



**NOTICE OF ANNUAL GENERAL MEETING AND MANAGEMENT INFORMATION CIRCULAR**  
with respect to the Annual General Meeting of Shareholders to be held on June 25, 2024

Dated as of May 21, 2024

**TOWER RESOURCES LTD.**  
**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the "**Meeting**") of the shareholders of Tower Resources Ltd. (the "**Company**") will be held as a virtual shareholders' meeting via audio conference at 1.888.886.7786 on Tuesday, June 25, 2024 at 11:00 AM (Pacific), for the following purposes:

1. to receive the audited financial statements of the Company for the year ended October 31, 2023 and the report of the auditors thereon;
2. to fix the number of directors of the Company to be elected at the Meeting;
3. to elect the directors of the Company to hold office until the next annual meeting of shareholders;
4. to appoint Davidson & Company LLP, Chartered Professional Accountants, as auditors to hold office until the next annual meeting of shareholders at a remuneration to be fixed by the board of directors (the "**Board**");
5. to consider and, if deemed advisable, pass, with or without amendment, an ordinary resolution, the full text of which is set out in the accompanying information circular, ratifying, adopting and re-approving the 10% rolling stock option plan of the Company; and
6. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

Shareholders should refer to the accompanying management information circular (the "**Information Circular**"), for more detailed information with respect to the matters to be considered at the Meeting.

A registered shareholder may attend the Meeting or may be represented by proxy. Shareholders unable to attend the Meeting or any adjournment or adjournments thereof are requested to date, sign and return the accompanying instrument of proxy ("**Instrument of Proxy**") for use at the Meeting or any adjournment or adjournments thereof. To be effective, the Instrument of Proxy must be mailed so as to reach or be deposited with Computershare Trust Company of Canada, Attention: Proxy Department, 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, V6C 3B9, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Vancouver, British Columbia) prior to the time set for the Meeting or any adjournment or adjournments thereof.

The Company has made arrangements to hold the Meeting as a completely virtual meeting, which will be conducted via audio conference, where all shareholders regardless of geographic location and equity ownership will have an equal opportunity to participate at the Meeting and engage with directors and management of the Company as well as other shareholders. Shareholders will not be able to attend the Meeting in person, we strongly encourage you to vote by proxy in advance of the Meeting. Registered shareholders and duly appointed proxyholders will be able to vote at the Meeting, in accordance with instructions provided by the Chair at the Meeting. Registered shareholders and duly appointed proxyholders will be asked to identify themselves before the beginning of the Meeting. Beneficial shareholders (being shareholders who hold their securities through a broker, investment dealer, bank, trust company, custodian, nominee, or other intermediary) who have not duly appointed themselves as proxyholders will be able to attend but will not be able to vote at the Meeting.

If you are not a registered shareholder of the Company and received this Notice and the Information Circular through your broker or another intermediary, please complete and return the accompanying Instrument Proxy or Voting Instruction Form provided to you by such broker or other intermediary, in accordance with the instructions provided therein.

**DATED** at Vancouver, British Columbia as of the 21<sup>st</sup> day of May 2024.

**ON BEHALF OF THE BOARD OF DIRECTORS**

*"/s/ R. Joe Dhami"*

R. Joe Dhami  
Chief Executive Officer and President

**TOWER RESOURCES LTD.**  
**Management Information Circular**

Unless otherwise stated, information contained herein is given as of May 21, 2024. All references to dollar amounts herein are references to Canadian dollars unless otherwise indicated.

**INFORMATION REGARDING PROXIES AND VOTING AT THE MEETING**

***Solicitation of Proxies***

This management information circular (the “**Information Circular**”) is furnished in connection with the solicitation by the management of Tower Resources Ltd. (the “**Company**”) of proxies to be voted at the annual general meeting (the “**Meeting**”) of the holders (the “**shareholders**”) of common shares of the Company (“**Common Shares**”, “**common shares**” or “**Shares**”) to be held as a virtual shareholders’ meeting via audio conference at 1.888.886.7786 on Tuesday, June 25, 2024 at 11:00 AM (Pacific), for the purposes set forth in the accompanying Notice of Meeting.

Unless otherwise stated, the information contained in this Information Circular is given as at May 21, 2024 (the “**Record Date**”).

The head office and registered and records office of the Company is located at 40440 Thunderbird Ridge B1831, Garibaldi Highlands, BC, V0N 1T0.

The solicitation of proxies by management of the Company will be made primarily by mail and virtually; however, proxies may also be solicited by telephone or in person with the cost of such solicitation to be borne by the Company. **While no arrangements have been made to date, the Company may have certain officers, directors, regular employees, or contract a company for the solicitation of proxies for the Meeting. Such arrangements would include customary fees which would be borne by the Company.**

**Voting of Proxies by Registered Shareholders**

The Common Shares represented by the accompanying instrument of proxy (“**Instrument of Proxy**”) if the same is properly executed and is received at the offices of Computershare Trust Company of Canada, Attention: Proxy Department, 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, V6C 3B9, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Vancouver, in the Province of British Columbia) prior to the time set for the Meeting or any adjournment or adjournments thereof, will be voted at the Meeting, and, where a choice is specified in respect of any matter to be acted upon, will be voted or withheld from voting, as the case may be, in accordance with the specification made. **In the absence of such specification, Instruments of Proxy in favour of management will be voted in favour of all ordinary resolutions described herein. The Instrument of Proxy also confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting.** At the time of printing of this Information Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the Instrument of Proxy will be voted on such matters in accordance with the best judgment of the named proxies.

**Appointment and Revocation of Proxies by Registered Shareholders**

The persons named in the Instrument of Proxy have been selected by the board of directors (the “**Board**”) of the Company and have indicated their willingness to represent as proxy the shareholder who appoints them. **A shareholder wishing to appoint some other person, who need not be a shareholder, to represent them at the Meeting, may do so by inserting such person’s name in the blank space provided in the Instrument of Proxy or by completing another proper Instrument of Proxy and, in either case, depositing the completed and executed Instrument of Proxy at the offices of Computershare Trust Company of Canada, Attention: Proxy Department, 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, V6C 3B9, not later than forty-eight (48) hours (excluding**

**Saturdays, Sundays and statutory holidays in the City of Vancouver, British Columbia) prior to the time set for the Meeting or any adjournment or adjournments thereof.** A shareholder forwarding the Instrument of Proxy may indicate the manner in which the appointee is to vote with respect to any specific item, by checking the appropriate space in the Instrument of Proxy. If the shareholder giving the Instrument of Proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The Common Shares represented by the Instrument of Proxy submitted by a shareholder will be voted in accordance with the directions, if any, set forth in the Instrument of Proxy.

An Instrument of Proxy given pursuant to this solicitation may be revoked by an instrument in writing executed by a shareholder or by a shareholder's attorney duly authorized in writing or, if the shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney and deposited at the offices of the transfer agent, Computershare Trust Company of Canada, Attention: Proxy Department, 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, V6C 3B9, at any time up to and including the last business day preceding the day of the Meeting or with the Chairperson of the Meeting on the day of the Meeting or in any other manner permitted by applicable law. Such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such Instrument of Proxy.

### **Voting by Non-Registered Shareholders**

If you are not a registered shareholder ("**Non-Registered Shareholder**") of the Company and received the Notice of Meeting and this Information Circular through your broker or through another intermediary (an "**Intermediary**", which include, among other entities and individuals, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans), please complete and return the Instrument of Proxy or Voting Instruction Form ("**VIF**") provided to you by such broker or other Intermediary, in accordance with the instructions provided therein.

Only registered shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Most shareholders are Non-Registered Shareholders because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. Common Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an Intermediary that the Non-Registered Shareholder deals with, in respect of the Common Shares; or (ii) in the name of a clearing agency such as CDS & Co. (the registration name of The Canadian Depository for Securities Limited) of which the Intermediary is a participant.

Common Shares held by Intermediaries and their nominees can only be voted (for or against resolutions) upon the instructions of the Non-Registered Shareholder. Without specific instructions, the Intermediary or their nominee is prohibited from voting Common Shares for their clients. Each Non-Registered Shareholder should therefore ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") requires brokers and other Intermediaries to seek voting instructions from Non-Registered Shareholders in advance of shareholders' meetings. The various brokers and other Intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Non-Registered Shareholders to ensure their Common Shares are voted at the Meeting. The VIF supplied to a Non-Registered Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Non-Registered Shareholder. In Canada, the vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Services, Inc. ("**Broadridge**"). Broadridge typically prepares a machine readable VIF, mails those forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return the VIFs to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Non-Registered Shareholder who receives a Broadridge VIF cannot use it to vote**

**Common Shares directly at the Meeting. The VIFs must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted.** If you have any questions respecting the voting of Common Shares held through a broker or other Intermediary, please contact that broker or other Intermediary for assistance.

Although a Non-Registered Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their broker, a Non-Registered Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. **Non-Registered Shareholders who wish to attend the Meeting and vote their Common Shares as proxyholder for the registered shareholder, should enter their own names in the blank space on the VIF and return it to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

There are two categories of Non-Registered Shareholders: (i) objecting beneficial owners (“OBO”) – those who object to their name being made known to the issuer of securities which they own; and (ii) non-objecting beneficial owners (“NOBOs”) – those who do not object to the issuer of the securities they own knowing who they are.

### **NOBOs**

The Company has decided to take advantage of those provisions of NI 54-101 that permit it to directly deliver proxy-related materials to NOBOs of the Company who have not waived the right to receive such materials. As a result, NOBOs can expect to receive a scannable VIF, together with this Information Circular, from Computershare Trust Company. VIFs are to be completed and returned to Computershare Trust Company following the instructions provided in the form. Computershare Trust Company will tabulate the results of the VIFs received from NOBOs and provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs received by it. Should a NOBO of the Company wish to vote at the Meeting, the NOBO must, as set forth in the VIF, request an Instrument of Proxy from Computershare Trust Company that will grant the NOBO the right to attend the Meeting and vote. NOBOs of the Company that wish to change their vote must, in sufficient time in advance of the Meeting, contact Computershare Trust Company to change their vote.

If you are a NOBO and the Company or its agent has sent the Notice of Meeting and this Information Circular directly to you, your name, address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the securities on your behalf. By choosing to send such materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering them to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

### **OBOs**

In accordance with the requirements of NI 54-101, copies of the Notice of Meeting and this Information Circular have been distributed to the clearing agencies and Intermediaries for distribution to OBOs. Intermediaries are required to forward the Notice of Meeting and this Information Circular to OBOs unless the OBO has waived the right to receive them, pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*. Very often, Intermediaries will use service companies to forward proxy material to OBOs. With the Notice of Meeting and this Information Circular, Intermediaries or their service companies should provide OBOs with a VIF which, when properly completed and signed by such OBO and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow. The purpose of this procedure is to permit OBOs to direct the voting of the Common Shares that they beneficially own. Should an OBO wish to vote at the Meeting, the OBO should follow the procedure in the VIF and request a form which will grant the OBO the right to attend the Meeting and vote. OBOs should carefully follow the instructions of their Intermediary, including those regarding when and where the completed VIF is to be delivered. OBOs who wish to change their vote must, in sufficient time in advance of the Meeting, arrange with their respective Intermediaries to change their vote and, if necessary, revoke their VIF in accordance with the revocation procedures set out above.

All references to shareholders in this Information Circular and the Instrument of Proxy and Notice of Meeting, are references to registered shareholders of the Company unless specifically otherwise stated.

### SECURITIES ENTITLED TO VOTE

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value. As at the Record Date, there were 149,697,767 Common Shares issued and outstanding. Each Common Share entitles the holder thereof to one (1) vote on all matters to be acted upon at the Meeting.

### QUORUM

The quorum for the transaction of business at a meeting of shareholders is at least one person who is, or who represents by proxy, one or more shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the Meeting.

No business may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the Meeting.

### OWNERSHIP OF SHARES

To the knowledge of the Board and the executive officers of the Company, as of the Record Date, no person, firm or company beneficially owns, controls or directs, directly or indirectly, voting securities of the Company carrying ten percent (10%) or more of the voting rights attached to all issued and outstanding Common Shares, other than as set out below:

Name	Beneficially Owned	Percentage
Brian Tingle	15,407,764	10.29%

### PARTICULARS OF MATTERS TO BE ACTED UPON

#### ***Financial Statements***

The audited financial statements of the Company for the year ended October 31, 2023, including the report of the auditors thereon and management's discussion and analysis ("**Financial Statements**") will be tabled at the Meeting. A copy of the Financial Statements is available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). No formal action will be taken at the Meeting to approve the Financial Statements.

#### ***Election of Directors***

#### **Advance Notice**

The Company's articles (the "**Articles**") provide for advance notice (the "**Advance Notice**") to the Company in circumstances where nominations of persons for election to the Board are made by shareholders of the Company other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the *Business Corporations Act* (British Columbia) (the "**BCBCA**") or (ii) a shareholder proposal made pursuant to the provisions of the BCBCA.

The purpose of the Advance Notice is to ensure that all shareholders - including those participating in a meeting by proxy - receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. Among other things, the Advance Notice fixes a deadline by which holders of Common Shares must submit director nominations to the Company prior to any annual or special meeting of shareholders, and sets forth the minimum information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

The foregoing is merely a summary of the Advance Notice provisions in the Articles, is not comprehensive, and is qualified by the full text of the Articles, which are available under the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

As of the date of the Information Circular, the Company has not received notice of a nomination in compliance with the Advance Notice.

### Fixing the Number of Directors

At the Meeting, the shareholders will be asked to fix the number of directors of the Company to be elected at 3 members. Approval of the number of directors will require the affirmative votes of the holders of not less than a simple majority of the votes cast in respect thereof by shareholders represented at the Meeting. **Unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote in favour of fixing the number of directors at 3.**

### Nominees

The persons named below are the nominees of management for election as directors. The term of office of each of the present directors expires at the Meeting. Management of the Company proposes to nominate the persons named below for election as directors of the Company at the Meeting, to serve until the next annual meeting of the shareholders of the Company, unless their office is earlier vacated. All of the nominees are currently members of the Board.

Approval of the election of directors will require the affirmative votes of the holders of not less than a simple majority of the votes cast in respect thereof by shareholders represented at the Meeting. **Unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote in favour of the election, as directors, of the nominees whose names are set forth below.** In the event that prior to the Meeting, any vacancies occur on the slate of nominees submitted herewith, it is intended that discretionary authority will be granted to vote proxies solicited by or on behalf of management for the election of any other person or persons as directors. Management is not currently aware that any such nominees would not be willing to serve as director if elected.

Name, Province or State and Country of Residence, Position	Principal Occupation or Employment for the Past Five Years	Director Since	Number of Common Shares Beneficially Owned or Controlled and Percentage of Total Issued and Outstanding <sup>(1)</sup>
<b>AVERILL, Stuart</b> <sup>(2) (3)</sup> Ontario, Canada	Entrepreneurial geologist	August 22, 2016	3,373,621 2.25%
<b>DHAMI, Joe</b> <sup>(2)</sup> British Columbia, Canada	President and CEO of the Company (April 2019 – present)	April 4, 2019	3,880,417 2.59%
<b>SHIELDS, Gerald</b> <sup>(2)(3)</sup> British Columbia, Canada	Self-employed management consultant through his company, GJS Management Corp.	May 22, 2014	1,447,400 0.97%

### Notes:

- (1) The information, as of the Record Date, as to the number of Common Shares, carrying the right to vote in all circumstances, beneficially owned, directly or indirectly, or over which control or direction is exercised, has been furnished, by the respective nominees. These figures do not include any securities that are convertible into or exercisable for Common Shares.
- (2) Audit Committee member.
- (3) Nominating, Compensation, and Governance Committee member.



The information as to residence, principal occupation, and number of Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been taken from the System for Electronic Disclosure by Insiders (SEDI) or furnished by the respective nominees as of the Record Date.

#### Biographies of Directors

The following are brief profiles of each of the proposed nominees, including a description of each individual's principal occupation within the past five years.

#### **Joe Dhami, President, President, Chief Executive Officer and Director**

Mr. Dhami has over 20 years of experience in the capital markets working with portfolio managers, retail brokers and high net worth investors. He is a well-respected marketing consultant who provides end to end corporate advisory services from the corporate start-up stage through the high growth cycle of a discovery or product launch, with a view to optimizing shareholder value. Companies which achieved success with Mr. Dhami's assistance include Webtech Wireless, a Canadian telematics and location-based service provider that became an industry leader, recognized as one the fastest growing companies that had top line revenue to 35 million, sold product worldwide and was eventually bought by a competitor, and Rainy River Resources, a Canadian based exploration company which discovered an economic gold deposit in northern Ontario and was eventually acquired by an established gold producer which put Rainy River's project into production.

#### **Stuart Averill, Independent Director**

Mr. Averill is Chairman of Overburden Drilling Management Limited (ODM), a company that he founded in 1974 to develop and apply indicator mineral methods for mineral exploration. He has progressively advanced this novel technology and is now recognized as its pioneer and leading authority. Mr. Averill's specialty is early-stage exploration projects in frontier areas but he has also performed many detailed investigations, including demonstrating that Bre-X's drill core samples had been salted with placer gold grains. He has played a leading role in the discovery of several mineral deposits and new mineral districts in Canada including the very productive Casa Berardi and Rainy River gold districts. He is a former director of Nuinsco Resources Limited and was a director of Rainy River Resources Ltd. from 2005 until the company was acquired by New Gold Inc. in 2013 for \$310 million.

Mr. Averill holds a BSc. (Hons.) in geology from the University of Manitoba. He has published several influential papers on indicator minerals and was presented with the PDAC's Distinguished Service Award in 2003.

#### **Gerald Shields, Chair of the Board and Independent Director**

Mr. Shields was engaged in the practice of law from 1979 through 2006 in Calgary and Vancouver, specializing in corporate and securities law and mergers and acquisitions. In 2006 he left the law business and joined Providia, a group engaged in public company start-ups. Mr. Shields was a founding shareholder of Ryland Oil Corporation, and served as its President and a member of the Board from 2007 until its sale to Crescent Point Energy in 2010. Mr. Shields was also a founding shareholder of Rainy River Resources Ltd., a TSX listed gold exploration company. He was elected to the Board of Directors of Rainy River in 2008 and was engaged as Vice President in 2009. He was subsequently appointed General Counsel and Corporate Secretary in 2011, positions he held until the sale of Rainy River to New Gold Inc. in 2013.

Mr. Shields holds a Bachelor of Laws degree from the University of Western Ontario.

#### Corporate Cease Trade Orders or Bankruptcies

No existing or proposed director of the Company:

- (a) is, as at the date hereof, or has been, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any other issuer (including the Company) that:
  - (i) was subject to a cease trade order, or similar order, or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to a cease trade order, or similar order, or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) is, as at the date hereof, or has been, within the 10 years before the date hereof, a director or executive officer of any issuer (including the Company), that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

#### Penalties or Sanctions

None of those persons who are proposed directors of the Company (or any personal holding companies) have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

#### Personal Bankruptcies

No proposed director of the Company, or a personal holding company of any such person has, within the past ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

#### ***Appointment of Auditor***

**Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted “FOR” the appointment of Davidson & Company LLP, Chartered Professional Accountants, as the auditors of the Company to hold office until the close of the next annual meeting of shareholders of the Company or until a successor is appointed.** It is proposed that the remuneration to be paid to the auditors be fixed by the Board. Davidson & Company LLP has been the Company’s auditor since September 25, 2012.

## Fees Paid to Auditor and their Independence from the Company

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit, audit-related, tax, and all other fees are as follows:

Financial Year Ending	Audit Fees <sup>(1)</sup>	Audit Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
2023	\$27,250	Nil	Nil	Nil
2022	\$26,000	Nil	Nil	Nil

### Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit of the Company's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings, and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews, and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning, and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

In the event the Company wishes to retain the services of the Company's external auditors for any non-audit services, prior approval of the Audit Committee must be obtained. All of the engagements and fees for the year ended October 31, 2023, were pre-approved or ratified by the Audit Committee. The Audit Committee reviews with its auditor whether the non-audit services to be provided are compatible with maintaining the auditor's independence.

## **Ratification and Re-Approval of Stock Option Plan**

At the Meeting, shareholders will be asked to ratify and re-approve the 10% rolling stock option plan of the Company (the "**Option Plan**"). A copy of the Option Plan is attached hereto as Appendix "A".

Pursuant to Policy 4.4 of the TSX Venture Exchange, companies that have a rolling stock option plan reserving a maximum of 10% of the issued and outstanding shares must receive yearly shareholder approval of the Option Plan. The Option Plan was previously approved by the Company's shareholders at the annual general meeting held June 27, 2023. The aggregate maximum number of Shares that may be issued under the Option Plan is 10% of the issued and outstanding Shares on a rolling basis.

Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a resolution (the "**Option Plan Resolution**") re-approving the Option Plan. The Option Plan Resolution requires a favourable vote of a majority of the Common Shares voted in respect thereof at the Meeting. The TSX Venture Exchange requires such approval before it will allow the re-adoption of the Option Plan. Options to purchase Common Shares that were previously granted to directors, officers, employees, consultants and advisors of the Company will be deemed to be granted under the Option Plan.

The text of the Option Plan Resolution is set out below:

**"BE IT RESOLVED**, as an ordinary resolution of the shareholders of Tower Resources Ltd. (the "**Company**") that:

1. The Company's 10% rolling stock option plan (the "**Option Plan**") as described in and attached as Appendix "A" to the management information circular of the Company dated May 21, 2024, as may be revised by the directors of the Company to comply with applicable securities law, the policies and rules of the TSX Venture Exchange, or any requirement or request of any securities regulatory authority, be and is hereby adopted and approved;

2. Any one director or officer of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such further agreements, documents, and instruments and to perform all such other acts, deeds, and things in relation to the Option Plan as such director or officer may deem to be necessary or advisable for the purpose of giving full force and effect to the provisions of this resolution, the execution and delivery by such director or officer of any such agreement, document, or instrument or the doing of any such act or thing being conclusive evidence of such determination; and
3. Notwithstanding the foregoing approvals, the directors of the Company be and are hereby authorized to abandon all or any part of these resolutions at any time prior to giving effect thereto without further notice to or approval of the shareholders of the Company.”

**The Board unanimously recommends a vote for the Option Plan Resolution. In the absence of instructions to the contrary, the person(s) designated by management of the Company in the enclosed Form of Proxy will be voted FOR the Option Plan Resolution.**

#### **VOTES NECESSARY TO PASS RESOLUTIONS**

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company’s auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

#### **OTHER MATTERS**

Management of the Company knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting accompanying this Information Circular. However, if any other matter properly comes before the Meeting, the Instrument of Proxy and VIF furnished by the Company will be voted on such matters in accordance with the best judgment of the persons voting the Instrument of Proxy.

#### **CORPORATE GOVERNANCE**

The Company’s Board and executive officers consider good corporate governance to be an important factor in the efficient and effective operation of the Company.

##### ***Board of Directors***

The Board is currently composed of three directors: Joe Dhami, Stuart Averill and Gerald Shields.

National Policy 58-201 – *Corporate Governance Guidelines* suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to materially interfere with the director’s ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. Of the proposed nominees for directors of the Company, two (Stuart Averill and Gerald Shields) are considered by the Board to be “independent” within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, and one nominee (Joe Dhami) is considered to be “non-independent.” Joe Dhami is not an independent director as he serves as Chief Executive Officer and President.

In order to ensure that the Board exercises independent judgment in carrying out its responsibilities, the independent members of the Board meet without the presence of the non-independent directors and management, known as “in-camera” meetings, before or after every regularly scheduled meeting and at such other times as they deem appropriate.

The Board has not appointed a compensation committee; rather management of the Company is responsible for making recommendations to the Board with respect to compensation for the directors and the CEO. The Board has the ability to adjust and approve such compensation.

### ***Position Descriptions***

The Chair of the Board has the following key responsibilities: duties relating to setting Board meeting agendas; chairing Board and shareholders meetings; director development; and communicating with shareholders and regulators.

The Board has adopted a written position description for the Chair of the Audit Committee which sets out the chair's key responsibilities, including duties relating to setting committee meeting agendas, chairing committee meetings, and working with the applicable committee and management to ensure, to the greatest extent possible, the effective functioning of the committee.

The activities of the executive officers are subject to the overriding supervision and direction of the Board.

### ***Orientation and Continuing Education***

While the Company does not have formal orientation and training programs, orientation of new members of the Board is conducted by informal meetings with members of the Board, briefings by management, and the provision of copies of or access to the Company's documents.

The Company has not adopted formal policies respecting continuing education for Board members. Board members are encouraged to communicate with management, legal counsel, auditors, and consultants, to keep themselves current with industry trends and developments and changes in legislation with management's assistance, and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

### ***Ethical Business Conduct***

The Board has found that the fiduciary duties placed on individual directors by the BCBCA and the common law, and the restrictions placed by the BCBCA on an individual director's participation in decisions of the Board in which the director has an interest, have helped to ensure that the Board operates independently of management and in the best interests of the Company.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company, and exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, if a director of the Company also serves as a director or officer of another company engaged in similar business activities to the Company, that director must comply with the conflict-of-interest provisions of the BCBCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors that evoke such a conflict.

Further, the Company has a code of business conduct and ethics (the "**Code**") that applies to the Company's directors, officers, and employees. The Code does not address every possible business scenario, but rather, sets out key guiding principles of integrity to which Company personnel are expected to adhere in all matters. These principles include, but are not limited to, honest and ethical conduct, fair dealing with internal and external stakeholders, and compliance with all applicable laws, rules, and regulations.

### ***Nomination of Directors***

When there is a need to fill a position on the Board, either due to a vacancy or as required to carry out the Board's duties effectively and maintain a breadth of experience, the Nominating, Compensation, and Governance Committee assists the current directors with identifying individuals qualified to become new Board members and potential candidates for consideration.

### ***Board Committees***

The Board has an Audit Committee and a Nominating, Compensation, and Governance Committee. For more details on the committees of the Board, see "*Committees of the Board of Directors.*"

### ***Assessments***

The Board monitors the adequacy of information given to directors, communication between the Board and management, and the strategic direction and processes of the Board and committee(s). On an ongoing annual basis, the Board assesses the performance of the Board as a whole, each of the individual directors, and the committee(s) of the Board, in order to satisfy itself that each is functioning effectively.

### ***Corporate Policies***

The Board has adopted the following policies in place for its directors, officers, employees, and consultants:

- Code of Business Conduct
- Corporate Disclosure Policy
- Corporate Governance Charter
- Insider Trading Policy

The above noted policies are on the Company's website:

<https://www.towerresources.ca/index.php/corporate/governance>.

Shareholders may also contact the Company to request copies via email at [lhodges@towerresources.ca](mailto:lhodges@towerresources.ca).

### ***Diversity and Inclusion***

While the Company believes that nominations to the Board and appointments to senior management should be based on merit, the Company recognizes that diversity supports broader and balanced perspective, debate and discussion which, in turn, enhances decision-making.

The Board has not adopted a formal policy regarding the identification and nomination of directors who are women, Aboriginal peoples, persons with disabilities or members of visible minorities ("**Designated Groups**"). The Company recognizes the benefits of diversity within its Board, at the senior management level and all levels of the organization, but does not believe that a formal policy would enhance the representation of Designated Groups on the board beyond the current recruitment and selection process.

The Company evaluates the necessary competencies, skills, experience and other qualifications of each candidate as a whole and considers the representation of Designated Groups as one of many factors in the recruitment and selection of candidates for Board and senior management positions.

The Board has not adopted formal targets regarding members of Designated Groups being represented on the Board or holding senior management positions. The representation of Designated Groups is one of many factors considered in the overall recruitment and selection process in respect of Board and senior management positions at the

Company. The Board does not believe that formal targets would enhance the representation of Designated Groups on the board or in senior management positions beyond the current recruitment and selection process. The Company's current Board has no (0%) women and 1 (33%) is an individual from a Designated Group. Of the Company's current members of senior management, one (50%) is a woman and one (50%) is an individual from a Designated Group.

#### **OTHER DIRECTORSHIPS**

The following current and proposed directors of the Company also serve as directors of other reporting issuers:

<b>Director</b>	<b>Other Reporting Issuer(s)</b>
SHIELDS, Gerald	Silverstock Metals Inc.

#### **MEETINGS OF THE BOARD OF DIRECTORS**

The Board meets at least once each calendar quarter to review, among other things, the performance of the Company. Results are compared and measured against a previously established plan and performance of prior fiscal years. The Board will review and assess the Company's financial budget and business plan for the ensuing year and its overall strategic objectives. This process will establish, among other things, benchmarks against which the Board may measure the performance of management. Other meetings of the Board will be called to deal with special matters, as circumstances require.

#### **COMMITTEES OF THE BOARD OF DIRECTORS**

There are currently two committees of the Board, namely, the Audit Committee and the Nominating, Compensation and Governance Committee.

##### ***Audit Committee***

The members of the Audit Committee are Gerald Shields, Stuart Averill, and Joe Dhami, two of whom are considered independent directors for the purposes of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). The full text of the Audit Committee's Charter is annexed as Appendix "B" to this Information Circular.

Each member of the Audit Committee is considered financially literate, as they each have a good command of International Financial Reporting Standards (IFRS) and the ability to understand a set of financial statements that presents a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements and the internal controls and procedures for financial reporting.

At no time since the commencement of the Company's most recently completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not been accepted by the Board.

As the Company is considered a "venture issuer" for the purpose of NI 52-110, it is relying on the exemption found in section 6.1 of NI 52-110.

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is set out at "*Particulars of Matters to be Acted Upon – Election of Directors – Biographies*".

The members of the Audit Committee are elected by the Board at its first meeting following the annual shareholders' meeting, to serve one-year terms. There are no limits to how many consecutive terms an Audit Committee member may serve.

### ***Nominating, Compensation and Governance Committee***

The members of the Nominating, Compensation and Governance Committee are Gerald Shields (Chair) and Stuart Averill, all of whom are independent. The purpose of the Nominating, Compensation and Governance Committee is to assist the Board in discharging its responsibilities with respect to: identifying individuals qualified to become new board members; setting director and senior executive compensation; and assessing and making recommendations to the Board regarding certain compensation related and governance matters as delegated by the Board. The Board has adopted a written charter setting forth such purposes.

For additional details regarding the relevant education and experience of each member of the Nominating, Compensation and Governance Committee, including the direct experience that is relevant to each committee member's responsibilities, see "*Particulars of Matters to be Acted Upon – Election of Directors – Biographies.*" For information regarding the steps taken to determine compensation for the directors and the executive officers, see "*Statement of Executive Compensation*" herein.

No member of the Nominating, Compensation, and Governance Committee is an officer or employee of the Company, and as such, the Board believes that the Nominating, Compensation, and Governance Committee is able to conduct its activities in an objective manner.

The Board has adopted a written charter setting forth the purpose, composition, authority and responsibility of the Nominating, Compensation and Governance Committee. The Nominating, Compensation and Governance Committee's purpose is to assist the Board in:

- the appointment, performance, evaluation and compensation of the Company's senior executives;
- the recruitment, development and retention of the Company's senior executives;
- maintaining talent management and succession planning systems and processes relating to the Company's senior management;
- developing the compensation structure for the Company's senior executives including salaries, annual and long-term incentive plans including plans involving share issuances and other share-based awards;
- establishing policies and procedures designed to identify and mitigate risks associated with the Company's compensation policies and practices;
- assessing the compensation of the Company's directors;
- developing benefit retirement and savings plans;
- administering the Company's share compensation arrangements;
- developing and recommending criteria for Board and committee membership;
- recommending the persons to be nominated for election as directors and to each of the committees of the Board;
- assessing the independence of directors within the meaning of securities laws and stock exchange rules as applicable;
- reviewing and making recommendations in respect of the Company's corporate governance principles;
- providing for new director orientation and continuing education for existing directors on a periodic basis; and
- overseeing the evaluation of the Board and its committees.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### ***Compensation Discussion and Analysis***

The Company operates in a dynamic and rapidly evolving market. To succeed in this environment and to achieve its business and financial objectives, the Company must attract, retain, and motivate a highly talented team of executive officers. The Company expects its team of executive officers to possess and demonstrate strong leadership and



management capabilities, as well as foster a pioneering culture, which is at the foundation of the Company's success and remains a pivotal part of everyday operations. The Board is responsible for assisting the Company in fulfilling its governance and supervisory responsibilities, and overseeing the human resources, succession planning, and compensation policies, processes, and practices. The Board is also responsible for ensuring that the compensation policies and practices provide an appropriate balance of risk and reward consistent with the risk profile. The Company has adopted a written charter for the Board setting out its responsibilities for administering the compensation programs and reviewing and making recommendations to the Board concerning the level and nature of the compensation payable to the directors and officers. The Board's oversight includes reviewing objectives, evaluating performance, and ensuring that total compensation paid to the executive officers and various other key employees is fair, reasonable, and consistent with the objectives of the philosophy and compensation program.

The Board is required to evaluate the Company's compensation programs as circumstances require and on an annual basis. As part of this evaluation process, the Board is guided by the philosophy and objectives outlined above, as well as other factors which may become relevant, such as the cost to the Company if it were required to find a replacement for a key employee.

The Company's compensation practices are designed to retain, motivate, and reward its executive officers for their performance and contribution to the Company's long-term success, while recognizing that a focus on non-cash incentives is appropriate, given the Company's current stage of development. The Board seeks to reward the achievement of corporate and individual performance objectives and to align executive officers' incentives with the Company's performance. Although as of the date of this Information Circular, the Company's directors have not tied the compensation of its Named Executive Officers (as that term is defined below) to the achievement of specific performance goals, they regularly discuss milestones in relation to the Company's project development activities and intend to incorporate performance-based incentives using the Option Plan.

In order for the Company to achieve its growth objectives, attracting and retaining the right team members is critical. Having a considered compensation plan that attracts high performers and compensates them for continued achievements is a key component of this strategy. The Company's Named Executive Officers (as that term is defined below) will be invited to participate in the Option Plan, driving retention and ownership. Communicating clear and concrete criteria for merit-based increases and bonuses will also motivate the entire team to achieve individual and corporate goals.

No risks arising from the Company's compensation policies and practices have been identified that are reasonably likely to have a material adverse effect on the Company. No NEOs (as that term is defined below) or directors are permitted to purchase financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by a NEO or director.

### ***Elements of Compensation***

The Company's executive compensation consists primarily of two elements: (a) base salary; and (b) short-term, long-term and bonus incentives. The Company believes that providing competitive overall compensation enables the Company to attract and retain qualified executives. The compensation is set so as to be generally competitive with the compensation received by persons with similar qualifications and responsibilities who are engaged by other companies of corresponding size and stage of development, having similar assets, number of employees and market capitalization; the peer group the Company uses to determine compensation consists of Oroco Resources Corp., Bolt Metals Corp. and Wedgemount Resources Corp.

## ***Stock Option Plans and Other Incentive Plans***

### Option Plan

The Company has in place the Option Plan, which is a rolling 10% option plan. As of Record Date, there were 14,969,777 Shares reserved for issuance under the Option Plan and 11,984,667 options outstanding under the Option Plan. The Board is responsible for administering the Option Plan.

The purpose of the Option Plan is to: (a) provide directors, officers, consultants, and employees of the Company with additional incentive; (b) encourage stock ownership by such persons; (c) encourage such persons to remain with the Company; and (d) attract new directors, officers, consultants, and employees, among other purposes.

The Option Plan provides that the aggregate number of common shares in the capital of the Company pursuant to all share compensation arrangements that are at any one time reserved and set aside for issuance cannot exceed 10% of the number of Common Shares issued and outstanding from time to time. As a result, any increase in the issued and outstanding Common Shares will result in an increase in the number of Common Shares that may be reserved and set aside for issuance.

The number of Common Shares reserved for issue to any one optionee pursuant to all share compensation arrangements granted or issued may not exceed 5% of the issued and outstanding Common Shares within a 12-month period, unless the Company has obtained disinterested shareholder approval, being approval by a majority of the votes cast by the shareholders eligible to vote at a shareholders' meeting, excluding votes attaching to Common Shares beneficially owned by insiders and their associates. The number of Common Shares reserved for issue to any one optionee pursuant to all share compensation arrangements granted or issued may not exceed 2% of the issued and outstanding Common Shares within a 12-month period, unless the Company has obtained the consent of the TSX Venture Exchange.

Options granted under the Option Plan will have an exercise price set by the Board and be in accordance with TSX Venture Exchange Policy 4.4 Security Based Compensation.

Vesting provisions and the expiry date for options granted under the Option Plan will be determined by the Board at the time of grant and be in accordance with TSX Venture Exchange Policy 4.4 Security Based Compensation.

### ***Director and Named Executive Officer Compensation***

Executive compensation is required to be disclosed for (i) each Chief Executive Officer (or individual who served in a similar capacity during the most recently completed financial year), (ii) each Chief Financial Officer (or individual who served in a similar capacity during the most recently completed financial year), (iii) the most highly compensated executive officer (other than the Chief Executive Officer and the Chief Financial Officer) at the end of the most recently completed fiscal year whose total compensation was more than \$150,000; and (iv) each individual who would meet the definition set forth in (iii) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year (the "**Named Executive Officers**" or "**NEO's**").

### **Director and Named Executive Officer Compensation, Excluding Compensation Securities**

The following table sets forth all compensation paid or accrued, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or any subsidiary thereof, to each Named Executive Officer and director of the Company, for each of the two most recently completed financial years ended October 31, 2023 and 2022.

Table of compensation excluding compensation securities							
Name and position <sup>(1)</sup>	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$) <sup>(2)</sup>	Value of perquisites (\$) <sup>(3)</sup>	Value of all other compensation (\$) <sup>(4)</sup>	Total compensation (\$)
AVERILL, Stuart <i>Independent Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
DHAMI, R. Joe <i>President, Chief Executive Officer and Director</i>	2023	120,000	Nil	Nil	Nil	Nil	120,000
	2022	90,000	Nil	Nil	Nil	Nil	90,000
BURIANYK, Lesia <i>Chief Financial Officer</i>	2023	33,000	Nil	Nil	Nil	Nil	33,000
	2022	24,000	Nil	Nil	Nil	Nil	24,000
SHIELDS, Gerald <i>Independent Director and Chair of the Board</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

1. If an individual is an NEO and a director, both positions have been listed.
2. Directors did not receive compensation for acting as directors, other than compensation securities, for the two most recently completed financial years ended.
3. Includes perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are greater than (a) \$15,000, if the NEO or director's total compensation for the financial year is \$150,000 or less; (b) 10% of the NEO or director's salary for the financial year, if the NEO or director's total compensation for the financial year is greater than \$150,000 but less than \$500,000; (c) \$50,000, if the NEO or director's total for the financial year is \$500,000 or greater.
4. No form of other compensation paid or payable equals or exceeds 25% of the total value of other compensation paid or payable to the director or Named Executive Officer other than compensation securities.

**External Management Companies**

Please refer to "Employee Agreements, Termination and Change of Control Benefits" below for disclosure relating to any external management company employing, or retaining individuals acting as, any Named Executive Officers of the Company, or that provide Company's executive management services and allocate compensation paid to any Named Executive Officer or director.

**Stock Options and Other Compensation Securities**

The following table sets forth all compensation securities granted or issued by the Company, or any subsidiary thereof, to each director and Named Executive Officer in the most recently completed financial year ended October 31, 2023, for services provided or to be provided, directly or indirectly, to the Company or any subsidiary thereof.

### Compensation Securities

Name and position	Type of Compensation security <sup>(1)</sup>	Number of compensation securities, number of underlying securities, and percentage of class <sup>(2)</sup>	Date of issue or grant	Issue, conversion or exercise price (\$) <sup>(3)</sup>	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
<b>DHAMI, R. Joe</b> <i>President, Chief Executive Officer and Director</i>	Stock Options	600,000 <sup>(4)</sup>	October 19, 2023	0.12	0.10	0.10	October 19, 2028
<b>AVERILL, Stuart</b> <i>Director</i>	Stock Options	600,000 <sup>(4)</sup>	October 19, 2023	0.12	0.10	0.10	October 19, 2028
<b>SHIELDS, Gerald</b> <i>Director</i>	Stock Options	300,000 <sup>(4)</sup>	October 19, 2023	0.12	0.10	0.10	October 19, 2028
<b>BURIANYK, Lesia</b> <i>Chief Financial Officer</i>	Stock Options	200,000 <sup>(4)</sup>	October 19, 2023	0.12	0.10	0.10	October 19, 2028

**Notes:**

1. Each compensation security is exercisable into one Common Share.
2. All compensation securities issued to directors and NEO's are subject to a four-month resale restriction hold period expiring four months and one day from the date of issuance.
3. Unless otherwise indicated, no compensation security has been re-priced, canceled, replaced, had its term extended, or otherwise been materially modified, in the most recently completed financial year.
4. The stock options are subject to vesting provisions with 1/3 vesting on the date of grant and 1/3 vesting every year thereafter for a total vesting period of 2 years.

***Exercise of Compensation Securities by Directors and NEOs***

The following table sets forth each exercise by a director or Named Executive Officer of compensation securities during the recently completed financial year ended October 31, 2023.

### Exercise of Compensation Securities by Directors and NEOs

Name and Position	Type of compensation Security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price of security or underlying security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date <sup>(1)</sup>
<b>AVERILL, Stuart</b> <i>Director</i>	Stock Options	200,000	\$0.125	May 15, 2023	\$0.125	Nil	Nil

**Notes:**

- (1) For the purposes of this column, the number in the column entitled "Number of underlying securities exercised" is multiplied by the number in the column entitled "Difference between exercise price and closing price on date of exercise".

### ***Pension Plans Benefits***

The Company does not currently have any pension plans.

### ***Employment Agreements, Termination and Change of Control Benefits***

#### ***Compensation of Mr. R. Joe Dhami, President and Chief Executive Officer***

The Company has a verbal consulting contact with Mr. R. Joe Dhami (the “**Dhami Agreement**”) pursuant to which Mr. Dhami provides his services to the Company as President and CEO. Pursuant to the Dhami Agreement, Mr. Dhami receives \$10,000 per month effective as of December 1, 2022 (prior to December 1, 2022, Mr. Dhami received \$7,500 per month). Mr. Dhami is also eligible for security-based compensation pursuant to the Option Plan. The Dhami Agreement may be terminated at the election of Mr. Dhami or the Company on reasonable notice.

#### ***Compensation of Ms. Lesia Burianyk, Chief Financial Officer***

The Company has a verbal consulting contract with Ms. Lesia Burianyk (the “**Burianyk Agreement**”), pursuant to which Ms. Burianyk provides her services to the Company as Chief Financial Officer. Pursuant to the Burianyk Agreement, Ms. Burianyk receives \$2,750 per month effective as of December 1, 2022 (prior to December 1, 2022, Ms. Burianyk received \$2,000 per month). Ms. Burianyk is also eligible for security-based compensation pursuant to the Option Plan. The Burianyk Agreement may be terminated at the election of Ms. Burianyk or the Company on reasonable notice.

### ***Directors’ Compensation***

The Company has no standard arrangement pursuant to which directors are compensated by the Company for their services in their capacity as directors, except for the granting from time to time of incentive stock options in accordance with the policies of the stock exchange on which the Company’s Common Shares are listed for trading and the Option Plan.

## **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets out information as at the end of the Company’s most recently completed financial year ended October 31, 2023 with respect to the Option Plan, which as at the date of this Information Circular is the only compensation plan under which equity securities of the Company are authorized for issuance.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants, and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants, and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans, excluding securities reflected in column (a) (c)</b>
Equity compensation plans approved by securityholders	11,984,667	\$0.13	2,531,263 <sup>(1)</sup>
Equity compensation plans not approved by securityholders	Nil	N/A	-
<b>Total</b>	<b>11,984,667</b>	<b>\$0.13</b>	<b>2,531,263<sup>(1)</sup></b>

#### **Notes:**

1. The Option Plan provides that the aggregate number of securities reserved for issuance under the Option Plan, together with all other share compensation arrangements, may not exceed 10% of the issued and outstanding shares of the

Company at the time of granting the options. As at the Record Date, there were 149,697,767 Common Shares issued and outstanding and 11,984,667 outstanding options, with the result that 2,985,110 options were available to the Company to be granted.

#### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No current or former director, executive officer, or employee of the Company or any of its subsidiaries is, as at the date of this Information Circular, indebted to the Company in connection with the purchase of Shares of the Company or for any other reason, and no such person's indebtedness to any other entity is the subject of a guarantee, support agreement, or understanding provided by the Company or any of its subsidiaries.

#### **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

The Company is not aware of any of the directors or executive officers of the Company, any proposed nominee for election as a director of the Company, or any associate or affiliate of any of these persons, having any material interest, direct or indirect, in the matters to be acted upon at the Meeting, other than the election of directors or appointment of auditors, by way of beneficial ownership of securities or otherwise.

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

To the best of the Company's knowledge, since the commencement of the Company's most recently completed financial year, no informed person of the Company, proposed nominee for director, or any associate or affiliate of an informed person or proposed nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries. For the purposes of this Information Circular, an "informed person" of the Company means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or Company that is itself an informed person or subsidiary of the Company; (c) any person or Company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or Company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its Shares.

#### **MANAGEMENT CONTRACTS**

Except as otherwise disclosed in this Information Circular, management functions of the Company are generally performed by directors and senior officers of the Company and not, to any substantial degree, by any other person to whom the Company has contracted.

#### **REGISTRAR AND TRANSFER AGENT**

Computershare Investor Services Inc. at 3<sup>rd</sup> floor, 510 Burrard Street, Vancouver, BC, V6C 3B9, is the registrar and transfer agent for the Shares.

#### **ADDITIONAL INFORMATION AND AVAILABILITY OF DOCUMENTS**

The Company will provide to any person or company, upon request, one copy of any of the following documents:

- (a) the annual financial statements of the Company for the most recently completed fiscal year, together with the report of the auditor thereon, together with the management's discussion and analysis in respect thereof, and any interim financial statements of the Company subsequent to the financial statements for the Company's most recently completed fiscal year, together with the management's discussion and analysis in respect thereof; and

- (b) the management information circular of the Company in respect of the most recent annual meeting of shareholders of the Company which involved the election of directors.

Copies of the above documents will be provided, upon request, by the Company by request to [lhodges@towerresources.ca](mailto:lhodges@towerresources.ca), free of charge to shareholders of the Company. The Company may require the payment of a reasonable charge from any person or company who is not a shareholder of the Company and who requests a copy of any such document. Financial information relating to the Company is provided in the Company's financial statements and management's discussion and analysis for its most recently completed fiscal year. Additional information relating to the Company is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

#### **MULTIPLE SHAREHOLDERS SHARING THE SAME ADDRESS**

Recent changes in the regulations regarding the delivery of copies of proxy materials to shareholders permit the Company and brokerage firms to send copy of the meeting materials to multiple shareholders who share the same address, under certain circumstances. Shareholders who hold their Shares through a broker may have consented to reducing the number of copies of materials delivered to their address. In the event that a shareholder wishes to revoke such a consent previously provided to a broker, the shareholder must contact the broker to revoke the consent. In any event, if a shareholder wishes to receive a separate Information Circular and accompanying materials for the Meeting, the shareholder may receive copies by contacting the Company via email at [lhodges@towerresources.ca](mailto:lhodges@towerresources.ca). Shareholders receiving multiple copies of these documents at the same address can request delivery of a single copy of these documents by contacting the Company in the same manner. Persons holding Shares through a broker can request a single copy by contacting the broker.

#### **BOARD OF DIRECTORS APPROVAL**

The undersigned hereby certifies that the contents and sending of this Information Circular to the shareholders of the Company have been approved by the Board.

DATED at Vancouver, British Columbia this 21<sup>st</sup> day of May 2024.

#### **ON BEHALF OF THE BOARD OF DIRECTORS**

*"/s/ Joe Dhami"*

Joe Dhami  
Director, President and Chief Executive Officer

**APPENDIX "A"**  
**STOCK OPTION PLAN**



**TOWER RESOURCES LTD.**  
**(the "Company")**

**SHARE OPTION PLAN**  
**Dated for Reference October 18, 2010,**  
**as amended July 20, 2011 and May 4, 2022 (to comply with TSX Venture Exchange Policies)**

**ARTICLE 1**  
**PURPOSE AND INTERPRETATION**

**Purpose**

1.1 The purpose of this Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company. It is the intention of the Company that this Plan will at all times be in compliance with TSX Venture Exchange Policies (or, if applicable, NEX Policies) and any inconsistencies between this Plan and TSX Venture Exchange Policies (or, if applicable, NEX Policies) will be resolved in favour of the latter.

**Definitions**

1.2 In this Plan

- (a) **Affiliate** means a company that is a parent or subsidiary of the Company, or that is controlled by the same entity as the Company;
- (b) **Associate** has the meaning set out in the Securities Act;
- (c) **Black-out Period** means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company, or when in anticipation of the release of quarterly or annual financials, to avoid potential conflicts associated with a company's insider-trading policy or applicable securities legislation, (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company or in respect of an Insider, that Insider, is subject);
- (d) **Board** means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Options under this Plan;
- (e) **Change of Control** includes situations where after giving effect to the contemplated transaction and as a result of such transaction:
  - (i) any one Person holds a sufficient number of voting shares of the Company or resulting company to affect materially the control of the Company or resulting company, or,
  - (ii) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, holds in total a sufficient number of voting shares of the Company or its successor to affect materially the control of the Company or its successor,

where such Person or combination of Persons did not previously hold a sufficient number of voting shares to materially affect control of the Company or its successor and, in the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement,

commitment or understanding, holding more than 20% of the voting shares of the Company or resulting company is deemed to materially affect control of the Company or resulting company;

(f) **Common Shares** means the common shares without par value in the capital of the Company providing such class is listed on the TSX Venture Exchange (or, NEX, as the case may be);

(g) **Company** means the company named at the top hereof and includes, unless the context otherwise requires, all of its Affiliates and successors according to law;

(h) **Consultant** means an individual or Consultant Company, other than an Employee, Officer or Director that:

(i) provides on an ongoing bona fide basis, consulting, technical, managerial or like services to the Company or an Affiliate of the Company, other than services provided in relation to a Distribution;

(ii) provides the services under a written contract between the Company or an Affiliate and the individual or the Consultant Company;

(iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the business and affairs of the Company or an Affiliate of the Company; and

(iv) has a relationship with the Company or an Affiliate of the Company that enables the individual or Consultant Company to be knowledgeable about the business and affairs of the Company;

(i) **Consultant Company** means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;

(j) **Directors** means the directors of the Company as may be elected from time to time;

(k) **Discounted Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Exchange Policies;

(l) **Disinterested Shareholder Approval** means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to Common Shares beneficially owned by Insiders who are Service Providers or their Associates;

(m) **Distribution** has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Company from treasury;

(n) **Effective Date** for an Option means the date of grant thereof by the Board;

(o) **Employee** means:

(i) an individual who is considered an employee under the *Income Tax Act* Canada (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);

(ii) an individual who works full-time for the Company or a subsidiary thereof providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or

- (iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions need not be made at source;
- (p) **Exchange Hold Period** has the meaning assigned by Policy 1.1 of the TSX Venture Exchange Policies;
- (q) **Exercise Price** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;
- (r) **Expiry Date** means the day on which an Option lapses as specified in the Option Commitment therefor or in accordance with the terms of this Plan;
- (s) **Insider** means an insider as defined in the TSX Venture Exchange Policies or as defined in securities legislation applicable to the Company;
- (t) **Investor Relations Activities** has the meaning assigned by Policy 1.1 of the TSX Venture Exchange Policies;
- (u) **Management Company Employee** means an individual employed by a Person providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities;
- (v) **Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Exchange Policies;
- (w) **NEX** means a separate board of the TSX Venture Exchange for companies previously listed on the TSX Venture Exchange or the Toronto Stock Exchange which have failed to maintain compliance with the ongoing financial listing standards of those markets;
- (x) **NEX Issuer** means a company listed on NEX;
- (y) **NEX Policies** means the rules and policies of NEX as amended from time to time;
- (z) **Officer** means a Board appointed officer of the Company;
- (aa) **Option** means the right to purchase Common Shares granted hereunder to a Service Provider;
- (bb) **Option Commitment** means the notice of grant of an Option delivered by the Company hereunder to a Service Provider and substantially in the form of Schedule A attached hereto;
- (cc) **Optioned Shares** means Common Shares that may be issued in the future to a Service Provider upon the exercise of an Option;
- (dd) **Optionee** means the recipient of an Option hereunder;
- (ee) **Outstanding Shares** means at the relevant time, the number of issued and outstanding Common Shares of the Company from time to time;
- (ff) **Participant** means a Service Provider that becomes an Optionee;
- (gg) **Person** includes a company, any unincorporated entity, or an individual;

- (hh) **Plan** means this share option plan, the terms of which are set out herein or as may be amended;
- (ii) **Plan Shares** means the total number of Common Shares which may be reserved for issuance as Optioned Shares under the Plan as provided in §2.2;
- (jj) **Regulatory Approval** means the approval of the TSX Venture Exchange and any other securities regulatory authority that has lawful jurisdiction over the Plan and any Options issued hereunder;
- (kk) **Securities Act** means the Securities Act, R.S.B.C. 1996, c. 418, or any successor legislation;
- (ll) **Service Provider** means a Person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;
- (mm) **Share Compensation Arrangement** means any Option under this Plan but also includes any other stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to a Service Provider;
- (nn) **Shareholder Approval** means approval by a majority of the votes cast by eligible shareholders of the Company at a duly constituted shareholders' meeting;
- (oo) **Take Over Bid** means a take over as defined in Multilateral Instrument 62-104 *Take-over Bids and Issuer Bids*, section 1.1, or the analogous provisions of securities legislation applicable to the Company;
- (pp) **TSX Venture** means the TSX Venture Exchange and any successor thereto; and
- (qq) **TSX Venture Policies** means the rules and policies of the TSX Venture as amended from time to time.

#### **Other Words and Phrases**

1.3 Words and phrases used in this Plan but which are not defined in the Plan, but are defined in the TSX Venture Policies (and, if applicable, the NEX Policies), will have the meaning assigned to them in the TSX Venture Policies (and, if applicable, NEX Policies).

#### **Gender**

1.4 Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

## **ARTICLE 2 SHARE OPTION PLAN**

#### **Establishment of Share Option Plan**

2.1 The Plan is hereby established to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Company and its Affiliates.

#### **Maximum Plan Shares**

2.2 The maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan at any point in time is 10% of the Outstanding Shares at the time Plan Shares are reserved for issuance as a result of the grant of an Option, less any Common Shares reserved for issuance under share options granted under

Share Compensation Arrangements other than this Plan, unless this Plan is amended pursuant to the requirements of the TSX Venture Policies (and, if applicable, NEX Policies).

### **Eligibility**

2.3 Options to purchase Common Shares may be granted hereunder to Service Providers of the Company, or its affiliates, from time to time by the Board. Service Providers that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSX Venture and the Company is obtained.

### **Options Granted Under the Plan**

2.4 All Options granted under the Plan will be evidenced by an Option Commitment in the form attached as Schedule A, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.

2.5 Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

### **Limitations on Issue**

2.6 Subject to §2.10, the following restrictions on issuances of Options are applicable under the Plan:

- (a) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the Outstanding Shares, unless the Company has obtained Disinterested Shareholder Approval to do so;
- (b) the aggregate number of Options granted to all Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture (or NEX, as the case may be); and
- (c) no Consultant can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Consultant in the previous 12 months, exceeding 2% of the Outstanding Shares, without the prior consent of the TSX Venture.

### **Options Not Exercised**

2.7 In the event an Option granted under the Plan expires unexercised or is terminated by reason of dismissal of the Optionee for cause or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to the Plan and will be eligible for re-issuance.

### **Powers of the Board**

2.8 The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to

- (a) allot Common Shares for issuance in connection with the exercise of Options;
- (b) grant Options hereunder;

(c) subject to any necessary Regulatory Approval, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under the Plan unless the alteration or impairment occurred as a result of a change in the TSX Venture Policies or the Company's tier classification thereunder; and

(d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do.

#### **Amendment of the Plan by the Board of Directors**

2.9 Subject to the requirements of the TSX Venture Policies, the prior receipt of any necessary Regulatory Approval, and Shareholder Approval when applicable, the Board may in its absolute discretion, amend or modify the Plan or any Option granted as follows:

- (a) it may make amendments which are of a typographical, grammatical or clerical nature only;
- (b) it may change the vesting provisions of an Option granted hereunder, subject to prior written approval of the TSX Venture, if applicable;
- (c) it may change the termination provision of an Option granted hereunder which does not entail an extension beyond the original Expiry Date of such Option;
- (d) it may make amendments necessary as a result in changes in securities laws applicable to the Company;
- (e) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSX Venture, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (f) it may make such amendments as reduce, and do not increase, the benefits of this Plan to Service Providers.

#### **Amendments Requiring Disinterested Shareholder Approval**

2.10 The Company will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

- (a) the Plan, together with all of the Company's other previous Share Compensation Arrangements, could result at any time in:
  - (i) the aggregate number of Common Shares reserved for issuance that are issuable pursuant to all Share Compensation Arrangements granted or issued to Insiders (as a group) exceeding 10% of the Outstanding Shares;
  - (ii) the number of Common Shares that are issuable pursuant to all Share Compensation Arrangements granted or issued to Insiders (as a group) within a one-year period exceeding 10% of the Outstanding Shares, calculated as at the date any Share Compensation Arrangement is granted or issued to any Insider; or,

(iii) the aggregate number of Common Shares that are issuable pursuant to all Share Compensation Arrangements granted or issued to any one Optionee, within a 12-month period, exceeding 5% of the Outstanding Shares; or

(b) any reduction in the Exercise Price or the term of an Option previously granted to an Insider at the time of the proposed amendment.

### **Options Granted Under the Company's Previous Share Option Plans**

2.11 Any option granted pursuant to a stock option plan previously adopted by the Board which is outstanding at the time this Plan comes into effect shall be deemed to have been issued under this Plan and shall, as of the date this Plan comes into effect, be governed by the terms and conditions hereof.

## **ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS**

### **Exercise Price**

3.1 The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Plan, and cannot be less than the Discounted Market Price.

### **Term of Option**

3.2 An Option can be exercisable for a maximum of 10 years from the Effective Date.

### **Option Amendment**

3.3 Subject to §2.10(b), the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Option, the date the Common Shares commenced trading on the TSX Venture, or the date of the last amendment of the Exercise Price.

3.4 An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in §3.2.

3.5 Any proposed amendment to the terms of an Option must be approved by the TSX Venture prior to the exercise of such Option.

### **Vesting of Options**

3.6 Subject to §3.7, vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:

(a) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or

(b) the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period.

### **Vesting of Options Granted to Service Providers Conducting Investor Relations Activities**

3.7 Notwithstanding §3.6, Options granted to all Service Providers conducting Investor Relations Activities will vest:

- (a) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or
- (b) such longer vesting period as the Board may determine.

Options granted to Service Providers conducting Investor Relations Activities may not have the vesting provisions accelerated without the prior written approval of the TSX Venture.

### **Effect of Take Over Bid**

3.8 If a Take Over Bid is made to the shareholders generally then the Company shall immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, notwithstanding §3.6 and §3.7 or any vesting requirements set out in the Option Commitment, be immediately exercised in whole or in part by the Optionee, subject to approval of the TSX Venture (or the NEX, as the case may be) for vesting requirements imposed by the TSX Venture Policies.

### **Extension of Options Expiring During Blackout Period**

3.9 Should the Expiry Date for an Option fall within a formally imposed Blackout Period by the Company pursuant to an internal trading policy as the result of a bona fide existence of undisclosed material information, during which the Optionee is prohibited from exercising, following the expiration of the Blackout Period, the Expiry Date of the affected Option can be extended to no later than ten business days after the expiry of the Blackout Period, subject to compliance with TSX Venture Policy 4.4.

### **Optionee Ceasing to be Director, Employee or Service Provider**

3.10 Options may be exercised after the Service Provider has left his/her employ/office or has been advised by the Company that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:

- (a) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
- (b) an Option granted to any Service Provider will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the date the Optionee ceases to be employed by or provide services to the Company, and only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company; and
- (c) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.



## **Non Assignable**

3.11 Subject to §3.10, all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

## **Adjustment of the Number of Optioned Shares**

3.12 The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following, subject to the prior approval of the TSX Venture Exchange:

(a) in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Common Shares, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;

(b) in the event of a consolidation of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Common Shares, the Company will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;

(c) in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change;

(d) in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this §3.12;

(e) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;

(f) the Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this §3.12, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company; and

(g) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this §3.12, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia (or in the city of the Company's principal executive

office) that the Company may designate and who will be granted access to all appropriate records and such determination will be binding upon the Company and all Optionees.

## **ARTICLE 4 COMMITMENT AND EXERCISE PROCEDURES**

### **Option Commitment**

4.1 Upon grant of an Option hereunder, an authorized officer of the Company will deliver to the Optionee an Option Commitment detailing the terms of such Options and upon such delivery the Optionee will be subject to the Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof, including any additional requirements contemplated with respect to the payment of required withholding taxes on behalf of Optionees.

### **Manner of Exercise**

4.2 An Optionee who wishes to exercise his Option may do so by delivering

- (a) a written notice to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and
- (b) a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price for the Optioned Shares being acquired, plus any required withholding tax amount subject to §3.12.

### **Tax Withholding and Procedures**

4.3 Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Optionee who wishes to exercise an Option must, in addition to following the procedures set out in §4.2 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or
- (b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded;

and must in all other respects follow any related procedures and conditions imposed by the Company.

### **Delivery of Optioned Shares and Hold Periods**

4.4 As soon as practicable after receipt of the notice of exercise described in §4.2 and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue to the Optionee the appropriate number of Optioned Shares. If the Exercise Price is set below the then current Market Price of the Common Shares on the TSX Venture at the time of grant, or if the option is granted:

- (a) to directors, officers and promoters, or
- (b) to persons holding securities carrying more than 10% of the voting rights attached to the Company's securities both immediately before and after the transaction in which securities

are issued, and who have elected or appointed or have the right to elect or appoint one or more directors or senior officer of the Company; or

(c) at a discount of more than 10% to the Market Price;

the certificate representing the Optioned Shares or written notice in the case of uncertificated shares will include a legend stipulating that the Optioned Shares issued are subject to a four-month TSX Venture Exchange hold period commencing the date of the Option Commitment.

## **ARTICLE 5 GENERAL**

### **Employment and Services**

5.1 Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.

### **No Representation or Warranty**

5.2 The Company makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Company.

### **Interpretation**

5.3 The Plan will be governed and construed in accordance with the laws of the Province of British Columbia.

### **Continuation of Plan**

5.4 The Plan will become effective from and after October 18, 2010, and will remain effective provided that the Plan, or any amended version thereof receives Shareholder Approval at each annual general meeting of the holders of Common Shares of the Company subsequent to October 18, 2010.

### **Amendment of the Plan**

5.5 The Board reserves the right, in its absolute discretion, to at any time amend, modify or terminate the Plan with respect to all Common Shares in respect of Options which have not yet been granted hereunder. Any amendment to any provision of the Plan will be subject to any necessary Regulatory Approvals and Shareholder Approvals, unless the effect of such amendment is intended to reduce (but not to increase) the benefits of this Plan to Service Providers.

**SCHEDULE A  
SHARE OPTION PLAN  
OPTION COMMITMENT**

NOTICE IS HEREBY GIVEN THAT, effective «Grant\_Date» (the “Effective Date”) TOWER RESOURCES LTD. (the “Company”) has granted to «Name\_of\_Optionee» (the “Optionee”), an option (the “Option”) to acquire «No\_of\_Optioned\_Shares» common shares (“Optioned Shares”) up to 5:00 p.m. Vancouver Time on «Expiry\_Date» (the “Expiry Date”) at an Exercise Price of CAD«Exercise\_Price» (the “Exercise Price”) per Optioned Share.

The Optioned Shares will vest as follows:

<b>Vesting Schedule</b>	<b>Vesting Date</b>	<b># of Options Vested</b>
1/3 - on Effective Date	«Vesting_1»	«Vesting_Options_1»
1/3 – 12 months from Effective Date	«Vesting_2»	«Vesting_Options_2»
1/3 - 24 months from Effective Date	«Vesting_3»	«Vesting_Options_3»

*[see section 3.7 of the Plan for vesting requirements for Options granted to Service Providers conducting Investor Relations Activities]*

This Option Commitment is made under and is subject in all respects to the Company’s Share Option Plan (the “Plan”) (as the same may be supplemented and amended from time to time). In the event of any inconsistency between the terms of this Option Commitment and the Plan, the terms of the Plan will prevail. Capitalized terms used in this Option Commitment and not otherwise defined will have the meanings attributed to those terms in the Plan.

The Optionee acknowledges receipt of a copy of the Plan, a copy of which is delivered concurrently with this Option Commitment, and the Optionee is deemed to have notice of and to be bound by all of the terms and provisions of the Plan (as supplemented and amended), as if the Plan was set forth in full herein.

This Option Commitment evidences that the Optionee named above is entitled, subject to and in accordance with the Plan, to purchase up to but not more than the maximum number of Optioned Shares set out above at the Exercise Price set out above upon delivery of: (i) an exercise form substantially in the form attached hereto as Schedule “A”; and (ii) a certified cheque, wire or bank draft for the aggregate Exercise Price. A certificate for the Optioned Shares so acquired will be issued by the transfer agent as soon as practicable thereafter and may bear a legend required by applicable securities laws and exchange regulations, which may include the following:

**WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [4 MONTHS AND 1 DAY FROM ISSUANCE].**

**THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “1933 ACT”) OR ANY STATE SECURITIES LAWS. THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATIONS UNDER THE 1933 ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE 1933 ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE LAWS, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE COMPANY. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON EXCHANGES IN CANADA.**

This Option may not be transferred in any manner other than in accordance with the Plan and may be exercised during the lifetime of the Optionee only by, or for the benefit of, the Optionee. The terms of this Option will be binding upon the executors, administrators, heirs, successors, and assigns of the Optionee.

This Option may not be exercised if the issuance of Optioned Shares upon such exercise would constitute a violation of any applicable securities or other law or regulation. The Optionee, as a condition to his, her or its exercise of this Option, represents to the Company that the Optioned Shares that he, she, or it acquires under this Option are being acquired for investment and not with a present view to distribution or resale, unless counsel for the Company is then of the opinion that such a representation is not required under applicable securities laws, regulations, or any other law or valid rule of any governmental agency.

The Plan and each Option will be subject to the requirement that, if at any time the Board of the Company determines that the listing, registration or qualification of the Optioned Shares subject to such Option upon any securities exchange or under any provincial, state or federal law, or the consent or approval of any governmental body, securities exchange, or the holders of the Optioned Shares generally, is necessary or desirable, as a condition of, or in connection with, the granting of such Option or the issue or purchase of Optioned Shares thereunder, no such Option may be granted or exercised in whole or in part unless such listing, registration, qualification, consent or approval will have been affected or obtained free of any conditions not acceptable to the Board.

As a condition to the issuance of Optioned Shares under this Option, the Optionee: (a) authorizes the Company to withhold, in accordance with applicable law, any taxes of any kind required to be withheld by the Company under applicable law as a result of the Optionee's exercise of this Option ("**Withholding Taxes**") from payments of any kind otherwise due to the Optionee; and (b) agrees, if requested by the Company, to remit to the Company at the time of exercise of this Option amounts necessary to pay any Withholding Taxes.

The Company and the Optionee represent that the Optionee, under the terms and conditions of the Plan, is entitled to receive Options under the Plan. The Optionee, by accepting delivery of this Option Commitment, acknowledges and agrees to be bound by the terms and conditions of this Option Commitment and the Plan pursuant to which it is issued. The Optionee also acknowledges and consents to the collection and use of personal information by both the Company and the TSX Venture Exchange on the date of this Option Commitment.

**TOWER RESOURCES LTD.**

\_\_\_\_\_  
Authorized Signatory

Accepted: \_\_\_\_\_

\_\_\_\_\_  
«Name\_of\_Optionee»

**EXERCISE NOTICE**

To: **TOWER RESOURCES LTD.**  
[lhodges@towerresources.ca](mailto:lhodges@towerresources.ca)

**To Exercise the Option, Complete and Return this Form**

Capitalized terms used in this Option Commitment and not otherwise defined will have the meanings attributed to those terms in the Tower Resources Ltd. (the "**Company**") Share Option Plan (the "**Plan**") (as the same may be supplemented and amended from time to time). All Optioned Shares acquired pursuant to an Option Commitment, will be acquired in accordance with the terms, provisions, and conditions of the Plan and the Option Commitment.

The undersigned Optionee or his, her or its legal representative(s) permitted under the Plan hereby notify the Company of the election to exercise certain options as set forth below (cross out inapplicable item):

- (a) all of the Optioned Shares; or
- (b) \_\_\_\_\_ of the Optioned Shares;

which are the subject of the Option Commitment held by the undersigned evidencing the undersigned's Option to purchase said Optioned Shares.

Calculation of total Exercise Price:

- (i) number of Optioned Shares to be acquired on exercise \_\_\_\_\_ Optioned Shares
- (ii) multiplied by the Exercise Price per Optioned Share: **CDN«Exercise Price»**

**TOTAL EXERCISE PRICE**, enclosed herewith: \$ \_\_\_\_\_

**ADD**, (if applicable) CRA Withholding Taxes: \$ \_\_\_\_\_

**TOTAL EXERCISE PRICE**, enclosed herewith: \$ \_\_\_\_\_

The undersigned tenders herewith a certified cheque or bank draft (circle one) in the amount of \$ \_\_\_\_\_ payable to the Company in an amount equal to the total Exercise Price of the aforesaid Optioned Shares, as calculated above, and directs the Company to issue the share certificate evidencing said Optioned Shares be issued and registered in the name of the Optionee as follows:

Full Name of Option Holder	Street Address
City/Town	Province & Postal Code

The Optionee authorizes and directs the Company to mail the certificate representing the Optioned Shares to the Optionee at (check one)  the above-mentioned address or  the following address:

Full Name	Street Address
City/Town	Province & Postal Code

The Company will issue the Optionee the Optioned Shares as DRS, unless the following box is checked indicating the Optionees preference for a physical share certificate .

A certificate for the Optioned Shares so acquired will be issued by the transfer agent as soon as practicable and may bear a legend required by applicable securities laws and exchange regulations, which may include the following:

**WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [4 MONTHS AND 1 DAY FROM ISSUANCE].**

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT") OR ANY STATE SECURITIES LAWS. THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATIONS UNDER THE 1933 ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE 1933 ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE LAWS, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE COMPANY. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON EXCHANGES IN CANADA.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Signature of Optionee

\_\_\_\_\_  
Name of Witness (please print)

\_\_\_\_\_  
Name of Optionee (please print)

**APPENDIX "B"**  
**AUDIT COMMITTEE CHARTER**



## **AUDIT COMMITTEE CHARTER**

### **TOWER RESOURCES LIMITED (the "Company")**

APPROVED BY AUDIT COMMITTEE February 22, 2011  
(implemented pursuant to National Instrument 52-110 (the "Instrument"))

This charter has been adopted by the Board in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Company. Nothing in this Charter is intended to restrict the ability of the Board or Committee to alter or vary the procedures in order to comply more fully with the Instrument, as amended from time to time.

#### **PART 1**

##### **Purpose:**

The purpose of the Committee is to manage and maintain the effectiveness of the financial aspects of the governance structure of the Company.

##### **1.1 Definitions**

In this Charter,

"accounting principles" has the meaning ascribed to it in National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

"affiliate" means a company that is a subsidiary of another company or companies that are controlled by the same entity;

"audit services" means the professional services rendered by the Company's external auditor for the audit and review of the Company's financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

"Board" means the board of directors of the Company;

"Charter" means this audit committee charter;

"Company" means **TOWER RESOURCES LIMITED**;

"Committee" means the committee established by and among certain members of the Board for the purpose of overseeing the accounting and financial reporting processes of the Company and audits of the financial statements of the Company;

"control person" means any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of the Company so as to affect materially the control of the Company, or that holds more than 20% of the outstanding voting shares of the Company, except where there is evidence showing that the holder of those securities does not materially affect control of the Company;

"executive officer" means an individual who is:

- a) the chair of the Company;
- b) the vice-chair of the Company;
- c) the President of the Company;

- d) the vice-president in charge of a principal business unit, division or function including sales, finance or production;
- e) an officer of the Company or any of its subsidiary entities who performs a policy-making function in respect of the Company; or
- f) any other individual who performs a policy-making function in respect of the Company;

“financially literate” has the meaning set forth in Section 1.3;

“immediate family member” means a person’s spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the person or the person’s immediate family member) who shares the individual’s home;

“independent” has the meaning set forth in Section 1.2;

“Instrument” means National Instrument 52-110;

“MD&A” has the meaning ascribed to it in National Instrument 52-102;

“Member” means a member of the Committee;

“National Instrument 51-102” means National Instrument 51-102 *Continuous Disclosure Obligations*;

“non-audit services” means services other than audit services;

## **1.2 Meaning of Independence**

1. A member is independent if the Member has no direct or indirect material relationship with the Company.
2. For the purposes of subsection 1, a material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member’s independent judgement.
3. Despite subsection 2 and without limitation, the following individuals are considered to have a material relationship with the Company:
  - a) a control person of the Company;
  - b) an affiliate of the Company; and
  - c) an employee of the Company.

**1.3 Meaning of Financial Literacy** – For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

## **PART 2**

**2.1 Audit Committee** – The Board has hereby established the Committee for, among other purposes, compliance with the requirements of the Instrument.

**2.2 Relationship with External Auditors** – The Company will henceforth require its external auditor to report directly to the Committee and the Members shall ensure that such is the case.

**2.3 Committee Responsibilities** –

1. The Committee shall be responsible for making the following recommendations to the Board:

- a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
- b) the compensation of the external auditor.

2. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:

- a) reviewing the audit plan with management and the external auditor;
- b) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;
- c) reviewing audit progress, findings, recommendations, responses and follow up actions;
- d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
- e) reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtain an explanation from management of all significant variances between comparative reporting periods;
- f) reviewing the evaluation of internal controls by the external auditor, together with management's response;
- g) reviewing the appointments of the chief financial officer and any key financial executives involved in the financial reporting process, applicable; and
- h) annual approval of audit mandate.

3. The Committee shall pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the issuer's external auditor.

4. The Committee shall review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information.

5. The Committee shall ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, and shall periodically assess the adequacy of those procedures.

6. When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Policy 31, and the planned steps for an orderly transition.

7. The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in National Policy 31, on a routine basis, whether or not there is to be a change of auditor.

8. The Committee shall, as applicable, establish procedures for:

- a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
- b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.

9. As applicable, the Committee shall establish, periodically review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer, as applicable.

10. The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.

#### **2.4 De Minimis Non-Audit Services**

1. The Committee shall satisfy the pre-approval requirement in subsection 2.3 (3) if:

- a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the issuer and its subsidiary entities to the issuer's external auditor during the fiscal year in which the services are provided;
- b) the Company or the subsidiary of the Company, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- c) the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

#### **2.5 Delegation of Pre-Approval Function**

1. The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3 (3).

2. The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 1 must be presented to the Committee at its first scheduled meeting following such pre-approval.

### **PART 3**

#### **3.1 Composition**

1. The Committee shall be composed of a minimum of three Members.

2. Every Member shall be a director of the issuer.
3. The majority of Members shall be independent.
4. Every audit committee Member shall be financially literate.

#### **PART 4**

##### **4.1 Authority**

1. Until replacement of this Charter, the Committee shall have the authority to:
  - a) to engage independent counsel and other advisors as it determines necessary to carry out its duties;
  - b) to set and pay the compensation for any advisors employed by the Committee;
  - c) to communicate directly with the internal and external auditors; and
  - d) recommend the amendment or approval of audited and interim financial statements to the Board.

#### **PART 5**

**5.1 Disclosure in Information Circular** – If management of the Company solicits proxies from the security holders of the Company for the purpose of electing directors to the Board, the Company shall include in its management information circular the disclosure required by Form 52-110F2 (*Disclosure by Venture Issuers*).

#### **PART 6**

##### **6.1 Meetings**

1. The Committee shall meet at such times during each year as it deems appropriate.
2. Opportunities shall be afforded periodically to the external auditor, the internal auditor and to members of senior management to meet separately with the Members.
3. Minutes shall be kept of all meetings of the Committee.