 1.48%, dividends of nil, and calculated volatility of 145%.

On March 23, 2012 the Company granted 100,000 incentive stock options to a consultant of the Company. The incentive stock options are priced at $0.35 each and may be exercised for a period of up to five years from the date of grant with 12.5% of the options vesting at the date of grant and an additional 12.5% vesting every four months thereafter. The fair value of $42,463 was calculated using the Black-Scholes option pricing model with the risk-free interest rate of 1.65%, dividends of nil, and calculated volatility of 164%.

On April 23, 2012 the Company completed a non-brokered private placement of 1,825,000 common shares at a price of $0.40 per share for gross proceeds of $730,000. The Company paid share issue cost of $56,028.

Authorized and issued capital stock as at April 30, 2012

Authorized – Unlimited common shares without par value
Issued and Outstanding: 27,731,931 common shares (post-consolidation)

The following options and warrants were outstanding as at April 30, 2012:

(i) Options

Number	Exercise Price	Expiry Date
456,250	$0.40	November 10, 2013
187,500	$0.40	August 12, 2014
1,000,000	$0.35	September 29, 2016
100,000	$0.35	December 9, 2016
200,000	$0.35	February 20, 2017
100,000	$0.35	March 23, 2017
2,043,750		

(i) Warrants

Number	Terms and expiry dates
4,200,000	$0.40 warrants to December 1, 2014
7,500,000	$0.40 warrants to November 2, 2015
11,700,000	

For a detailed description of share transactions please refer to the Company's financial statements.

Related Party

The Company entered into the following transactions with related parties during the three months ended January 31, 2012:

a) Consulting fees totaling $6,000 were paid or accrued to a company controlled by Len Guenther, a director (2011 - $4,000 to the director and $2,000 to the company controlled by the director).

b) "Office and miscellaneous" includes rent totaling $2,250 paid to a company formerly related by common directors and officers (2011 - $2,250); rent of $19,076 (2011 - $nil) and other office expenses of $2,069 paid or accrued to a company related by common directors and officers.

c) "Mineral properties" includes geologist fees totaling $22,000 (2011 - $nil) were paid to a company controlled the vice president exploration of the Company

d) Consulting fees totaling $8,000 were paid to a company controlled the vice president exploration of the Company (2011 - $nil).

The Company entered into the following transactions with related parties during the year ended October 31, 2011:

e) Management fees totaling $nil were paid or accrued to a company controlled by Charles Ross a former director of the Company (2010 - $33,000).

f) Consulting fees totaling $4,000 were paid to Len Guenther a director of the Company and $20,000 to a company controlled by the director (2010 - $23,000 to the director).

g) "Office and miscellaneous" includes rent totaling $9,000 paid to a company formerly related by common directors and officers (2010 - $13,600); rent of $8,353 (2010 - $nil) and other office expenses of $1,904 paid or accrued to a company related by common directors and officers.

h) "Exploration and evaluation assets" includes geologist fees totaling $19,500 and vehicle rentals totaling $4,100 (2010 - $nil) paid to a company related by common directors and officers.

i) Consulting fees totaling $30,000 were paid to a company controlled by Christopher Leslie, the vice president exploration of the Company (2010 - $nil).

The above transactions have been in the normal course of operations and have been valued in the financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Amounts owing to related parties were as follows:

	January 31, 2012	October 31, 2011	November 1, 2010
i. Company with a director in common for expenses	$ -	$ 28,645	$ -
ii. CEO for expenses	37,059	4,042	-
iii. CFO for expenses	1,087	1,978	5,220
iv. Vice-president for expenses	2,384	-	-
v. Directors for expenses	-	-	604
vi. Former director for loans		216	216
	216		
vii. Company with a director in common for expenses	-	-	414
	$ 40,746	$ 34,881	$ 6,454

Amounts due to related parties are unsecured, non-interest-bearing and have no specific terms of repayment; accordingly, fair market value cannot be determined.

Management's Responsibility for Financial Statements

The Company's management is responsible for presentation and preparation of annual financial statements and the Management's Discussion and Analysis ("MD&A"). The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

Accounting Principles

The financial statements have been prepared in accordance with IFRS. The policies and estimates are considered appropriate under the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process.

Changes in Accounting Policies

In February 2008, the Canadian Accounting Standards Board confirmed that publicly accountable enterprises were required to adopt IFRS for fiscal years beginning on or after January 1, 2011. Accordingly, the Company has transitioned from GAAP reporting and commenced reporting under IFRS effective this quarter, with restatement of comparative information presented. The conversion to IFRS from GAAP has not affected the Company's internal control over financial reporting and disclosure controls and procedures, but has affected and the Company's accounting policies, the Company's opening statement of financial position at the Transition Date, the statement of financial position as at October 31, 2011, and the statement of comprehensive loss for the three month period ended January 31, 2012.

The Company elected to take the following IFRS 1 optional exemptions:

- to apply the requirements of IFRS 2, Share-based Payments, only to equity instruments granted after November 7, 2002 which had not vested as of the Transition Date and
- to apply the requirements of IFRS 23, Borrowing Costs, only to transactions after the Transition Date.

The Company's conversion plan to IFRS consisted of four primary stages including planning, assessment, design and implementation with periodic meetings with the Audit Committee to report progress and findings. The Company has completed the conversion plan and will be reporting in accordance with IFRS going forward. This will include ongoing monitoring of changes in IFRS, the potential or probable effects of which will be evaluated and disclosed as applicable.

Please see notes 2 and 14 of the Interim Financial Statements for further details.

Risks and Uncertainties

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

Operational
The Company has changed its focus from oil and gas exploration to mineral exploration. 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 have 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 crude oil or natural gas pricing policy, 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.

Financial Instruments and Management of Financial Risk

Financial risk factors
The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk
Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, marketable securities and receivables. Management believes that the credit risk concentration with respect to cash, marketable securities and investments is remote. Receivables are due primarily from a government agency.

Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at January 31, 2012 the Company had a cash balance of $2,808,724 to settle current liabilities of $52,624. All of the Company's financial liabilities are subject to normal trade terms.

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest rate risk
The Company has cash balances and no debt. The Company's current policy is to invest excess cash in investment-grade demand deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign currency risk
The Company is exposed to foreign currency risk on fluctuations related to cash, receivables and accounts payable and accrued liabilities that are denominated in United States Dollars. However, management believes the risk is not currently significant.

*(*c) Price risk
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 non-ferrous 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.

Financial instruments fair values
Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying values of cash and cash equivalents are determined using level one of the fair value hierarchy. The carrying value of receivables, accounts payable and accrued liabilities and amount due to related party approximate their fair value because of the short-term nature of these instruments.

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 of the 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 financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. Actual results could differ from those estimates.

Caution Regarding Forward-Looking Information

Certain disclosures contained in this MD&A constitute forward-looking information within the meaning of the Ontario Securities Act and Alberta Securities Act or "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934 of the United States. 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 and 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 and the possibility that future exploration and development results will not be consistent with the Company's expectations. 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 in the Company's other public disclosure documents filed with certain Canadian securities regulatory authorities and available at www.sedar.com

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.

Additional and more detailed information relating to the Company may be found at www.towerresourcesltd.com

Approval
The board of Directors of the Company has approved the disclosure contained in this Management Discussion and Analysis. A copy will be provided to anyone who requests it.

On Behalf of the Board of Directors,

"*Mark Vanry*"
Mark Vanry
President, CEO and Director
April 30, 2012