MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Nine Months Ended July 31, 2021

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, 2021. This MD&A should be read in conjunction with the Company's condensed interim financial statements and related notes thereto for nine months ended July 31, 2021 ("Financial Statements") and the audited financial statements and related notes thereto for the year ended October 31, 2020. The following discussion is dated and current as of September 29, 2021. 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, including the recent outbreak of the novel coronavirus (COVID-19), 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.

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 exploration of mineral exploration and evaluation assets in British Columbia, Canada.

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 New Gold's Blackwater project, the Belle copper-gold porphyry project in the Toodoggone district and the More Creek gold project in the Golden Triangle area.

The Company is currently focused on exploration of the Nechako Gold property and the multidisciplinary program at the Rabbit North copper-gold property.

Overall performance

Operating expenses for the nine months ended July 31, 2021 were $251,001 versus $332,154 in the comparative period ended July 31, 2020. Expenses have remained consistent as the Company continues to minimize expenditures to conserve its cash, as it continues further exploration on the Nechako Gold and Rabbit North properties. Changes are further discussed in the "Results of Operations" section.

The Company had a net increase in cash of $1,428,410 during the nine months ended July 31, 2021, for a cash balance as at July 31, 2021 of $1,703,905. Refer to the "Summary of Exploration Activities" for discussion of the expenditures and properties.

Corporate activities

In June 2020, the Company issued 8,367,732 units for proceeds of $502,064, pursuant to a private placement financing. Each unit was comprised of one common share and one share purchase warrant, with each warrant entitling the holder to acquire one additional common share of the Company at a price of $0.10 per common share, for a period of 24 months from the date of issue.

In fiscal 2020, the Company issued 193,750 common shares, for proceeds of $19,375, pursuant to the exercise of warrants.

In March 2021, the Company issued 13,986,014 units for proceeds of $2,000,000, pursuant to a private placement financing. Each unit was comprised of one flow-through common share and one share purchase warrant, with each warrant entitling the holder to acquire one additional common share of the Company at a price of $0.22 per common share, for a period of 12 months from the date of issue.

During the nine months ended July 31, 2021, the Company issued 2,252,150 common shares, for proceeds of $225,215, pursuant to the exercise of warrants.

Summary of Exploration Activities

During the nine months ended July 31, 2021, the Company incurred $836,507 in exploration and evaluation asset expenditures compared to $375,004 for the corresponding nine months ended July 31, 2020.

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, 2021:

	Belle	**Rabbit North**	**Nechako Gold**	**More Creek**	**Total**
	$	**$**	**$**	**$**	**$**
Balance, October 31, 2020	**1**	**2,526,939**	**2,057,723**	**18,444**	**4,603,107**
Acquisition costs	-	30,000	-	-	30,000
Deferred costs					
Drilling	-	-	452,166	-	452,166
Equipment rental	-	2,643	-	-	2,643
Field travel, meals and accommodation	-	23,329	36,803	-	60,132
Geology	-	49,865	137,640	-	187,505
Geophysics	-	-	12,050	-	12,050
Laboratory and analytical	-	62,219	28,019	-	90,238
Project supplies and fuel	-	-	1,773	-	1,773
Additions for the period	-	168,056	668,451	-	836,507
Balance, July 31, 2021	**1**	**2,694,995**	**2,726,174**	**18,444**	**5,439,614**

Rabbit North property

The Rabbit North property, acquired in 2013, is 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 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. In March 2017, the Company entered into a NSR agreement with Sandstorm. Under the terms of the agreement, the Company received $150,000 in return for granting Sandstorm a 2% NSR on the Rabbit North Extension property. The Company will have the option to buy back 1% of the NSR from Sandstorm for cash consideration of $500,000.

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 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 as (Late Triassic to Early Jurassic) 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 on a magnetic anomaly – the Western Magnetite Zone – encountered stronger and more continuous mineralization in the volcanic rocks along the western margin of the stock, including 247 metres of 0.51% Cu and 0.34 g/t Au in hole RN17-05.

***Summary of Exploration Activities** (continued)*

Rabbit North property (continued)

Q3 Activities

In Q3, the Company completed a 137-sample till heavy mineral survey on the Rabbit North property with the goal of using the gold grain content of the heavy mineral concentrates to quickly and selectively identify any hidden, till-covered, porphyry-type Cu-Au deposits having a high economic potential. Samples weighing approximately 10 kg were collected at 200-250 m intervals along traverses 1-2 km apart and oriented northeast-southwest across the southeast ice flow path in which the gold grains were transported during glaciation 10,000 years ago. Such a wide sample spacing is normal for an initial, reconnaissance-type gold grain survey because the method is so sensitive and deposit-specific that it can reliably detect significant Cu-Au zones located several kilometres up-ice.

Of the 137 samples, 84 were collected either directly over or close to the Durand Intrusion on the Rabbit North property. An unusually strong, 600-grains-per-sample anomaly was identified in two consecutive samples in a till-covered area on the southern contact of the stock where no historical drilling has been done. The bedrock source of the gold grains is estimated to be just 200-500 m up-ice and, if of the circular porphyry type, to be 300 m in diameter. More closely spaced till sampling is planned in Q4 to further refine this target in preparation for an initial diamond drill test.

The remaining 53 samples tested the Southern Extension portion of the Rabbit North Extension property. The eastern half of the Southern Extension is 10 km directly down-ice from the Durand Stock. This is reflected in the gold grain content of the till, with most samples yielding 25-100 grains compared to the expected background level of less than 10 grains.

Roughly 50% of the samples collected on the western half of the Southern Extension yielded similarly elevated gold grain values, suggesting that the up-ice area west of the Durand Stock is also fertile for porphyry Cu-Au deposits. An initial reconnaissance-scale till survey is planned for this area in Q4.

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 2975 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.

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.

Summary of Exploration Activities *(continued)*

Nechako Gold property (continued)

The RC drill holes also sampled the bedrock beneath the dispersal train. 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 one 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 volcaniclastic 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 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.

Q3 Activities

In April-May, 2021, during the transition from Q2 to Q3, the Company diamond drilled 13 additional holes, Nos. 18 to 30. The most interesting results were obtained from Hole 18, 300 m along strike from Hole 15 and 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 grade 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 is planned for the section of the Pond Trend between these holes.

More Creek property

The More Creek property is located in 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 a creek draining a previously unexplored area upstream from the Sinter Zone. Mapping, prospecting and silt, soil and rock sampling were performed along the creek valley in the 2017 field season, but no additional heavy mineral sampling was conducted to follow the gold grain anomaly upstream to its bedrock source.

Summary of Exploration Activities *(continued)*

More Creek property (continued)

On August 21, 2020, the Company entered into an option agreement with Volatus Capital Corp. ("Volatus"), pursuant to which the Company proposes to sell its 100% interests in and to the More Creek property (the "More Option"). To exercise the More Option and earn a 100% interest, Volatus is required to make a total of $150,000 in cash payments, of which Volatus may at its option settle certain payments totaling $100,000 in shares, ($50,000 received to date), issue 100,000 common shares (received), and complete $600,000 in exploration expenditures over a 40-month period. The Company will retain a 1% NSR of which 0.5% can be repurchased for $500,000.

Q1/Q2/Q3 Activities

Volatus did not perform any work on the More Creek property during the nine months ended July 31, 2021.

Belle Claims (formerly part of JD property)

The Belle property is comprised of seven claims totaling 1691 hectares in the Toodoggone gold district of north-central B.C. In March 2017, the Company was served with a legal claim disputing the Company's title of the claims The Company commenced arbitration, serving the claimants with a Statement of Defence on September 15, 2017. In May 2018, the Company received the arbitrator's decision in favour of the Company.

On August 5, 2020, the Company entered into an option agreement with Volatus, pursuant to which the Company granted to Volatus the option to acquire its 100% interest in and to the Belle property (the "Belle Option"). To exercise the Belle Option and earn a 100% interest, Volatus is required to make a total of $100,000 in cash payments ($50,000 received to date), issue 500,000 common shares over a 36 month period (250,000 received to date) and fulfill all work commitments required to keep the claims in good standing.

Q1/Q2/Q3 Activities

Volatus did not perform any field work on the Belle Claims during the nine months ended July 31, 2021.

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*.

Summary of Quarterly Results

Quarter ended	Revenue (interest income)	Income (loss) and comprehensive income (loss)	Basic and diluted income (loss) per share	Exploration and evaluation assets expenditures	General and administrative expenses
	$	**$**	**$**	**$**	**$**
July 31, 2021	64	100,669	0.00	498,408	80,186
April 30, 2021	55	(11,675)	(0.00)	295,617	92,281
January 31, 2021	104	(94,180)	(0.00)	42,482	78,534
October 31, 2020	1,014	(78,122)	(0.00)	486,490	112,386
July 31, 2020	236	(203,093)	(0.00)	80,100	172,064
April 30, 2020	612	(80,216)	(0.00)	274,750	80,828
January 31, 2020	234	(79,028)	(0.00)	20,154	79,262
October 31, 2019	15,307	(366,338)	(0.00)	200,136	116,192

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, 2021, the loss and comprehensive loss includes operating and administrative expenses of $80,186 (2020 - $172,064) and net other income (loss) of $180,855 (2020 - $(31,029)), for a net income (loss) and comprehensive income (loss) of $100,669 (2020 - $(203,093)).

The table below explains the significant changes in expenditures, for the three months ended July 31, 2021 as compared to the corresponding three months ended July 31, 2020.

Expenses	**Increase / Decrease in Expenses**	**Explanation for Change**
Consulting fees	Decrease of $14,400	There were no consultants used in the current period. A consultant was used for general financial services in the prior period.
Share-based compensation	Decrease of $68,621	Variation is due to timing of options vesting. Additionally, there were options granted in the prior period, whereas no options were granted in the current period.
Recovery (loss) on exploration and evaluation assets previously written off	Decrease of $42,515	In the current period, the Company recorded a recovery on the Belle property as shares were received in accordance with the option agreement. In the prior period, the Company incurred costs on a property it has previously written off.

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, 2021, the loss and comprehensive loss includes operating and administrative expenses of $251,001 (2020 - $332,154) and net other income (loss) of $245,815 (2020 - $(30,183)) for a loss and comprehensive loss of $5,186 (2020 - $362,337).

The table below explains the significant changes, not described above, in expenditures for the nine months ended July 31, 2021 as compared to the corresponding nine months ended July 31, 2020.

Expenses	**Increase / Decrease in Expenses**	**Explanation for Change**
Recognition of flow-through premium	Increase of $254,342	In the current period, the Company 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. There were no flow-through shares sold in the prior period.
Unrealized loss on marketable securities	Increase of $20,000	In the current period, the Company adjusted the fair value of shares held to reflect marker price at period end. There were no shares held in the prior 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, 2021	October 31, 2020
	$	$
Cash	1,703,905	275,495
Receivables	28,656	188,185
Marketable securities	38,500	47,250
Prepaid expenses and deposits	8,877	18,101
Total current assets	1,779,938	529,031
Accounts payables and accrued liabilities	240,875	194,623
Flow-through share premium	416,987	-
Total current liabilities	657,862	194,623
Working capital	1,122,076	334,408

The change in cash during the nine months ended July 31, 2021 consisted of the use of cash to fund operating activities of $175,023 (2020 - $223,653) and the receipt (use) of cash in investing activities of $(609,960) (2020 - $258,412), due to the receipt of the BC mining exploration tax credit of $162,052 (2020 - $621,854), which was offset by exploration and evaluation assets expenditures of $772,012 (2020 - $363,442). The primary focus of the exploration and evaluation assets expenditures was for exploration on the Nechako Gold property. The financing activity for the nine months ended July 31, 2021 provided net proceeds of $2,213,393 (2020 - $496,080) from shares issued in a private placement and from exercise of warrants.

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. During the current period, the Company raised sufficient funds such that the current working capital balance is an amount that management estimates is sufficient to further operations for the upcoming twelve months.

Related Party Transactions

During the nine months ended July 31, 2021, the Company engaged in the following transactions with related parties (key management), not disclosed elsewhere in this MD&A:

a) Management fees of $67,500 (2020 - $67,500) were paid to Joe Dhami, the President, CEO and director of the Company.
b) Accounting fees of $18,000 (2020 - $18,000) 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, 2021 and 2020:

	2021	**2020**
	$	**$**
Accounting fees	18,000	18,000
Management fees	67,500	67,500
Share-based compensation	81,832	140,084
	167,332	**225,584**

Amounts owing to related parties (including key management personnel) included in accounts payable and accrued liabilities total $nil (October 31, 2020 - $nil).

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, 2021 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.

Operational

The Company is focused on mineral exploration of its Rabbit North, More Creek and Nechako Gold 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.

***Risks and Uncertainties** (continued)*

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, including the recent outbreak of COVID-19. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency. 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 these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time.

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.

New or Revised Accounting Standards Adopted

Flow-through common shares

The Company may, from time to time, issue flow-through common shares (as defined in the *Income Tax Act* (Canada)) to finance a portion of its Canadian exploration and development programs. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the proceeds received from flow-through common shares into: a flow-through share premium, equal to the estimated premium, if any, that investors pay for the flow-through feature, which is recognized as a liability, and share capital. The Company estimates the portion of the proceeds attributable to the premium as being the excess of the subscription price over the fair value of the shares without the flow-through feature at the time of issuance. Thereafter, as qualifying resource expenditures are incurred, these costs are capitalized and the flow-through share premium is amortized to profit or loss on a pro-rata basis.

New or Revised Accounting Standards Adopted *(continued)*

Flow-through common shares (continued)

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the look-back rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued and recorded to profit or loss.

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, reclamation bonds, and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying values. Marketable securities 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. 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, 2021, the Company held demand deposits with a face value of $68,000. A change in interest rates of 1% would change income by $680 per annum.

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.

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.

Financial Instruments and Management of Financial Risk *(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.

Subsequent Events

Events subsequent to July 31, 2021 have been disclosed elsewhere in this MD&A.

Disclosure of Data for Outstanding Common Shares, Options and Warrants

Authorized and issued capital stock as at the date of this report

Authorized: Unlimited common shares without par value

Issued and Outstanding: 129,867,081 common shares

(i) Warrants

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

Exercise Price	Number Outstanding	Expiry Date
$		
0.22	13,986,014	March 24, 2022
0.22	12,700,183	April 6, 2022
0.22	172,413	May 1, 2022
0.10	6,784,332	June 24, 2022
0.22	250,000	January 16, 2023
0.0375	312,500	December 31, 2023
	34,205,442	

Disclosure of Data for Outstanding Common Shares, Options and Warrants *(continued)*

Authorized and issued capital stock as at the date of this report (continued)

(ii) Options

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

Exercise Price	Number Outstanding	Number Exercisable	Expiry Date
$			
0.16	100,000	100,000	February 6, 2022
0.16	175,000	175,000	September 28, 2022
0.125	600,000	600,000	May 2, 2023
0.055	2,875,000	2,875,000	July 29, 2024
0.115	1,850,000	1,233,333	July 22, 2025
	5,600,000	4,983,333	

Other MD&A Requirements

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

- SEDAR at www.sedar.com;
- the Company's website at www.towerresources.ca;
- the Company's audited financial statements for the year ended October 31, 2020; and
- the Company's condensed interim financial statements for the nine months ended July 31, 2021.

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, 2021