



## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the Annual and Special Meeting of shareholders (the “**Meeting**”) of Goldflare Exploration Inc. (“**Goldflare**” or the “**Corporation**”) **will be held solely by means of remote communication** on Wednesday, August 21, 2024 at 10:00 a.m. (Eastern time), for the following purposes:

1. To present to shareholders the financial statements of the Corporation for the year ended February 29, 2024, as well as the related auditor’s report.
2. To elect the directors of the Corporation.
3. To appoint the auditor of the Corporation and authorize the Board of Directors to fix its remuneration.
4. To consider and, if deemed advisable, adopt a special resolution to approve amendments to the articles of incorporation to implement the proposed share consolidation, as more fully described in the accompanying Management Proxy Circular.
5. To consider and, if deemed advisable, adopt an ordinary resolution to reapprove the rolling stock option plan, as more fully described in the accompanying Management Proxy Circular.
6. To transact such other business that may properly come before the Meeting.

### **REGISTRATION AND LOG IN PROCESS**

**To attend the Meeting, please register using the link:**

<https://us06web.zoom.us/meeting/register/tZwtcO2hpjluHNLd5BUBGMrE0ur4MJJorZlv>

**at least 60 minutes before the scheduled start of the Meeting.** After registering, you will receive a confirmation email with access instructions. You can also contact Goldflare at [comptabilite@goldflare.ca](mailto:comptabilite@goldflare.ca) for more information.

**To ensure a smooth process, Goldflare is asking registered participants to log into by 9:45 a.m. (Eastern time) on August 21, 2024.**

**Registered shareholders and duly appointed proxyholders will be asked to identify themselves before the beginning of the Meeting.**

The attached management proxy circular includes supplementary information on the matters to be dealt with at the Meeting and, as such, is an integral part of this Notice.

Piedmont (Quebec), July 19, 2024

**BY ORDER OF THE BOARD OF DIRECTORS,**

*(signed) Michel Desjardins*  
\_\_\_\_\_  
President and CEO

Since it is desirable that as many shares as possible be represented and voted at the Meeting, we urge any shareholder who is unable to attend the Meeting in person to complete and return the enclosed proxy form in accordance with the instructions contained therein.



## ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF AUGUST 21, 2024

### MANAGEMENT PROXY CIRCULAR

#### SOLICITATION OF PROXIES

This management proxy circular (the “**Circular**”) is provided and sent in connection with the solicitation by the management of Goldflare Exploration Inc. (“**Goldflare**” or the “**Corporation**”) of proxies to be voted at the Annual and Special Meeting (the “**Meeting**”) of the shareholders of the Corporation (the “**Shareholders**”) to be held at the time and place and for the purposes set forth in the accompanying notice of Meeting (the “**Notice of Meeting**”). It is expected that the solicitation will be made primarily by mail. However, officers and employees of Goldflare may also solicit proxies by telephone, e-mail or in person. The total cost of solicitation of proxies will be paid by Goldflare. Bank, brokers and other depositories, nominees or trustees shall forward the solicitation documents to their principals and obtain the authorizations required for the signature of the proxies. The Corporation may also reimburse brokers and other persons holding Class A shares of Goldflare (the “**Shares**”) for their proxy documents delivery costs to the beneficial owners of Shares, and in obtaining their proxies, but solicitations will not be made by employees engaged for that purpose or by soliciting agents.

If you cannot attend the Meeting, complete and return the proxy form attached to this Circular (the “**Proxy**.”) in accordance with the instructions contained therein.

#### REQUIRED QUORUM

Goldflare’s by-laws provide that the quorum at the Meeting shall be constituted by the attendance of 2 or more Shareholders, present in person or represented by proxy, holding at least 10% of the votes that may be cast at the Meeting.

#### APPOINTMENT AND REVOCATION OF PROXIES

An instrument appointing a proxy shall be in writing and shall be executed by the Shareholder or his attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or agent thereof.

The persons designated as proxy holders in the Proxy are officers and directors of the Corporation. **A Shareholder shall have the right to appoint a person to represent him or it at the Meeting other than the persons designated in the Proxy.** To exercise this right, the Shareholder must insert the name of the desired proxy holder in the blank space provided in the Proxy and strike out the names printed or submit another instrument of proxy. An instrument of proxy will not be valid unless it is deposited with Computershare Investor Services Inc. (“**Computershare**”) no later than 2 business days before the Meeting or any adjournment thereof.

A person appointing a proxy has the power to revoke it. In addition to revocation in any other manner permitted by law, an instrument of proxy may be revoked by an instrument in writing executed by the Shareholder or by his agent authorized in writing or, if the Shareholder is a corporation, by an officer or agent duly authorized, and delivered with Computershare, at the latest on the last business day preceding the day of the Meeting, or any adjournment thereof, or to the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof. Upon either of such deliveries, the instrument of proxy shall be revoked.

## EXERCISE OF DISCRETION BY PROXIES

The voting rights related to the Shares represented by properly executed Proxies in favor of the persons designated in the Proxy, in the absence of any direction to the contrary, will be voted FOR the resolutions presented at the Meeting. Instructions with respect to voting will be respected by the persons designated in the Proxy. The Proxy confers discretionary authority to the persons named therein with respect to matters not specifically mentioned in the Notice of Meeting and which may be brought at the Meeting and on any amendments or variations to matters specified in the Notice of Meeting. At the date of this Circular, management of Goldflare knows of no such amendments or new matters to be brought before the Meeting.

To the exclusion of the resolution concerning the consolidation of shares, all resolutions will be adopted by a simple majority of the votes represented at the Meeting.

## INFORMATION REGARDING THE VOTING RIGHTS

### Registered Shareholders

Registered Shareholders may vote by proxy. Registered Shareholders electing to vote by proxy may do so by:

- (a) completing, dating and signing the Proxy and returning it to Computershare, by mail or hand delivery;
- (b) voting using a touch-tone phone, following the instructions indicated in the Proxy; or
- (c) voting on the website [www.investorvote.com](http://www.investorvote.com), following the instructions indicated in the Proxy.

Registered Shareholders must ensure that the Proxy is received in the delays indicated in the Proxy.

### Non-Registered Shareholders

Only Registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting.

However, in many cases, Shares beneficially owned by a person (a “**Non-Registered Shareholder**” or a “**Beneficial Shareholder**”) are registered either: (i) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Shareholder deals with in respect of the Shares, such as securities dealers or brokers, banks, trust companies, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or (ii) in the name of a clearing agency of which the Intermediary is a participant.

Non-Registered Shareholders who have not objected to their Intermediary disclosing certain information about the Shares they hold are referred to as the “**Non-Objecting Beneficial Shareholders**”. The Non-Registered Shareholders who have objected to their Intermediary disclosing certain information about the Shares they hold are referred to as the “**Objecting Beneficial Shareholders**”.

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, Goldflare has elected to send copies of the Notice of Meeting, this Circular and the Proxy (collectively, the “**Meeting Materials**”) directly to the Non-Objecting Beneficial Shareholders, and indirectly, through clearing agencies and Intermediaries, to the Objecting Beneficial Shareholders.

### **Canadian Non-Objecting Beneficial Shareholders**

The Meeting Materials are being sent to both Registered Shareholders and Non-Registered Shareholders. If you are a Canadian Non-Objecting Beneficial Shareholder, and Goldflare or its agent has sent the Meeting Materials directly to you, your name and address and information about your holdings of Shares

have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the Shares on your behalf.

By choosing to send the Meeting Materials to you directly, Goldflare (and not the Intermediary holding the Shares on your behalf) assumes responsibility for delivering the Meeting Materials to you and executing your proper voting instructions. **Please return your voting instructions as specified in the Proxy.**

### ***Canadian Objecting Beneficial Shareholders and U.S. Shareholders***

In accordance with Canadian securities laws, Goldflare has distributed copies of the Meeting Materials to CDS and Intermediaries for onward distribution to Canadian Objecting Beneficial Shareholders and U.S. Shareholders. Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Canadian Objecting Beneficial Shareholder or a U.S. Shareholder has declined to receive them. Goldflare may, however, require Intermediaries to forward Meeting Materials to all Canadian Objecting Beneficial Shareholders and U.S. Shareholders, including those who have declined to receive them, at the cost of Goldflare. Typically, Intermediaries will use a service company to forward the Meeting Materials to Canadian Objecting Beneficial Shareholders and U.S. Shareholders. Such Shareholders will receive either a Voting Instruction Form or, less frequently, a Form of Proxy. The purpose of these forms is to permit Canadian Objecting Beneficial Shareholders and U.S. Shareholders to direct the voting of the Shares they beneficially own. Canadian Objecting Beneficial Shareholders and U.S. Shareholders should follow the procedures set out below, depending on which type of form they receive:

Voting Instruction Form. In most cases, a Canadian Objecting Beneficial Shareholder and a U.S. Shareholder will receive, as part of the Meeting Materials, a Voting Instruction Form. If the Shareholder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on his or its behalf), the Voting Instruction Form should be completed, signed and returned in accordance with the directions provided. If the Shareholder wishes to attend and vote at the Meeting in person (or have another person attend and vote on his or its behalf), such Shareholder must complete, sign and return the Voting Instruction Form in accordance with the directions provided.

or

Form of Proxy. Less frequently, a Canadian Objecting Beneficial Shareholder or a U.S. Shareholder will receive, as part of the Meeting Materials, a Form of Proxy that has already been signed by the Intermediary (typically by a stamped signature) which is restricted as to the number of Shares beneficially owned by the Canadian Objecting Beneficial Shareholder or the U.S. Shareholder but which is otherwise not completed. If the Shareholder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on his or its behalf), the Shareholder should complete the Form of Proxy and return it in accordance with the directions provided. If the Shareholder wishes to attend and vote at the Meeting in person (or have another person attend and vote on his or its behalf), the Shareholder must strike out the names of the persons named in the Form of Proxy and insert his or its (or such other person's) name in the blank space provided.

**Canadian Objecting Beneficial Shareholders and U.S. Shareholders should follow the instructions on the forms they receive or contact their broker or Intermediary promptly if they need assistance.**

## **VOTING SECURITIES AND PRINCIPAL HOLDERS**

As at the date hereof, there were 123,364,533 Shares issued and outstanding. Each Share entitles the holder thereof to 1 vote.

The board of directors of Goldflare (the "**Board**") has fixed the close of business on July 17, 2024, as the record date (the "**Record Date**") for the purpose of determining the Shareholders entitled to receive the

Notice of Meeting. Registered Shareholders of record on the Record Date shall be entitled to vote at the Meeting.

To the knowledge of the management of Goldflare, based on the information appearing at [www.sedi.ca](http://www.sedi.ca), no person or entity was holding more than 10% of all issued and outstanding Shares.

### **INTEREST OF CERTAIN PERSONS IN MATTERS ON THE AGENDA**

Except as disclosed herein, Goldflare is not aware of any material interest, direct or indirect, by way of beneficial ownership of Shares or otherwise, of any of the following persons in any matter to be acted upon at the Meeting:

- a) each person who has been a director or executive officer of Goldflare at any time since the beginning of Goldflare's last financial year;
- b) each proposed nominee for election as a director of Goldflare; and
- c) each associate or affiliate of any of the foregoing.

### **DETAILS OF MATTERS TO BE DEALT WITH AT THE MEETING**

#### **A. FINANCIAL STATEMENTS**

The management report, the audited financial statements, as well as the related auditors' report for the fiscal year ended February 29, 2024, will be presented to the Shareholders at the Meeting, but no vote is required, nor will a vote be taken for their approval.

#### **B. ELECTION OF DIRECTORS**

The directors are elected every year. Each of the nominees named hereunder has advised the management of the Corporation that he would be willing to serve as a director if elected. The Board currently consists of 4 directors. Management of the Corporation proposes the election of 4 directors for the current year and will be looking for a fifth person to fill the currently vacant seat. Management of the Corporation does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the Proxy reserve the right to vote for another nominee at their discretion. Each nominee elected as a director will hold office until the next annual meeting of Shareholders or until his successor is duly elected, unless he ceases to hold office pursuant to the *Canada Business Corporations Act* (i.e., in the case of his removal, death or other cause) or his office is vacated pursuant to the by-laws of the Corporation.

The following table states, for each nominee proposed as director, his name, his municipality of residence, the position held, the year during which he became a member of the Board, the number of Shares held or controlled, and his current occupation.

Name	Position	Director since	Number of Shares owned or controlled <sup>(2)</sup>	Current Occupation
Ghislain Morin <sup>(1)</sup> Val-d'Or (Quebec)	Director	November 18, 2019	4,795,667 <sup>(3)</sup> 543,818 80,000 <sup>(3)</sup>	Goldflare Exploration Former President and CEO
Michel Desjardins <sup>(1)</sup> Radisson (Quebec)	Director President and CEO	April 4, 2024	5,613,612	President and CEO
Pierre Alexandre <sup>(1)</sup> Val-d'Or (Quebec)	Director	April 4, 2024	1,266,667 <sup>(3)</sup> 801,000	Orbit Garant President and CEO
Sara Pedneault <sup>(1)</sup> Val-D'Or (Quebec)	Director	December 7, 2022	0	Agnico-Eagle, Project Coordinator

(1) Member of the Audit Committee.

(2) The candidates have personally provided the information regarding the Shares they hold, directly or indirectly, or on which they exercise control.

(3) Shares owned indirectly.

Mr. Ghislain Morin and Mrs. Sara Pedneault were elected as directors of the Company at a shareholders' meeting where a management proxy circular had been sent out. Mr. Michel Desjardins and Mr. Pierre Alexandre were appointed to the Board of Directors on April 4<sup>th</sup> of the current year.

Mr. Desjardins is a successful businessman and investor in the James Bay region for over 30 years. He participated directly and at several levels in the growth and development of the Northern Quebec region. Mr. Desjardins was, among others, the owner of a mining equipment and services company, restaurants, and accommodation services. He has extensive knowledge of the entire mining sector and its needs, from contract management to sampling to strategic planning.

Mr. Alexandre co-founded Orbit Garant Drilling in January 2007, and under his leadership the Company has grown to become one of the most prominent Canadian operators in diamond drilling. He was previously the founder, President and CEO of Orbit Drilling (1986). Mr. Alexandre has more than 36 years of experience in the diamond drilling industry with expertise in operational planning and business relationship development. From 1974 to 1983, he worked as a surface driller for various drilling companies.

To the knowledge of the Corporation, none of the above-mentioned candidates:

- (a) is, or within the last 10 years, has been a director, chief executive officer or chief financial officer of any company that:
  - i) was the subject of a cease trade, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which, in all cases, was in effect for a period of more than 30 consecutive days (an "Order"), which Order was issued while the candidate was acting in the capacity of director, chief executive officer or chief financial officer of such company; or
  - ii) was subject to an Order that was issued after the candidate 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 of director, chief executive officer or chief financial officer of such company; or
- (b) is, or within the last 10 years has been, a director or executive officer of any company that, while the candidate 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 last 10 years, 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 his assets.

Also, to the knowledge of the Corporation, no candidate for election as director has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority;
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder having to decide to vote for a candidate.

**You can vote for the election of all the candidates described above, vote for the election of some of them and withhold from voting for others, or withhold from voting for all of them. Unless otherwise instructed, the persons named in the Proxy will vote FOR the election of each of the candidates described above as director of the Corporation.**

#### **C. APPOINTMENT OF THE INDEPENDENT AUDITOR AND AUTHORIZATION GIVEN TO THE BOARD OF DIRECTORS TO FIX THE REMUNERATION OF THE INDEPENDENT AUDITOR**

Management is recommending the appointment of Raymond Chabot Grant Thornton LLP as independent auditor of the Corporation for the financial year ending February 28, 2025, and that the Board be authorized to fix the auditor's remuneration.

**The persons designated in the accompanying form of proxy will vote in favour of the appointment of Raymond Chabot Grant Thornton LLP as independent auditor and that the Board be authorized to fix the auditor remuneration, unless the shareholder specifies in his form of proxy his wish to withhold from voting.**

#### **D. APPROVING AMENDMENTS TO THE ARTICLES OF INCORPORATION TO IMPLEMENT THE PROPOSED SHARE CONSOLIDATION**

Goldflare is asking the Shareholders to authorize the Board to effect, at such time as the Board shall deem appropriate, but in any event no later than December 31, 2024, a share consolidation (or reverse stock split) of the issued and outstanding Shares (the "**Share Consolidation**") at ratio of one (1) post-consolidation share for every five (5) pre-consolidation Shares by filing articles of amendment to Goldflare's articles of incorporation as attached in Schedule [B].

If the Shareholders approve the Share Consolidation Resolution (as defined below), it is the intention of the Board to effect the Share Consolidation promptly following the Meeting (but no later than December 31, 2024). However, the final determination of when to proceed with the Share Consolidation will be made by the Board based upon various factors, including prevailing market conditions at that time. The Share Consolidation is subject to receipt of all necessary regulatory approvals, including the approval of the TSXV.

The full text of the resolution to be considered and if thought advisable, passed, by the Shareholders is set forth below (the "**Share Consolidation Resolution**"). Notwithstanding the approval of the Share Consolidation by the Shareholders, the Board will retain the authority, in its discretion, to determine not to proceed with the Share Consolidation without further approval or action by or prior notice to the Shareholders. The Board would exercise this right if it determined that the Share Consolidation was no

longer in the best interests of Goldflare and its Shareholders. If the Share Consolidation is not implemented prior to December 31, 2024, then the Shareholder approval granted in respect of the Share Consolidation will be deemed to have been revoked and the Board will be required to obtain new shareholder approval if it wishes to implement a share consolidation in the future.

At the close of business on July 19, 2024, the closing price of the Shares on the TSXV was \$0.015 and there were 123,364,533 Shares issued and outstanding. Based on the number of Shares issued and outstanding on July 19, 2024, immediately following the completion of the Share Consolidation, Goldflare would have approximately 24,672,907 Shares issued and outstanding, without giving effect to the treatment of fractional shares as discussed below.

Goldflare does not expect the Share Consolidation itself to have any economic effect on Shareholders or holders of securities exercisable or exchangeable for, or convertible into, Shares, except to the extent the Share Consolidation will result in fractional shares which will be cancelled. The Share Consolidation may also result in some Shareholders owning “odd lots” of less than a “board lot” (as defined in the TSXV Corporate Finance Manual). Odd lots may be more difficult to sell, or require greater transaction costs per share to sell, than Shares in board lots.

### **Background and Reasons for the Share Consolidation**

During Fiscal 2024 and the first months of Fiscal 2025, it became clear for Goldflare’s management, mainly throughout meetings and discussions with larger investors, that the Company’s stock price as well as the number of shares outstanding (and diluted) were the main contributors for the difficulties in attracting the size of investments required to move on to the next stage of the Company’s exploration endeavors for its Goldfields property. In fact, some of the large investors met have suggested they would be very interested by Goldflare would the management consider a share consolidation in the near future.

With this information in mind along with diligent research and consulting with various collaborators, the management agreed to go ahead and consolidate shares of the Company. The main reasoning behind this crucial decision is based on an improved per-share value reflected by the lower outstanding number of shares as well as an enhanced market perception of a higher share price, which will attract a broader range of investors, especially large/institutional investors and funds who have minimum price thresholds for investments.

The decision to consolidate shares reflects Goldflare’s management commitment to maximizing shareholder value and ensuring compliance with regulatory standards. Executives and directors firmly believe this strategic initiative will strengthen our position in the market and benefit all shareholders in the long term.

### **Effective Date of Share Consolidation**

If Shareholders approve the Share Consolidation, subject to the discretion of the Board, it is the intention of Goldflare to file articles of amendment giving effect thereto on the basis set out in the Share Consolidation Resolution. The effective date of the Share Consolidation will be the date of issuance of the certificate of amendment by the Director under the *Canada Business Corporations Act* (the “**CBCA**”) and such date is referred to herein as the “**Share Consolidation Effective Date**”. On the Share Consolidation Effective Date, the Shares will be consolidated on the basis described above.

### **Effects of the Share Consolidation**

If the Share Consolidation is approved and implemented, the principal effect will be to proportionately decrease the number of issued and outstanding Shares. The Share Consolidation will not affect the listing of the Shares on the TSXV. Following the Share Consolidation, except as described herein, the Shares will continue to be listed on the TSXV, although the post-consolidation Shares will be considered a substitutional listing on the TSXV with new CUSIP and ISIN numbers. Because the Share Consolidation would apply to all of the issued and outstanding Shares, the proportionate voting and equity interests in Goldflare’s Shares and other rights, preferences, privileges or priorities of the holders of Shares will not be affected by the Share Consolidation, other than as a result of the treatment of fractional shares as described below.

### ***Effect on Convertible Securities, Stock Options and Other Arrangements***

Subject to TSXV approval (if required):

- the exercise or conversion price and/or the number of Shares issuable under any of Goldflare's outstanding convertible securities, stock options, rights and any other similar securities will be proportionately adjusted upon the implementation of the Share Consolidation; and
- the number of Shares reserved for issuance under the Stock Option Plan and available for grant will be reduced proportionately.

Shareholder approval is not required in order for the Board to make the necessary adjustments mentioned above in order to give effect to the Share Consolidation.

### ***No Fractional Shares to Be Issued***

No fractional shares will be issued in connection with the Share Consolidation and, in the event that a Shareholder would otherwise be entitled to receive a fractional share upon the Share Consolidation becoming effective, such fractional share shall be cancelled. Except for any variances attributable to fractional shares, the change in the number of issued and outstanding Shares that will result from the Share Consolidation will cause no change in the capital attributable to the Shares and will not materially affect any Shareholder's percentage ownership in Goldflare, even though such ownership will be represented by a smaller number of Shares.

### ***No Dissent Rights***

Under the CBCA, Shareholders do not have dissent rights with respect to the proposed Share Consolidation.

### ***Accounting Consequences***

Following the Share Consolidation, earnings (loss) per share, and other per share amounts, will be increased in absolute terms because there will be fewer Shares issued and outstanding. In future financial statements, earnings (loss) per share and other per share amounts for periods ending before the Share Consolidation Effective Date would be recast to give retroactive effect to the Share Consolidation.

### ***Mechanics of the Share Consolidation***

#### ***Book-Entry Shares (Registered or Non-Registered)***

If the Share Consolidation is effected, the holders of Shares who hold uncertificated shares (i.e. shares held in book-entry form and not represented by a physical share certificate), either as registered holders or non-registered owners, will have their existing book-entry account(s) electronically adjusted by Goldflare's transfer agent or, for Non-Registered Shareholders, by their brokerage firms, banks, trusts or other nominees that hold in "street name" for their benefit, as the case may be, to give effect to the Share Consolidation. Such holders do not need to take any additional actions to exchange their pre-consolidation book-entry Shares, if any, for post-consolidation Shares.

#### ***Non-Registered Shareholders***

Non-Registered Shareholders holding their Shares through a bank, broker or other nominee should note that such banks, brokers or other nominees may have different procedures for processing the Share Consolidation than those that will be put in place by Goldflare for registered Shareholders.

If you hold your Shares with such a bank, broker or other nominee and if you have questions in this regard, you are encouraged to contact your nominee.

### ***Registered Shareholders Holding Share Certificates - Exchange of Share Certificates***

If the Share Consolidation is approved by Shareholders and subsequently implemented, those registered Shareholders who will hold at least one post-consolidation share will be required to exchange their share certificates representing their old Shares for new certificates representing the new post-consolidation Shares.

If the Share Consolidation is approved and implemented, then Goldflare (or its transfer agent) will mail to each registered Shareholder a letter of transmittal addressed to Goldflare and its transfer agent following Goldflare's announcement of the Share Consolidation Effective Date. The letter of transmittal will contain instructions on how to surrender to the transfer agent the certificate(s) representing the registered Shareholder's Shares.

The transfer agent will send to each registered Shareholder who has sent the required documents, including their share certificates representing their old Shares, new certificate(s) representing the number of new post-consolidation Shares to which the registered Shareholder is entitled, rounded down to the nearest whole number. Until surrendered to the transfer agent, each share certificate representing pre-consolidation Shares will be deemed cancelled and, for all purposes, will be deemed to represent, respectively, only the number of post-consolidation Shares to which the registered shareholder is entitled as a result of the Share Consolidation, if any. If a registered Shareholder would otherwise be entitled to receive a fractional share, such fractional share shall be deemed to have been cancelled as described below.

The use of the mail to transmit certificates representing pre-consolidation Shares is at each Shareholder's option and risk and neither Goldflare nor its transfer agent will have any liability in respect of share certificates and/or letters of transmittal which are not actually received by the transfer agent. Goldflare recommends that such certificates and documents be delivered by hand to the transfer agent and a receipt therefor be obtained or, if mailed, that registered mail with return receipt be used and that appropriate insurance be obtained. All questions as to form, validity and acceptance of any pre-consolidation Shares deposited pursuant to the Share Consolidation will be determined by Goldflare in its sole discretion. Shareholders depositing Shares agree that such determination shall be final and binding. Goldflare reserves the absolute right to reject any and all deposits which it determines not to be in proper form or right to waive any defect or irregularity in the deposit of any pre-consolidation Shares. Goldflare reserves the right to permit the procedure for the exchange of Shares pursuant to the Share Consolidation to be completed other than that as set out above.

Any registered Shareholder whose old certificate(s) have been lost, destroyed or stolen will be entitled to a replacement share certificate only after complying with the requirements that Goldflare and the transfer agent customarily apply in connection with lost, destroyed or stolen certificates.

Registered Shareholders should neither destroy nor submit any share certificate(s) until requested to do so.

### **Certain Risk Factors Associated with the Share Consolidation**

#### ***No Guarantee of an Increased Share Price***

Reducing the number of issued and outstanding Shares through the Share Consolidation is intended, absent other factors, to increase the per share market price of the Shares; however, the market price of the Shares will also be based on Goldflare's available capital and liquidity resources, the state of the market for the Shares at the time, general economic, geopolitical, market and industry conditions, the market perception of Goldflare's business and other factors and contingencies, which are unrelated to the number of Shares outstanding. As a result, there can be no assurance that the market price of the Shares will in fact increase following the Share Consolidation or will not decrease in the future. In addition, in the future, the market price of the Shares following the Share Consolidation may not exceed or remain higher than the market price prior to the Share Consolidation.

### ***No Guarantee of Improved Trading Liquidity***

While the Board believes that a higher share price could help to attract new investors, the Share Consolidation may not result in a per share market price that will attract investors. As a result, the trading liquidity of the Shares may not improve.

### ***Potential Decline of Market Capitalization***

If the Share Consolidation is effected and the market price of the Shares declines, the percentage decline as an absolute number and as a percentage of Goldflare's overall market capitalization may be greater than would occur in the absence of the Share Consolidation. In many cases, both the total market capitalization of a company and the market price of such company's shares following a share consolidation are lower than they were before the share consolidation. Furthermore, the liquidity of the Shares could be adversely affected by the reduced number of Shares that would be outstanding after the Share Consolidation.

### ***Shareholders may hold Odd Lots following the Share Consolidation***

The Share Consolidation may also result in some Shareholders owning "odd lots" of less than a "board lot" (as defined in the TSXV Corporate Finance Manual). Odd lots may be more difficult to sell, or require greater transaction costs per Share to sell, than Shares in board lot.

### **Form of Special Resolution and Vote Required**

The full text of the Share Consolidation Resolution is set forth below.

#### **BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. Goldflare Exploration Inc. (the "**Corporation**") be and it is hereby authorized to apply for a certificate of amendment under the *Canada Business Corporations Act* to amend its articles of incorporation to change the number of issued and outstanding shares of the Corporation (the "**Shares**") by consolidating the issued and outstanding Shares on the basis of one (1) new post-consolidation Share for every five (5) pre-consolidation Shares (the "**Share Consolidation**"), and in the event that the Share Consolidation would otherwise result in a holder of Shares holding a fraction of a Share, such holder shall not receive any whole new Share for each such fraction, and any and all fractional Shares to which registered holders would otherwise be entitled as a result of the Share Consolidation shall be cancelled, such amendment to become effective at a date in the future to be determined by the Board of directors when the Board of directors considers it to be in the best interests of the Corporation to implement such a Share Consolidation, but in any event not later than December 31, 2024, subject to approval of the TSX Venture Exchange.
2. **Notwithstanding** that this special resolution has been duly adopted by the shareholders of the Corporation, the Board of directors of the Corporation be and it is hereby authorized, in its sole discretion, to revoke this special resolution in whole or in part at any time prior to its being given effect without further notice to, or approval of, the shareholders of the Corporation.
3. Any director or any officer of the Corporation be, and each of them is hereby, authorized and directed for and in the name and on behalf of the Corporation, to execute and deliver such notices and documents, including, without limitation, the articles of amendment to the Director under the *Canada Business Corporations Act*, and to do such acts and things as in the opinion of that person, may be necessary or desirable to give effect to this special resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.

**Passage of the Share Consolidation Resolution will require approval by a special majority (66 2/3%) of the votes cast on the matter at the meeting. IT IS THE RECOMMENDATION OF THE BOARD THAT SHAREHOLDERS VOTE FOR THE SPECIAL RESOLUTION APPROVING THE SHARE**

**CONSOLIDATION. Unless otherwise instructed, the proxyholders will vote FOR the Share Consolidation Resolution.**

#### **E. REAPPROVAL OF THE ROLLING STOCK OPTION PLAN**

Under the policies of the TSXV, all incentive option plans that are “rolling” plans are subject to annual shareholder approval. The Corporation’s stock option plan (the “**Plan**”) is a 10% “rolling” plan. The purpose of the Plan is to attract and retain directors, officers, employees, and consultants of the Corporation and to advance the interests of the Corporation by encouraging equity participation in the Corporation through the acquisition of Shares. The Plan complies with and is subject to the requirements of TSXV Policy 4.4 and was approved by shareholders at the annual meeting held on August 31, 2023.

The maximum number of Shares that may be reserved for issuance upon exercise of stock options (including any number of Shares reserved for issuance under the current plan) is limited to 10% of the issued and outstanding Shares of the Corporation.

The principal terms and conditions of the Plan are as follow:

- (a) the maximum aggregate number of Shares that are issuable pursuant to all security based compensation granted or issued to insiders (as a group) must not exceed 10% of the issued Shares of the Corporation at any point in time (unless the Corporation has obtained the requisite disinterested shareholder approval);
- (b) the maximum aggregate number of Shares of the Corporation that are issuable pursuant to all security based compensation granted or issued in any 12 month period to insiders (as a group) must not exceed 10% of the issued Shares of the Corporation, calculated as at the date any security based compensation is granted or issued to any insider (unless the Corporation has obtained the requisite disinterested shareholder approval);
- (c) the maximum number of Shares that may be reserved for issuance during a 12 month period cannot exceed the following percentage of issued and outstanding Shares of the Corporation: (i) 5% in the case of eligible optionees; (ii) 2% in the case of consultants; and (iii) 2% for all persons providing investor relation services with these options to be acquired gradually over that 12 month period, with a maximum of 25% per quarter;
- (d) the exercise price of the options cannot be less than the market value of the Shares based on the closing price of the Shares on the TSXV on the last day preceding the grant and cannot be less than \$0.05;
- ~~(a)~~(e) the options are non-assignable and have a maximum term of 10 years;
- ~~(e)~~(f) in the event the optionnee ceases to be eligible for any reason other than death or for cause, the optionnee will be entitled to exercise vested options until the earlier of: (i) 90 days following the termination date or such other time, not to exceed one year, or (ii) the original expiry date of the option;
- ~~(f)~~(g) in the case of death of an optionnee, vested options will remain exercisable by the optionnee’s legal representatives or estate until the earlier of: (i) one year after the optionnee’s death, and (ii) the original expiry date of the option; and
- ~~(b)~~(h) where an optionnee is dismissed for cause, all options will terminate immediately on the date of dismissal without any right of exercise.

The Board has the authority in its discretion to set the terms and conditions of vesting provisions at the time

of grant. In the event of a change of control, options granted and outstanding that are subject to vesting provisions shall be deemed to have immediately vested upon the occurrence of the change of control, subject to approval of the TSXV in certain cases.

Subject to any necessary regulatory approval, the Board can terminate the plan at any time provided that such termination shall not alter the terms or conditions of any stock option or impair any right of any optionee pursuant to any stock option granted prior to the date of such termination and notwithstanding such termination, such stock options and such optionee shall continue to be governed by the provisions of the Plan. The Plan does not provide for any financial assistance or support to be provided to optionees by the Corporation.

### **Form of Resolution**

The full text of the resolution ratifying and approving the Plan is set forth below. At the Meeting, shareholders will be asked to consider and, if thought fit, to pass an ordinary resolution ratifying and approving the Plan as follows:

**“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT** the Corporation’s stock option plan, as described in the information circular dated as of July 22, 2024, be and hereby is approved, ratified and confirmed.”

**IT IS THE RECOMMENDATION THE BOARD THAT SHAREHOLDERS VOTE FOR THE RESOLUTION RATIFYING AND APPROVING THE PLAN. Unless otherwise instructed, the proxyholders will vote FOR the ratifying and approving the Plan.**

## **COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS**

### **A. EXECUTIVE OFFICERS**

#### **Compensation Discussion & Analysis**

This discussion describes the compensation paid by Goldflare to the persons who acted as Chief Executive Officer (“**CEO**”) and Chief Financial Officer (“**CFO**”) and to the 3 most highly compensated executive officers (or to the 3 most highly compensated individuals acting in a similar capacity), other than the CEO and the CFO, in Goldflare’s last financial year ending February 29, 2024 (each an “**NEO**” and collectively the “**NEOs**”).

#### ***General Principles of Compensation***

Goldflare's compensation program reflects its current stage of development.

Compensation plays an important role in recruiting, retaining and motivating the NEOs on which the success of Goldflare depends. Compensation is designed so as to constitute adequate reward for services provided by the NEOs and to encourage them to implement strategies aimed at increasing the value of the Shares and creating economic value. The compensation is also established according to the duties and responsibilities that rest on the individuals and their own level of performance.

The general goal of Goldflare's compensation program is to:

- a) compensate NEOs in a manner that encourages and rewards a high level of performance and outstanding results with a view of increasing long-term value for Shareholders;
- b) align NEOs' interests with long-term interests of Shareholders;
- c) provide a compensation package that is commensurate with other mining exploration companies in order to enable Goldflare to attract and retain talent; and
- d) ensure that compensation is designed in a manner that takes into account the constraints under which Goldflare operates by virtue of the fact that it is a mining exploration corporation without a history of earnings.

### ***Compensation Process***

The compensation of the NEOs is administered by the Board. Goldflare does not have a formal policy with respect to the compensation of its NEOs. The decisions are made pursuant to Board discussions, taking into consideration the size of Goldflare and its financial capabilities and the remuneration paid in comparable Canadian companies.

### ***Base Salaries***

The base salary is evaluated based on comparisons to the base salaries offered by small capitalization companies in the mining industry, as well as on more subjective criteria such as internal equity and individual contributions to Goldflare's results. Goldflare's view is that a competitive base salary is a necessary element for retaining qualified NEOs.

Based upon their respective experience in the mining sector, the Board members re-evaluate the base salary component of the compensation for the NEOs on a going forward basis to ensure that it reflects salaries offered for positions involving similar responsibilities and complexity, as well as the ability, responsibilities, and experience of the NEOs.

The base salary of the NEOs is reviewed annually by the Board to ensure it considers the market conditions, the levels of responsibility and accountability, skills and competencies, retention considerations and the level of performance, the whole on the basis of the Board's appreciation as to a fair and responsible compensation package, taking into account the contribution of each NEO to Goldflare's long-term growth and the Board's knowledge of compensation practices in Canada.

### ***Variable Cash Incentive Awards - Bonuses***

The philosophy with respect to bonuses is to align their issuances with the contributions of the NEOs. During the financial year ended February 29, 2024, Goldflare hasn't approved the payment of any bonuses.

### ***Long-Term Incentive Plans***

The grant of stock options is part of the long-term incentive component of the compensation of NEOs and is an essential part of compensation.

Goldflare provides long-term incentive compensation through its stock option plan (the "**Stock Option Plan**").

Pursuant to the Stock Option Plan, options to purchase Shares are granted to directors, officers, employees and consultants (the "**Grantees**") in order to encourage them to join their interests with those of the Shareholders, thereby fostering an increase in value of Shareholders' investment.

In addition to the added incentive to their remuneration, the granting of options to purchase Shares to NEOs aims to encourage their participation in the growth and development of Goldflare by providing them with the opportunity to acquire or increase a financial stake in the Corporation and thereby motivate them to carry out the strategic initiatives of Goldflare.

The number of options granted is determined following deliberations of the Board and is based on several factors, such as the investment in time and money, the functions and responsibilities related to the position, the level of responsibility and the general contribution that an individual can bring in terms of experience, knowledge in the mining sector and other qualities, the whole, without taking into account previous grants.

Pursuant to the Stock Option Plan, the Board may, from time to time and at its discretion, grant options to the Grantees to acquire a maximum of 10% of the issued and outstanding Shares.

The maximum number of Shares reserved for issuance to a Grantee shall not exceed, in any 12-month period, 5% of the issued and outstanding Shares at the time of grant.

In the case of a consultant, that number will not exceed, in any 12-month period, 2% of the issued and outstanding Shares.

As for persons involved in investor relations activities, the total number of Shares reserved for issuance shall not exceed, collectively, in any 12-month period, 2% of the issued and outstanding Shares.

The Stock Option Plan provides that the terms and exercise price of the options shall be fixed by the Board.

The exercise price shall not be less than the closing price of the Shares on the Exchange on the trading day immediately preceding the date of grant. In the event that there were no transactions, the exercise price shall be determined by the average between the closing "bid" and the closing "ask" price.

Stock options granted under the Stock Option Plan expire, if not previously exercised, by the 10<sup>th</sup> anniversary of their grant date, and the exercise price must be paid in full upon exercise of the option.

Options granted under the Stock Option Plan are non-assignable.

Finally, if the Grantee ceases to be a director, officer or employee of Goldflare, that Grantee's option must be exercised within 12 months of termination of his or her employment or cessation of his or her functions, subject to the expiry date of such options.

### ***Risk Considerations***

The Board is aware that compensation policies and practices are likely to have consequences, albeit unintentional, in terms of risks.

The Board will regularly review the consequences of certain risks that might be associated with such policies and practices, in order to identify practices that could likely influence an NEO to expose Goldflare to undue risk.

The Board has conducted such a review as part of the preparation of this Circular.

### ***Stock Options***

In addition to being the main component of the long-term incentive compensation offered to NEOs, the Stock Option Plan also aims to reward and retain employees of Goldflare and people who provide ongoing consulting services or management.

This form of compensation is both “long-term” and “at risk”, since it is largely linked to the creation of long-term value.

Thus, this form of compensation is not specifically linked to the obtaining of specific results or milestones, but rather is intended to retain and encourage Grantees to work continuously and in the best interest of Goldflare and its Shareholders.

Since the benefits of this form of compensation generally require the lapse of a period, the Board considers that the ability of NEOs to take undue risks that would be excessive or beneficial from the point of view of their compensation and to the detriment of Goldflare and its Shareholders, is limited.

#### *Salary*

The salary is the residual portion of the total compensation of an NEO. The Board considers it is unlikely that an NEO decides to take undue or excessive risk to Goldflare which would be personally beneficial in terms of his compensation.

#### *Conclusion*

Due to the current size and level of activities of Goldflare, the Board is able to monitor and review the risks associated with its compensation policies and practices. Such risks can be identified and mitigated through regular meetings during which financial or other information is reviewed.

No risk resulting from the compensation practices and policies that are reasonably likely to have a material adverse effect on Goldflare or its business has been identified by the Board.

#### **Summary Compensation Table**

The following table provides information concerning all compensation paid, payable, awarded, granted, given or otherwise provided to NEOs of the Corporation for services rendered to the Corporation during the 3 most recently completed financial years.

Name and Principal Position	Fiscal Year	Salary (\$)	Option-Based Awards <sup>(1)</sup> (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
				Annual Incentive Plans	Long-Term Incentive Plans			
Serge Roy <sup>(2)</sup> Vice-President – Strategy and Business	2022	76,458	48,668				29,031 <sup>(5)</sup>	157,157
	2023	77,711	23,397	N/A	N/A	N/A	53,601 <sup>(5)</sup>	154,709
	2024	52,533	N/A				43,610 <sup>(5)</sup>	93,143
Ghislain Morin <sup>(3)</sup> President and CEO	2022	74,443	48,668				29,031 <sup>(5)</sup>	152,142
	2023	77,268	23,397	N/A	N/A	N/A	53,601 <sup>(5)</sup>	154,266
	2024	52,533	N/A				43,610 <sup>(5)</sup>	93,143

David Corbeil-Héneault <sup>(4)</sup> CFO	2022	N/A	N/A				N/A	N/A
	2023	62,414	11,699	N/A	N/A	N/A	N/A	74,113
	2024	68,500	N/A				N/A	68,500
Michel Lemay <sup>(7)</sup> , Former CFO	2022						11,866 <sup>(6)</sup>	11,866
	2023	N/A	N/A	N/A	N/A	N/A	6,513 <sup>(6)</sup>	6,513
	2024						N/A	N/A

(1) Black & Scholes model used as per the following assumptions:

Risk-free interest rate	3.01%
Expected life	10 years
Expected volatility	105.00%
Expected dividend yield	0

- (2) Mr. Roy was appointed President and CEO on November 5, 2019. He served in this capacity until November 18, 2019, on which date he became Chairman and Vice-President, Strategy and Business. He resigned from all his positions on March 9, 2024.
- (3) Mr. Morin was appointed as President and CEO on November 18, 2019. He resigned on June 25<sup>th</sup>, 2024, but kept his seat on the Board of directors.
- (4) Mr. Corbeil-Héneault was appointed CFO on July 8, 2022.
- (5) Pursuant to a management agreement dated June 1, 2020 and renewed on June 1<sup>st</sup>, 2022 until May 31<sup>st</sup>, 2024, between Goldflare and 9400-4579 Quebec Inc. ("the 9400"), a private corporation held by Ghislain Morin, Serge Roy and Yves Dufour, the 9400 provides the staff required to carry out exploration programs, selects and hires subcontractors in drilling, blasting, line cutting and other subcontractors necessary to carry out the exploration programs, hires the laboratories required to process the samples collected as part of the exploration programs, provides food and transportation to personnel and provides the necessary oversight to the implementation of the programs. Under the Management Agreement, the parties have agreed that the 9400 would be entitled to a fee for overhead, management and administrative costs, equal to 15% of the expenditures carried out in connection with the exploration program. The amount indicated herein corresponds to 1/3 of the total amount (\$130,832) paid during Fiscal year 2024 to the 9400, since it is held by 3 individuals.
- (6) Mr. Lemay was paid as a consultant.
- (7) Mr. Lemay was replaced on July 8, 2022.

## Incentive Plan Awards

### *Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth information in respect of all awards outstanding at the end of the most recently completed financial year for each NEO.

Name	Option-Based Awards			
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiry Date	Value of Unexercised In-the-Money Options (\$)
Serge Roy	1,200,000	0.06	2025-03-10 <sup>(1)</sup>	N/A
	675,000	0.075	2025-03-10 <sup>(1)</sup>	
	500,000	0.05	2025-03-10 <sup>(1)</sup>	
Ghislain Morin	1,200,000	0.06	2030-11-18	N/A
	675,000	0.075	2031-04-26	
	500,000	0.05	2032-05-31	
David Corbeil-Heneault	N/A <sup>(2)</sup>	N/A	N/A	N/A

(1) Following Mr Roy's resignation as Vice-President and Director (Chairman), the expiry of his options needed to be modified accordingly to reflect Goldflare's Stock Option plan guidelines.

(2) M. Corbeil-Héneault has exercised his options granted during Fiscal year 2023

*Value Vested or Earned During the Year*

The following table presents information concerning the value vested with respect to awards granted to the NEOs during the last completed financial year.

Name	Option-Based Awards – Value Vested During the Year (\$)	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Serge Roy	N/A	N/A	N/A
Ghislain Morin	N/A	N/A	N/A
David Corbeil-Heneault	N/A	N/A	N/A

**Pension Plan Benefits**

Goldflare does not have a pension plan or other similar plan.

**B. DIRECTORS**

**Summary Compensation Table**

The directors that are not NEOs receive a remuneration of \$1,000 for each meeting of the Board or of a committee to which they attend. For the year ended February 29, 2024, the directors that are not NEOs received an aggregate remuneration of \$12,000. The directors that are not NEOs may also receive, from time to time, stock options pursuant to the Stock Option Plan. The following presents the awards granted to the directors of the Corporation that are not NEOs during the last completed financial year.

Name	Fees Earned (\$)	Option- Based Awards <sup>(1)</sup> (\$)	Non-Equity Incentive plan Compensation (\$)	Pension Value (\$)	All Other compensation (\$)	Total compensation (\$)
Yves Dufour <sup>(1)</sup>	4,000	N/A	N/A	N/A	N/A	4,000
André Gauthier <sup>(1)</sup>	4,000	N/A	N/A	N/A	N/A	4,000
Sara Pedneault	4,000	N/A	N/A	N/A	N/A	4,000

(1) Not a Board member anymore since April 9, 2024

**Incentive Plan Awards**

*Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth the awards granted to the directors of the Corporation that are not NEOs outstanding at the end of the last completed year.

Name	Option-Based Awards			
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiry Date	Value of Unexercised In-the-Money Options (\$)
Yves Dufour	400,000	0.06	April 8, 2025 <sup>(1)</sup>	N/A

	150,000	0.075	April 8, 2025 <sup>(1)</sup>	N/A
	200,000	0.05	April 8, 2025 <sup>(1)</sup>	N/A
André Gauthier	300,000	0.06	April 8, 2025 <sup>(1)</sup>	N/A
	50,000	0.075	April 8, 2025 <sup>(1)</sup>	N/A
	100,000	0.05	April 8, 2025 <sup>(1)</sup>	N/A
Sara Pedneault	N/A	N/A	N/A	N/A

(1) The expiry of the options needed to be modified accordingly to reflect Goldflare's Stock Option plan guidelines following M. Dufour and M. Gauthier being replaced on the Board of Directors.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out certain details with respect to compensation plans pursuant to which equity securities of Goldflare are authorized for issuance at the end of the last completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of shares remaining available for future issuance under the equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans previously approved by Shareholders	6,750,000	\$0.06	405,000
Equity compensation plans not previously approved by Shareholders	N/A	N/A	N/A

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

During the fiscal year ended February 29, 2024, and as at the date of this Circular, none of the directors, executive officers (or previous directors, executive officers of Goldflare), each proposed nominee for election as a director of Goldflare (or any associate of a director, executive officer or proposed nominee) was or is indebted to Goldflare with respect to the purchase of Shares and for any other reason pursuant to a loan.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as described below and as disclosed elsewhere in this Circular, the management of the Corporation is not aware of any material interest, direct or indirect, that any director, proposed director, officer, Shareholder holding, directly or indirectly, as beneficial owner, more than 10% of the outstanding Shares or any associate or affiliate of any such persons would have in any material transaction concluded since the beginning of the last financial year of the Corporation or in any proposed transaction which had or could have a material effect on the Corporation.

In June 2020, the Company signed an agreement with 9400-4579 Québec Inc., a company whose shareholders are the Vice-President, Strategy and Business, the Chief Executive Officer and a director of the Company. This agreement was renewed on June 1st, 2022, and expires on May 31, 2024. It provides for the supervision of the mining exploration projects of the Company. In relation with that agreement, 9400-4579 Québec Inc. will incur all of the expenses relating to the exploration projects and will invoice them to the Company with a 15% gross-up. In the case of a contract termination by the Company, it will have to pay compensation for an amount of \$200,000. On June 30, 2024, the contract was terminated by Goldflare without

penalty or payable compensation, as the contract was not renewed for a fixed term following its expiration on May 31, 2024.

The Company signed an agreement for the rent of its head office with 9383-0818 Québec Inc., a company whose sole shareholder is the former Vice-President, Strategy and Business, of the Company (in position throughout the entirety of fiscal year 2024). This agreement was renewed in December 2022 and is effective until November 2025. It contains two 3-year renewal options. Under this agreement, monthly payments amounted to \$18,491 for the fiscal year ended February 29, 2024 (\$16,275 for the fiscal year ended February 28, 2023). In March 2024, the Company terminated the lease agreement effective April 1, 2024, without penalty. Since April 1, its head office has been located at 109 Ch des Colibris, Piedmont, Quebec.

## THE AUDIT COMMITTEE

### Charter of the Audit Committee

The Audit Committee examines, with the assistance of the auditor, Goldflare's financial statements and recommends their approval to the Board. The Audit Committee Charter is attached as Schedule A of this Circular.

### Composition of the Audit Committee

The audit committee currently consists of Ms. Sara Pedneault, Mr. Pierre Alexandre and Mr. Ghislain Morin. During fiscal year 2024, the audit committee was composed of Serge Roy, Yves Dufour, and André Gauthier.

Under *Regulation 52-110 Respecting Audit Committees*, a member of an audit committee is "independent" if such member has no direct or indirect material relationship with the issuer, that is, a relationship which could, in the view of the Board, reasonably be expected to interfere with the exercise of the member's independent judgment. For the purpose of assessing the independence of a member of an audit committee, *Regulation 52-110 Respecting Audit Committees* further provides that an individual will be deemed to have a material relationship with an issuer if he or she accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer, other than as remuneration for acting in his or her capacity as a member or as part-time chair or vice-chair of the Board of the issuer or any committee thereof. For this purpose, the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes the acceptance of a fee by an entity in which such individual is a partner, and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer.

Based on the foregoing, the Board has determined that Sara Pedneault and Pierre Alexandre are independent members of the Audit Committee.

The Board has determined that each of the members of the Audit Committee is "financially literate" within the meaning of section 1.6 of *Regulation 52-110 Respecting Audit Committees*, that is, each member 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 Goldflare's financial statements.

### Relevant Education and Experience

**Sara Pedneault** is currently completing a Master's in Business Administration – Strategic Project Management and holder of a Bachelor's degree in Geological Engineering. Ms. Pedneault has worked in the mining sector since 2015. She was a scholarship recipient from the Canadian Mining Foundation for 2016 to 2018 and chosen amongst a select group of 26 Canadian students to participate in the Student-Industry Miner Exploration Workshop offered by the PDAC in 2018. Fluent in four languages, she completed

several major mining/geological internships from 2015 to 2018 before joining Eldorado Gold as Production Geology Engineer, the engineering consulting firm Bioptic Vision as Project Director and, as of today, Agnico Eagle as an environmental project coordinator.

**Pierre Alexandre** co-founded Orbit Garant Drilling in January 2007, and under his leadership the Company has grown to become one of the most prominent Canadian operators in diamond drilling. He was previously the founder, President and CEO of Orbit Drilling (1986). Mr. Alexandre has more than 36 years of experience in the diamond drilling industry with expertise in operational planning and business relationship development. From 1974 to 1983, he worked as a surface driller for various drilling companies.

### Supervision of the Audit Committee

No recommendation from the Audit Committee regarding the nomination or compensation of the external auditor was adopted by the Board during the year.

### Pre-approval Policies and Procedures for Audit Services

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

### External Auditors Fees

The external auditor of Goldflare invoiced the following fees during the last 2 fiscal years.

Professional Fees	Fiscal Year Ending February 29, 2024	Fiscal Year Ending February 28, 2023
Audit Fees <sup>(1)</sup>	\$53,000	\$43,000
Audit Related Fees <sup>(2)</sup>	-	-
Tax Fees <sup>(3)</sup>	(included)	\$7,000
All other Fees <sup>(4)</sup>	\$2,385	\$2,250
<b>TOTAL</b>	<b>\$55,385</b>	<b>\$52,250</b>

- (1) Refers to the aggregate fees for professional services for the audit of Goldflare's annual financial statements, assistance with interim financial statements, and related matters.
- (2) Refers to the aggregate fees for professional services invoiced for related services by Goldflare's external auditor that are reasonably related to the performance of the audit or the review of Goldflare's financial statements and which are not reported under note (1) above.
- (3) Refers to the aggregate professional fees invoiced for professional services rendered by Goldflare's external auditor for tax compliance, tax advice, and tax planning.
- (4) Refers to the aggregate professional fees invoiced for products and services provided by Goldflare's external auditor, other than the services reported under notes (1), (2) and (3) above.

### Reliance on Exemption

Goldflare is relying on the exemption set out in section 6.1 of *Regulation 52-110 Respecting Audit Committees* with respect to the composition of the Audit Committee and certain reporting obligations.

## CORPORATE GOVERNANCE PRACTICES

### General

*Policy Statement 58-201 Corporate Governance Guidelines* and *Regulation 58-101 Respecting Disclosure of Corporate Governance Practices* set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions

to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer must disclose on an annual basis the corporate governance practices that it has adopted. The following is Goldflare's disclosure of its corporate governance practices.

### **Mandate of the Board**

The Board considers that Sara Pedneault and Pierre Alexandre are independent members of the Board within the meaning of *Regulation 52-110 Respecting Audit Committees*.

The Board considers that Michel Desjardins is not an independent member of the Board within the meaning of *Regulation 52-110 Respecting Audit Committees*, being the President and CEO of Goldflare. The Board considers that Ghislain Morin is not an independent member of the Board within the meaning of *Regulation 52-110 Respecting Audit Committees*, having been a member of Goldflare's senior management over the past 3 years

The Board has adopted a written mandate which explicitly establishes the duty of stewardship Goldflare, including the following responsibilities:

- a) ensure, to the extent possible, the integrity of the CEO and other members of senior management, and that the CEO and other members of senior management maintain a culture of integrity within Goldflare as a whole;
- b) adopt a strategic planning process and approving, at least annually, a strategic plan taking into account in particular the opportunities and risks of the business;
- c) identify the main risks to which Goldflare activities are exposed and ensure the implementation of appropriate systems to manage these risks;
- d) provide succession planning (including appointing, training, evaluation and close monitoring of senior management);
- e) adopt a communication policy;
- f) monitor the internal control systems and management information; and
- g) implement sound corporate governance practices, including policies and specific Goldflare governance practices.

The written mandate of the Board also includes the following responsibilities:

- (a) adopt measures to obtain feedback from interested parties; and
- (b) clarify expectations and responsibilities of directors, including basic functions and responsibilities with respect to attendance at meetings of the Board and the prior review of Meeting Materials.

### **Directorships**

Only Pierre Alexandre is currently a director of another issuer (Orbit Garant) that is also a reporting issuer (or the equivalent) in a territory of Canada or a foreign territory.

### **Orientation and Continuing Education**

Goldflare does not currently have a formal orientation program for new directors, but the Board has taken measures to provide continuing education for the directors (i.e., training sessions provided by the Exchange).

## **Ethical Business Conduct**

The CEO is responsible for promoting a corporate culture which supports the highest of ethical standards, encourages personal integrity and assumes social responsibility.

## **Committee of the Board**

The Board has currently only 1 committee, being the Audit Committee.

The Audit Committee meets regularly in order to assist the Board: (a) in its oversight of the accounting and financial reporting principles and policies and internal audit controls and procedures; (b) in its oversight of the integrity and transparency of Goldflare's financial statements and the independent audit thereof; (c) in selecting, evaluating and, where deemed appropriate, replacing the external auditors; (d) in evaluating the independence of the external auditors; (e) in its oversight of risk identification, assessment and management program; and (f) in Goldflare's compliance with legal and regulatory requirements in respect of the above.

The Corporation's Audit Committee directly reviews, with the assistance of the auditors, the financial statements of the Corporation and recommends their approval to the Board. The function of the Audit Committee is to provide independent and objective oversight. Goldflare Management is responsible for the preparation, presentation and integrity of the financial statements.

The management of Goldflare is responsible for maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures that provide for compliance with accounting standards and applicable laws and regulations. The external auditors are responsible for planning and carrying out a proper audit of the annual financial statements and other procedures. In fulfilling their responsibilities, it is recognized that members of the Audit Committee are not full-time employees of Goldflare and are not, and do not represent themselves to be, accountants or auditors by profession or experts in the fields of accounting or auditing including in respect of auditor independence. As such, it is not the duty or responsibility of the Audit Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures or to set auditor independence standards, and each member of the Audit Committee shall be entitled to rely on (a) the integrity of those persons and organizations from which it receives information; (b) the accuracy of the financial and other information provided to the Audit Committee by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the Board) and (c) representations made by management as to non-audit services provided by the auditor.

## **Assessments**

The Board, as a whole, is responsible for assessing on an ongoing basis: (a) the performance and contribution of each of the members of the Board on an individual basis; and (b) the performance and effectiveness of the Board generally.

## **Term of Office and Board Renewal**

The Corporation has not set a term of office for directors nor a mandatory retirement age as the Corporation considers it would be inappropriate to deprive the Corporation of the value and experience of a long-term director. The Corporation also believes that the actual process of assessment of the directors is adequate and serves as an ongoing mechanism for the renewal of the term of office of directors.

## **Diversity**

In this subsection, "designated groups" means women, Aboriginal peoples, persons with disabilities and members of visible minorities, as such terms are defined in the *Employment Equity Act (Canada)*.

Although the Board considers the level of representation of members of the designated groups on the Board when seeking and selecting candidates for the positions of directors for a first or new term and aims to cultivate an environment where individual differences are respected, the Corporation considers that it is not necessary at this point, given its size and limited resources and the size of the Board, to adopt a written policy with respect to the search and selection of candidates that are members of the designated groups for the positions of directors nor to set targets for the different designated groups in that regard. Among the nominees for election as directors at the Meeting, only Ms Sara Pedneault is a member of the designated groups.

Concerning the executive officers, the Board considers the level of representation of members of the designated groups when appointing persons to the different functions but has not set targets for the different designated groups in that regard. The Corporation only has 4 directors, and the setting of targets would not be efficient. The Board considers above all the qualifications and expertise of each candidate in the best interest of the Corporation. For the year ended February 29, 2024, one of the directors of the Corporation was a member of the designated groups.

#### **ADDITIONAL INFORMATION**

Additional financial information is included in the audited financial statements and management report for the year ended February 29, 2024. Such documents as well as this Circular and other information on the Corporation are also available on SEDAR ([www.sedar.com](http://www.sedar.com)).

Copies of this Circular can also be obtained by contacting Goldflare at the following:

#### **GOLDFLARE EXPLORATION INC.**

109, Chemin des Colibris  
Piedmont, Quebec, J0R 1K0  
Tel: (450) 622-4066  
email: [comptabilite@goldflare.ca](mailto:comptabilite@goldflare.ca)

#### **APPROVAL OF THE CIRCULAR**

The contents and the mailing of this Circular have been approved by the Board.

Piedmont, Quebec, July 22, 2024

**By order of the Board**

*Michel Desjardins*

Michel Desjardins,  
President and CEO

## SCHEDULE A

### AUDIT COMMITTEE CHARTER

The following charter is adopted in compliance with *Multilateral Instrument 52-110 Audit Committees* ("MI 52-110").

#### 1. MANDATE AND OBJECTIVES

The mandate of the audit committee of the Corporation (the "**Audit Committee**") is to assist the board of directors of Goldflare (the "**Board**") in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by Goldflare to regulatory authorities and shareholders, Goldflare's systems of internal controls regarding finance and accounting and Goldflare's auditing, accounting and financial reporting processes.

The objectives of the Audit Committee are to:

- (i) serve as an independent and objective party to monitor Goldflare's financial reporting and internal control system and review Goldflare's financial statements;
- (ii) ensure the independence of Goldflare's external auditors; and
- (iii) provide better communication among Goldflare's auditors, the management and the Board.

#### 2. COMPOSITION

The Audit Committee shall be comprised of at least three (3) directors as determined by the Board. The majority of the members of the Audit Committee shall be independent, within the meaning of MI 52-110.

At least one (1) member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices.

For the purposes of this Charter, the definition of "financially literate" is 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 presumably be expected to be raised by Goldflare's financial statements.

The members of the Audit Committee shall be elected by the Board at its first meeting following each annual shareholders' meeting. Unless a Chairman is elected by the Board, the members of the Audit Committee may designate a Chairman by a majority vote of all the Audit Committee members.

#### 3. MEETINGS AND PROCEDURES

- 3.1 The Audit Committee shall meet at least once annually or more frequently if required.
- 3.2 At all meetings of the Audit Committee, every question shall be decided by a majority of the votes cast. In the case of an equality of votes, the Chairman shall not be entitled to a second vote.
- 3.3 A quorum for meetings of the Audit Committee shall be a majority of its members and the rules for calling, holding, conducting and adjourning meetings of the Audit Committee shall be the same as those governing meetings of the Board.

#### **4. DUTIES AND RESPONSIBILITIES**

The following are the general duties and responsibilities of the Audit Committee:

##### **4.1 Financial Statements and Disclosure Matters**

- a) review Goldflare's financial statements, MD&A and any press releases regarding annual and interim earnings, before Goldflare publicly discloses such information, and any reports or other financial information which are submitted to any governmental body or to the public; and
- b) must be satisfied that adequate procedures are in place for the review of Goldflare's public disclosure of financial information extracted or derived from Goldflare's financial statements, other than the public disclosure referred to in subsection a) above, and must periodically assess the adequacy of those procedures.

##### **4.2 External Auditors**

- a) recommend to the Board the selection and, where applicable, the replacement of the external auditors to be nominated annually as well the compensation of such external auditors;
- b) oversee the work and review annually the performance and independence of the external auditors who shall be ultimately accountable to the Board and the Audit Committee as representatives of the shareholders of Goldflare;
- c) on an annual basis, review and discuss with the external auditors all significant relationships they may have with Goldflare that may impact their objectivity and independence;
- d) consult with the external auditors about the quality of Goldflare's accounting principles, internal controls and the completeness and accuracy of Goldflare's financial statements;
- e) review and approve Goldflare's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of Goldflare;
- f) review the audit plan for the year-end financial statements and intended template for such statements;
- g) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, as well as any non-audit services provided by the external auditors to Goldflare or its subsidiary entities. The pre-approval requirement is satisfied with respect to the provision of non-audit services if:
  - i) the aggregate amount of all such non-audit services provided to Goldflare constitutes no more than 5% of the total amount of fees paid by Goldflare and its subsidiary entities to its external auditors during the fiscal year in which the non-audit services are provided;
  - ii) such services were not recognized by Goldflare or its subsidiary entities as non-audited services at the time of the engagement; and
  - iii) such services are promptly brought to the attention of the Audit Committee by Goldflare and approved, prior to the completion of the audit, by the Audit Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Audit Committee.
- h) The Audit Committee may delegate to one or more independent members of the Audit Committee the aforementioned authority to pre-approve non-audited services, provided

the pre-approval of the non-audit services is presented to the Audit Committee at its first scheduled meeting following such approval.

### **4.3 Financial Reporting Processes**

- a) in consultation with the external auditors, review with management the integrity of Goldflare's financial reporting process, both internal and external;
- b) consider the external auditor's judgments about the quality and appropriateness of Goldflare's accounting principles as applied in its financial reporting;
- c) consider and approve, if appropriate, changes to Goldflare's auditing and accounting principles and practices as suggested by the external auditors and management;
- d) review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- e) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- f) establish procedures for the confidential, anonymous submission by employees of Goldflare of concerns regarding questionable accounting or auditing matters and the receipt, retention and treatment of complaints received by Goldflare regarding accounting, internal accounting controls or auditing matter.

**SCHEDULE B  
ARTICLES OF AMENDMENT**



**Form 4**  
**Articles of Amendment**  
*Canada Business Corporations Act*  
*(CBCA) (s. 27 or 177)*

**Formulaire 4**  
**Clauses modificatrices**  
*Loi canadienne sur les sociétés par*  
*actions (LCSA) (art. 27 ou 177)*

- 
- 1 Corporate name  
Dénomination sociale  
EXPLORATION GOLDFLARE INC.  
GOLDFLARE EXPLORATION INC.
- 
- 2 Corporation number  
Numéro de la société  
3521389
- 
- 3 The articles are amended as follows  
Les statuts sont modifiés de la façon suivante

See attached schedule / Voir l'annexe ci-jointe

- 
- 4 Declaration: I certify that I am a director or an officer of the corporation.  
Déclaration : J'atteste que je suis un administrateur ou un dirigeant de la société.

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**Michel Desjardins**  
**514-886-8803**

Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5000 or to imprisonment for a term not exceeding six months or both (subsection 250(1) of the CBCA).

Faire une fausse déclaration constitue une infraction et son auteur, sur déclaration de culpabilité par procédure sommaire, est passible d'une amende maximale de 5 000 \$ et d'un emprisonnement maximal de six mois, ou l'une de ces peines (paragraphe 250(1) de la LCSA).

You are providing information required by the CBCA. Note that both the CBCA and the *Privacy Act* allow this information to be disclosed to the public. It will be stored in personal information bank number IC/PPU-049.

Vous fournissez des renseignements exigés par la LCSA. Il est à noter que la LCSA et la *Loi sur les renseignements personnels* permettent que de tels renseignements soient divulgués au public. Ils seront stockés dans la banque de renseignements personnels numéro IC/PPU-049.

**Schedule / Annexe**  
**Amendment Schedules / Annexes - Modification**

Les statuts de la Société sont modifiés en procédant au regroupement des actions de catégorie « A » émises et en circulation de la Société à raison d'une (1) action de catégorie « A » pour chaque tranche de cinq (5) actions de catégorie « A » actuellement émises et en circulation.

The articles of the Corporation are amended by changing the number of the issued and outstanding Class "A" shares of the Corporation on the basis of one (1) Class "A" Shares for every five (5) Class "A" Shares currently issued and outstanding.

