



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three Months Ended January 31, 2021

TOWER RESOURCES LTD.
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JANUARY 31, 2021

Description of Management’s Discussion and Analysis

The purpose of this Management’s Discussion and Analysis (“MD&A”) is to explain management’s point of view regarding the past performance and future outlook of Tower Resources Ltd. (the “Company” or “Tower”). The following MD&A provides a review of activities, results of operations and the financial condition of the Company for the three months ended January 31, 2021. This MD&A should be read in conjunction with the Company’s condensed interim financial statements and related notes for three months ended January 31, 2021 (“Financial Statements”) and the audited financial statements and related notes thereto for the year ended October 31, 2020. The following discussion is dated and current as of March 26, 2021. This MD&A contains forward-looking information and statements which are based on the conclusions of management. The forward-looking information and statements are only made as of the date of this MD&A.

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

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

Forward Looking Statements

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

Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to the interpretation of drill results and the estimation of mineral resources, the geology, grade and continuity of mineral deposits, the possibility that future exploration and development results will not be consistent with the Company’s expectations, and the outbreak of an epidemic or a pandemic, including the recent outbreak of the novel coronavirus (COVID-19), or other health crisis and the related global health emergency affecting workforce health and wellbeing. Some other risks and factors which could cause results to differ materially from those expressed in the forward-looking information contained in this MD&A are described under the heading “Risks and Uncertainties”.

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

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

TOWER RESOURCES LTD.
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JANUARY 31, 2021

Description of Business and Discussion of Operations

The Company is incorporated under the Business Corporations Act (British Columbia) and is listed on the TSX Venture Exchange (“TSX-V”) under the symbol TWR. The principal business of the Company is the acquisition and exploration of mineral exploration and evaluation assets in British Columbia, Canada.

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

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

Overall performance

Operating expenses for the three months ended January 31, 2021 were \$78,534 versus \$79,262 in the comparative period ended January 31, 2020. Expenses have remained consistent as the Company continues in minimizing expenditures to conserve its cash. Changes are further discussed in the “Results of Operations” section.

The Company had a net decrease in cash during the three months ended January 31, 2021 of \$59,419, for a cash balance as at January 31, 2021 of \$216,076. Refer to the “Summary of Exploration Activities” for discussion of the expenditures and properties.

Corporate activities

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

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

TOWER RESOURCES LTD.
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JANUARY 31, 2021

Summary of Exploration Activities

During the three months ended January 31, 2021, the Company incurred \$42,482 in exploration and evaluation asset expenditures compared to \$20,154 for the corresponding three months ended January 31, 2020.

The following is a breakdown of the components of the Company’s exploration and evaluation assets, on a property by property basis, for the three months ended January 31, 2021:

	Belle	Rabbit North	Nechako Gold	More Creek	Total
	\$	\$	\$	\$	\$
Balance, October 31, 2020	1	2,526,939	2,057,723	18,444	4,603,107
Deferred costs					
Geology	-	-	21,240	-	21,240
Geophysics	-	-	12,050	-	12,050
Laboratory and analytical	-	-	9,192	-	9,192
Additions for the period	-	-	42,482	-	42,482
Balance, January 31, 2021	1	2,526,939	2,100,205	18,444	4,645,589

Rabbit North property

The Rabbit North property, acquired in 2013, is comprised of 34 mineral tenures covering 16,400 hectares of which 2,850 hectares were optioned from private individuals and the remainder were staked by the Company. The staked claims are known as the Rabbit North Extension property. The Company earned a 100% interest in the optioned portion by making cash payments of \$170,000, issuing 1,300,000 common shares, and funding aggregate exploration expenditures of \$2,150,000. The vendors also hold a 3% net smelter return royalty (“NSR”), of which 1% of the 3% may be purchased by the Company for \$2,000,000 and the second 1% of the 3% may be purchased by the Company for \$1,500,000. In March 2017, the Company entered into a royalty buyback assignment agreement with Sandstorm Gold Ltd. (“Sandstorm”) pursuant to which it assigned to Sandstorm the Company’s right to purchase the second 1% of the Company’s 2% buyback rights with respect to the optionors’ NSR. Under the terms of the agreement, the Company received \$50,000. If the Company makes a decision to develop the Rabbit North property and put it into production, the Company has agreed to exercise its right to buy back 1% of the NSR, contingent upon Sandstorm exercising its right to buy back the second 1% (as assigned to it), whereupon the Company will grant directly to Sandstorm a 1% NSR. In March 2017, the Company entered into a NSR agreement with Sandstorm. Under the terms of the agreement, the Company received \$150,000 in return for granting Sandstorm a 2% NSR on the Rabbit North Extension property. The Company will have the option to buy back 1% of the NSR from Sandstorm for cash consideration of \$500,000.

The property is located in the Kamloops mining district in south-central B.C., between the New Afton underground Cu-Au mine and the Highland Valley open pit Cu mine. It is centered on the alkalic Durand Stock which measures 2 x 3 km and is compositionally similar to and of the same age as (Late Triassic to Early Jurassic) the intrusion that hosts the New Afton deposit. Previous exploration within the stock identified several zones of Cu-Au mineralization that appear to be of limited size and grade but drilling by the Company in 2017 on a magnetic anomaly – the Western Magnetite Zone – encountered stronger and more continuous mineralization in the volcanic rocks along the western margin of the stock, including 247 metres of 0.51% Cu and 0.34 g/t Au in hole RN17-05.

Q1 Activities

The Company did not perform any work on the Rabbit North property or Rabbit North Extension during the three months ended January 31, 2021.

TOWER RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JANUARY 31, 2021

Summary of Exploration Activities (continued)

Nechako Gold property

The Nechako Gold property is located on the Nechako Plateau in central B.C., 30 km northeast of the 8,000,000-ounce Blackwater Au deposit. It consists of two claim blocks, Porphyry and Chutanli, that were optioned by the Company in July 2016 under separate agreements and together cover 2975 hectares. The Company earned a 100% interest in the Porphyry claims in fiscal 2018 by making staged cash payments totaling \$40,000, issuing 400,000 shares of the Company and expending \$250,000 on mineral exploration on the claims. The Company earned a 100% interest in the Chutanli claims during the year ended October 31, 2019 by making cash payments totaling \$60,000, issuing 600,000 shares of the Company and expending \$225,000 on mineral exploration on the claims. The vendors hold a 1.5% NSR on their respective claims, each of which the Company can buy back in full for \$1,000,000. Sandstorm also holds a 2% NSR on the combined property, of which the Company can buy back 1% for \$500,000.

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

In October 2016, Overburden Drilling Management Limited ("ODM") sampled the till at 31 sites in the valley and, in the heavy mineral fraction of the till, identified a gold grain anomaly the core of which covers an area of 2 x 3 km and is twice as large and similar in strength to the known gold grain dispersal train that extends glacially down-ice from the Blackwater Au deposit.

In November 2017, 38 reverse circulation (RC) holes were drilled in the valley to obtain continuous samples of the till and underlying bedrock. The RC drilling revealed that: (a) the glacial deposits in the valley range in thickness from 10 to 60 m and, where more than 20 m thick, include a Lower Till horizon from an earlier glaciation in addition to the gold-grain-bearing Upper Till that is exposed at surface; (b) the gold grain dispersal train that was originally identified in the Upper Till is actually a weak daughter train in which the gold was glacially eroded from an older and stronger mother train in the underlying Lower Till; and (c) the bedrock beneath the till includes two porphyry bodies – the large, previously unknown and pervasively argillic-altered Blue Road Porphyry and the smaller, thinly covered Kluskus Road Porphyry which is locally exposed along the western edge of the valley and contains a historical, low-grade porphyry Cu occurrence, the C-Zone.

The mother train is a sulphide-rich, polymetallic Au-Ag-As-Cu-Zn-Pb train. It is 1.5 km wide in the area east-northeast of (i.e. glacially down-ice from) the C-Zone but the host Lower Till has been completely eroded in the area of thin cover over the C-Zone, creating a large gap in the train. The Cu component of the train closely matches that of the C-Zone. However, the C-Zone does not contain significant Au, Ag, As, Zn or Pb, indicating that the bedrock source of these five metals is located further west-southwest up the glacial ice flow path. In an initial attempt to locate this source, five diamond core holes totaling 751.02 m were drilled in the eastern part of the erosional gap in the train in May 2018. These holes did not intersect any Au-Ag-As-Zn-Pb mineralization, indicating that the targeted mineralized zone is located further up-ice, possibly near the historical April Showing which contains the same five metals.

In December 2018, the Company drilled 13 step-out RC holes, Nos. 39 to 51, between the C-Zone and the April Showing with the objective of locating the bedrock source of the mother train. In addition, one diamond core hole was drilled to test an induced polarization geophysical anomaly on the eastern part of the Blue Road Porphyry.

The RC drilling intersected two new remnants of the buried Lower Till horizon. In the larger of these occurrences, the dispersal train ends abruptly along a line, now referred to as the "April Trend", that extends southeast from the historical April Au-Ag-As-Zn-Pb showing. The till in Hole 39, on the projected northern edge of the dispersal train 800 m southeast of the showing, was found to be particularly anomalous in these metals. The second, smaller remnant of the train was intersected in only one hole, No. 45 which was drilled 300 m due east of the April Showing. However, five consecutive samples spanning the entire preserved 12.8 m thickness of the till were strongly anomalous in Au-Ag-As-Zn-Pb, and pebbles containing abundant As, Zn and Pb sulphides were observed in some of these samples. The bedrock intercepts obtained from the RC drill holes indicated that the April Trend is coincident with a previously unknown, 200-300 m wide package of biotite-bearing sediments whereas most of the drill area is underlain by basalt.

TOWER RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JANUARY 31, 2021

Summary of Exploration Activities (continued)

Nechako Gold property (continued)

The diamond drill hole on the Blue Road Porphyry, No. ND-18-006, was drilled vertically to a depth of 245 metres. It encountered the contact of the porphyry with the underlying volcanics at 120 m, indicating that the contact dips shallowly inward. Both the porphyry and volcanics were found to be pervasively sericitized and pyritized but the only mineralization of note in the porphyry was minor sphalerite and galena associated with late fractures. However, a 6 m section of the volcanics 10 m below the porphyry averaged 0.11 gpt Au, 10.5 gpt Ag, 0.01% Cu, 0.57% Zn and 0.22% Pb. The Ag:Zn:Pb ratio in this zone is similar to that in the April Showing and till dispersal train but the Au content is much lower and As is absent.

In April 2019, the Company drilled 11 additional RC holes, Nos. 52 to 62, along the April Trend within 500 m of the April Showing to define this segment of the trend in more detail prior to initiating diamond drilling. This infill drilling closed the spacing of the RC holes from 300 m to 150-200 m. Three of the eleven holes were drilled directly on the April Trend and all three intersected the expected biotitic sediments. The strong, thick, till-hosted Au-Ag-As-Zn-Pb anomaly that was previously intersected in Hole 45 was duplicated 150 m to the west in Hole 60.

In August 2019, the Company completed six short diamond drill holes, APR-19-01 to 06, totaling 631 metres on two sections across the April Trend 150 and 600 m southeast of the April Showing. While nearby RC holes had intersected the fertile biotitic sediments, most of the diamond drill holes intersected infertile basalt. Importantly, however, Hole 06 intersected a graphitic mudstone horizon and, in the bottom 10 m of the hole, a volcanoclastic conglomerate unit containing angular fragments of both mudstone and volcanogenic sulphides including massive sphalerite (Zn sulphide). The presence of these strata was interpreted to indicate an Eskay Creek deposit model for the sulphide mineralization because the high-grade Au-Ag ore at Eskay Creek, where the Au and Ag are similarly associated with As, Zn and Pb, is volcanogenic and hosted mainly by graphitic mudstone and volcanoclastic conglomerate.

In February and March 2020, the Company completed 15 additional RC holes, NRC20-63 to 77, and four diamond drill holes, APR20-07 to 10, totaling 393.1 m on the Nechako Gold property. The diamond drilling was performed consecutively to the RC drilling using the same drill rig. The RC holes were drilled vertically while the diamond drill holes were inclined at -45° to crosscut visibly mineralized, steeply dipping rock formations encountered in several of the RC drill holes.

The RC drilling helped to both unravel the geology along the April Trend and verify the Eskay Creek volcanogenic model for the Au-Ag-As-Zn-Pb mineralization by showing that: (a) the biotitic rocks that were previously assumed to be metamorphosed sediments are actually hydrothermally altered basalts in which the primary pyroxene has been completely replaced by secondary biotite; (b) the main alteration zone is in the form of a tilted, horizontal (formerly vertical) pipe that originates in a mafic breccia horizon, crosscuts 500 m of overlying massive basalts and feeds into the mudstone-conglomerate horizon that was previously intersected in diamond drill hole APR19-06; (c) a second, mineralogically similar alteration zone is present within a stratigraphic "dome" on the mafic breccia horizon immediately up-ice from the strong, isolated Au-Ag-As-Zn-Pb dispersal anomaly that was previously identified in the till in RC holes NRC18-45 and NRC19-60; and (d) the sulphide minerals in these biotitic alteration zones consist almost entirely of pyrite and pyrrhotite whereas the overlying zones of Au-Ag-As-Zn-Pb mineralization contain pyrite, arsenopyrite, sphalerite and galena.

Diamond drill holes APR20-07 and 08 were drilled to test the mineralization at the top of the breccia dome. They encountered scattered but locally strong mineralization including 0.4 m of 3.92 g/t Au, 152 g/t Ag, 3.1% As, 4.9% Zn and 0.07% Pb. Holes APR20-09 and 10 were drilled to test siliceous, arsenopyrite-bearing sediments that were intersected in reverse circulation hole NRC20-74 at the top of the main alteration pipe. The last hole, APR20-10, directly undercut the RC hole and intersected the most significant mineralization to date along the April Trend. A 7.1 m section within this new "Discovery Zone" returned 2.75 g/t Au, 40.2 g/t Ag, 1.18% As, 0.30% Zn and 0.28% Pb.

In July 2020, a grid was cut on the April Trend to provide control for planned ground magnetic and Induced Polarization geophysical surveys and follow-up drilling programs. The base line of the grid extended from the April Showing directly southeast for a distance of 1.3 km, and 20 cross lines totaling 17 km were cut at 50 to 100 m spacing.

TOWER RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JANUARY 31, 2021

Summary of Exploration Activities (continued)

Nechako Gold property (continued)

In September 2020, the Company completed 15 additional RC drill holes, Nos. NRC20-78 to 92, to further constrain the locations of the main bedrock sources of the large Au-Ag-As-Zn-Pb dispersal train. The critical Lower Till horizon that hosts the dispersal train was intersected in seven holes. Variations in the strength of the Au-Ag-As-Zn-Pb response in these holes suggest that the mafic breccia horizon is a more important metal source than the mudstone bearing April Trend that hosts the Discovery Zone. However, a vertical top-of-bedrock intercept of siltstone from hole NRC20-83, 200 m southeast along strike from the Discovery Zone, returned 1.7 g/t Au over 2.9 metres. Dykes of biotite-feldspar porphyry identical to the Kluskus Road and Blue Road porphyries are abundant along this 200 m segment of the April Trend. The Kluskus Road porphyry is probably also comprised of a number of dykes rather than being a discrete, mappable stock as previously interpreted.

The additional bedrock intercepts obtained from the mafic breccia horizon show that it is actually a dacitic tuff that contains numerous basalt fragments and is interlayered with other, more purely dacitic volcanoclastic rocks including welded tuffs and epiclastic sandstones and conglomerates. The occurrence of so many textural and compositional facies within a limited area suggests deposition in a confined, tectonically active basin, probably a caldera, under both subaerial and subaqueous conditions. The very strong and thick but narrow Au-Ag-As-Zn-Pb dispersal train that was previously intersected in holes NRC18-45 and NRC19-60 northwest across strike from the main train appears to emanate from a cross cutting and potentially well mineralized growth fault that channelled hydrothermal fluids upward to the caldera basin.

Seven diamond drill holes, Nos. APR20-11 to 17, were drilled immediately after the RC holes. These seven holes, totaling 1244 metres, were completed in mid-October.

Hole APR20-11 undercut by 25 m hole APR20-10, the March discovery hole on the April Trend,. It encountered a narrower, 3.2 m section from 75.2 to 78.4 m grading 1.42 g/t Au and 18.83 g/t Ag. Graded beds in the steeply folded sediments in this and three other new drill holes along the April Trend consistently face northeast rather than southwest as previously assumed. Dips are often obscured by faults but the sediments appear to dip to the southwest and thus to be overturned. Therefore, the 500-m-thick succession of biotite-altered basalt flows along the northeast side of the April Trend appears to overlie rather than underlie the sediments and in turn to be overlain by the dacitic tuff-breccia horizon. As the biotitic alteration is synvolcanic, the alteration pipe in the basalt was originally vertical but was folded along with the basalt and now lies on its side with its former top to the northeast. Consequently, the hydrothermal fluid that caused the alteration flowed in this direction, not to the southwest as previously inferred.

Hole APR20-15 was drilled beneath the strongly anomalous till in 2018 RC hole NRC18-39, close to the contact between the basalt flows and overlying dacitic tuff-breccia horizon. It intersected strongly fractured and variably mineralized basalt whereas a parallel hole drilled just 100 m along strike to the northwest, No. APR20-17, intersected only unmineralized tuff-breccia, indicating the presence of a growth fault between and parallel to the two drill holes. In hole APR20-15, a 0.6 m interval of massive pyrrhotite-pyrite with minor arsenopyrite was intersected within the basalt from 81.0 to 81.6 m. It returned 4.0 g/t Au and 34.1 g/t Ag. The structurally and stratigraphically overturned massive sulphides are overlain down-hole by a 40 m wide zone of strongly fractured basalt containing scattered to locally more closely spaced, arsenopyrite-rich quartz veinlets. Within this zone, a 3.7 m interval between 117.0 and 120.7 m returned 1.00 g/t Au and 7.78 g/t Ag.

Q1 Activities

The Company did not perform any significant field work on the Nechako Gold property during the three months ended January 31, 2021.

TOWER RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JANUARY 31, 2021

Summary of Exploration Activities (continued)

More Creek property

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

Previous work on the property focused on the Sinter Zone, an area of epithermal alteration that is exposed on a high ridge and hosted by Triassic volcanic rocks. Limited heavy mineral stream sediment sampling by the Company in 2016 identified anomalous concentrations of gold grains in a creek draining a previously unexplored area upstream from the Sinter Zone. Mapping, prospecting and silt, soil and rock sampling were performed along the creek valley in the 2017 field season, but no additional heavy mineral sampling was conducted to follow the gold grain anomaly upstream to its bedrock source.

On August 21, 2020, the Company entered into an option agreement with Volatus Capital Corp. ("Volatus"), pursuant to which the Company proposes to sell its 100% interests in and to the More Creek property (the "More Option"). To exercise the More Option and earn a 100% interest, Volatus is required to make a total of \$150,000 in cash payments, of which Volatus may at its option settle certain payments totaling \$100,000 in shares, (\$25,000 received to date), issue 100,000 common shares (received), and complete \$600,000 in exploration expenditures over a 40-month period. The Company will retain a 1% NSR of which 0.5% can be repurchased for \$500,000.

Q1 Activities

The company did not perform any field work on the More Creek property during the three months ended January 31, 2021.

Belle Claims (formerly part of JD property)

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

On August 5, 2020, the Company entered into an option agreement with Volatus, pursuant to which the Company proposes to sell its 100% interests in and to the Belle property (the "Belle Option"). To exercise the Belle Option and earn a 100% interest, Volatus is required to make a total of \$100,000 in cash payments (\$25,000 received to date), issue 500,000 common shares over a 36 month period (125,000 received to date) and fulfill all work commitments required to keep the claims in good standing.

Q1 Activities

The Company did not perform any field work on the Belle Claims during the three months ended January 31, 2021.

Other Properties

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

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

TOWER RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JANUARY 31, 2021

Summary of Quarterly Results

Quarter ended	Revenue (interest income)	Loss and comprehensive loss	Basic and diluted loss per share	Exploration and evaluation assets expenditures	General and administrative expenses
	\$	\$	\$	\$	\$
January 31, 2021	104	(94,180)	(0.00)	42,482	78,534
October 31, 2020	1,014	(78,122)	(0.00)	486,490	112,386
July 31, 2020	236	(203,093)	(0.00)	80,100	172,064
April 30, 2020	612	(80,216)	(0.00)	274,750	80,828
January 31, 2020	234	(79,028)	(0.00)	20,154	79,262
October 31, 2019	15,307	(366,338)	(0.00)	200,136	116,192
July 31, 2019	236	(133,183)	(0.00)	202,658	131,907
April 30, 2019	971	(9,000)	(0.00)	57,667	9,971

Variances quarter over quarter can be explained as follows:

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

Results of Operations – Current Quarter

The following discussion should be read in conjunction with the accompanying Financial Statements and related notes. For the three months ended January 31, 2021, the loss and comprehensive loss includes operating and administrative expenses of \$78,534 (2020 - \$79,262) and net other income (loss) of \$(15,646) (2020 - \$234), for a loss and comprehensive loss of \$94,180 (2020 - \$79,028).

The table below explains the significant changes in expenditures, not detailed above, for the three months ended January 31, 2021 as compared to the corresponding three months ended January 31, 2020.

Expenses	Increase / Decrease in Expenses	Explanation for Change
Transfer agent and filing fees	Increase of \$2,518	The increase is a result of additional fees paid for the AGM.
Unrealized loss on marketable securities	Increase of \$15,750	In the current period, the Company adjusted the fair value of shares held to reflect marker price at period end. There were no shares held in the prior period.

Liquidity, Financial Position and Capital Resources

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

TOWER RESOURCES LTD.
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JANUARY 31, 2021

Liquidity, Financial Position and Capital Resources (continued)

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

	January 31, 2021	October 31, 2020
	\$	\$
Cash	216,076	275,495
Receivables	28,109	188,185
Marketable securities	31,500	47,250
Prepaid expenses and deposits	9,319	18,101
Total current assets	285,004	529,031
Accounts payables and accrued liabilities	61,591	194,623
Working capital	223,413	334,408

The change in cash during the three months ended January 31, 2021 consisted of the use of cash to fund operating activities of \$41,199 (2020 - \$73,197) and the receipt (use) of cash in investing activities of \$(18,220) (2020 - \$349,144), due to the receipt of the BC mining exploration tax credit of \$162,052 (2020 - \$352,838), which was offset by exploration and evaluation assets expenditures of \$180,272 (2020 - \$3,694). The primary focus of the exploration and evaluation assets expenditures was for exploration on the Nechako Gold property. There were no financing activities for the three months ended January 31, 2021 or 2020.

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

Related Party Transactions

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

- a) Management fees of \$22,500 (2020 - \$22,500) were paid to Joe Dhami, the President, CEO and director of the Company.
- b) Accounting fees of \$6,000 (2020 - \$6,000) were paid to Lesia Burianyk, the CFO of the Company.

Summary of key management personnel compensation (including officers and directors) for the three months ended January 31, 2021 and 2020:

	2021	2020
	\$	\$
Accounting fees	6,000	6,000
Management fees	22,500	22,500
Share-based compensation	23,790	23,867
Wages and benefits	-	-
	52,290	52,367

Amounts owing to related parties (including key management personnel) included in accounts payable and accrued liabilities total \$9,975 (October 31, 2020 - \$nil).

TOWER RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JANUARY 31, 2021

Related Party Transactions (continued)

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

Off-Balance Sheet Transactions

The Company does not have any off-balance sheet arrangements as at January 31, 2021 or as of the date of this report.

Risks and Uncertainties

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

Operational

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

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

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

Management of industry risk

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

Commodity and equity prices

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

TOWER RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JANUARY 31, 2021

Risks and Uncertainties (continued)

Government regulation

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

Health crises

The Company's business and operations could be adversely affected by the outbreak of an epidemic or a pandemic or other health crises, including the recent outbreak of COVID-19. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency. Global government actions, along with market uncertainty could cause an economic slowdown resulting in a decrease in the demand for metals and have a negative impact on metal prices, as well as possible disruptions to global supply chains. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time.

Critical Accounting Estimates

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

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

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

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

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

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

Valuation of share-based compensation

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

TOWER RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JANUARY 31, 2021

New or Revised Accounting Standards Adopted

There were no new or revised accounting standard adopted during the three months ended January 31, 2021.

Financial Instruments and Management of Financial Risk

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

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

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

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

Credit risk

The Company is exposed to industry credit risks arising from its cash holdings and receivables. The Company manages credit risk by placing cash with major Canadian financial institutions. The Company's receivables are primarily due from a government agency. Management believes that credit risk related to these amounts is nominal.

Liquidity risk

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

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As of January 31, 2021, the Company held demand deposits with a face value of \$68,000. A change in interest rates of 1% would change income by \$680 per annum.

Foreign currency risk

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

Price risk

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

TOWER RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JANUARY 31, 2021

Financial Instruments and Management of Financial Risk (continued)

Other risks

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

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

Subsequent Event

Subsequent to January 31, 2021, the Company:

- a. issued 13,986,014 flow-through units at a price of \$0.143 per unit for gross proceeds of \$2,000,000, pursuant to a flow-through non-brokered private placement. Each unit was comprised of one common share in the capital of the Company that qualifies as a "flow-through share" for the purposes of the Income Tax Act (Canada) and one common share purchase warrant. Each warrant entitles the holder to purchase one non-flow-through common share in the capital of the Company at price of \$0.22 per common share for a period of 12 months; and
- b. issued 352,150 common shares for proceeds of \$35,215, pursuant to the exercise of warrants.

TOWER RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JANUARY 31, 2021

Disclosure of Data for Outstanding Common Shares, Options and Warrants

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

Authorized: Unlimited common shares without par value

Issued and Outstanding: 127,967,081 common shares

(i) **Warrants**

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

<u>Exercise Price</u>	<u>Number Outstanding</u>	<u>Expiry Date</u>
\$		
0.10	5,787,500	May 8, 2021
0.22	13,986,014	March 24, 2022
0.22	12,700,183	April 6, 2022
0.22	172,413	May 1, 2022
0.10	8,284,332	June 24, 2022
0.22	250,000	January 16, 2023
0.0375	312,500	December 31, 2023
	<u>41,492,942</u>	

(ii) **Options**

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

<u>Exercise Price</u>	<u>Number Outstanding</u>	<u>Number Exercisable</u>	<u>Expiry Date</u>
\$			
0.09	200,000	200,000	August 23, 2021
0.13	575,000	575,000	September 16, 2021
0.16	100,000	100,000	February 6, 2022
0.16	175,000	175,000	September 28, 2022
0.125	600,000	600,000	May 2, 2023
0.055	2,875,000	1,916,667	July 29, 2024
0.115	1,850,000	616,666	July 22, 2025
	<u>6,375,000</u>	<u>4,183,333</u>	

Other MD&A Requirements

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

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

TOWER RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JANUARY 31, 2021

Approval

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

On Behalf of the Board of Directors,

/s/ "Joe Dhami"

Director
March 26, 2021