HARTE GOLD CORP.

Interim Financial Statements *(unaudited)*

For the period ended May 31, 2009

Notice to Reader

Notice: The unaudited interim financial statements of Harte Gold Corp. ("Company") as at and for the six months ended May 31, 2009 ("Financial Statements") have been prepared by management and have not been reviewed by the Company's auditors. The Financial Statements should be read in conjunction with the financial statements for the year ended November 30, 2008 which are available at the SEDAR website at www.sedar.com. The Financial Statements are presented in Canadian dollars, unless otherwise indicated, and are prepared in accordance with Canadian generally accepted accounting principles.

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim financial statements of Harte Gold Corp. were prepared by management in accordance with Canadian generally accepted accounting principles. The most significant of these accounting principles have been set out in the November 30, 2008 audited financial statements. Only changes in accounting policies have been disclosed in these unaudited interim financial statements. Management acknowledges responsibility for the preparation and presentation of the period end unaudited interim financial statements, including responsibility for significant accounting judgements and estimates and the choice of accounting principles and methods that are appropriate to the Corporation’s circumstances.

The Board of Directors is responsible for ensuring that management fulfills its financial reporting responsibilities and for reviewing and approving the period end unaudited interim financial statements together with other financial information. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process and the period end unaudited interim financial statements together with other financial information of the Corporation. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the period end unaudited interim financial statements together with other financial information of the Corporation for issuance to the shareholders.

Management recognizes its responsibility for conducting the Corporation’s affairs in compliance with established financial statements, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Harte Gold Corp.

Balance Sheets

(unaudited)

(Expressed in Canadian Dollars)

As at	**May 31, 2009**	November 30, 2008
Assets		
Current Assets		
Cash and short term investments	**$ 198,631**	$ 78,449
GST recoverable	**16,220**	103,848
Other receivables	**-**	6,641
	214,851	188,938
Mineral properties and deferred exploration expenditures *(Note 5)*	**4,693,312**	4,430,294
	$ 4,908,163	$ 4,619,232
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	**$ 54,917**	$ 116,862
Future Income Tax Liability	**140,474**	140,474
	195,391	257,336
Shareholders' equity		
Capital stock *(Note 7(a))*	**10,274,716**	9,667,716
Contributed surplus *(Note 8)*	**947,359**	607,750
Deficit	**(6,509,303)**	(5,913,570)
	4,712,772	4,361,896
	$ 4,908,163	$ 4,619,232

Going Concern (Note 1)
Contingencies (Note 12)

"Stephen G. Roman"
Stephen G. Roman
President, Director

"H. Douglas Scharf"
H. Douglas Scharf
Director

The accompanying notes are an integral part of these interim financial statements

Harte Gold Corp.

Statements of Operations and Comprehensive Loss and Deficit

(unaudited)

(Expressed in Canadian Dollars)

	Three Months Ended		Six Months Ended	
	May 31, 2009	May 31, 2008	**May 31, 2009**	May 31, 2008
Revenue				
Interest income	**$ 685**	$ 7,492	**$ 685**	$ 10,009
Administrative Expenses				
Management and consulting fees *(Note 6)*	**58,250**	27,182	**91,050**	86,409
Directors' Fees	**-**	-	**800**	10,967
Promotion and travel	**-**	6,860	**17,772**	62,960
Office and general	**2,726**	15,137	**44,846**	92,683
Professional fees	**31,712**	39,225	**110,312**	67,537
Stock-based compensation *(Note 7(a))*	**16,575**	-	**246,035**	-
Shareholders' information	**28,593**	27,735	**214,508**	45,011
	137,856	116,139	**725,323**	365,567
Net loss and Comprehensive loss before tax	**(137,171)**	(108,647)	**(724,638)**	(355,558)
Future Income tax recovery	**128,905**	-	**128,905**	-
Net loss and Comprehensive loss	**(8,266)**	(108,647)	**(595,734)**	$ (355,558)
Deficit at beginning of period	**(6,501,037)**	(5,972,940)	**(5,913,570)**	(5,726,029)
Deficit, end of period	**$ (6,509,304)**	$ (6,081,587)	**$ (6,509,304)**	$ (6,081,587)
Net loss per share – basic and fully diluted	**$ (0.00)**	$ (0.00)	**$ (0.01)**	$ (0.00)
Weighted average number of shares outstanding – basic and fully diluted	**50,520,304**	44,882,104	**48,278,167**	45,248,632

The accompanying notes are an integral part of these interim financial statements

Harte Gold Corp.

Statements of Cash Flow

(unaudited)

(Expressed in Canadian Dollars)

	Three Months Ended		Six Months Ended	
	May 31, 2009	May 31, 2008	**May 31, 2009**	May 31, 2008
Operations				
Net loss and Comprehensive Loss	**$ (8,266)**	$ (108,647)	**$ (595,734)**	$ (355,558)
Adjustments to reconcile net income (loss) to cash flow from operating activities:				
Future income tax recovery	**(128,905)**	-	**(128,905)**	-
Stock-based compensation	**16,575**	-	**246,035**	-
Shares issued for debt *(Note 7)*	**-**	-	**220,590**	-
Shares issued for commission	**-**	-	**3,700**	-
GST recoverable	**95,735**	-	**87,628**	-
Other receivables	**6,641**	-	**6,641**	-
Accounts payable and accrued liabilities	**(109,247)**	-	**(61,946)**	89,733
	(127,467)	(108,647)	**(221,990)**	(265,825)
Financing				
Bank indebtedness	**-**	-	**-**	(100,000)
Cost of share issuances	**(51,160)**	-	**(59,310)**	(99,362)
Gross proceeds of issuance of common shares	**620,000**	-	**664,500**	842,200
	568,840	-	**605,190**	642,838
Investing				
Additions to mineral properties and deferred costs	**(253,671)**	(389,298)	**(263,018)**	(478,878)
Net increase (decrease) in cash and cash equivalents	**187,702**	(497,945)	**120,182**	(101,865)
Cash and Short-term investments				
Beginning of period	**10,929**	1,077,778	**78,449**	681,698
End of Period	**$ 198,631**	$ 579,833	**$ 198,631**	$ 579,833
Cash and short term investments are comprised of:				
Cash	**198,631**	559,833	**198,631**	559,833
Short-term investments	**-**	20,000	**-**	20,000
	$ 198,631	$ 579,833	**$ 198,631**	$ 579,833

The accompanying notes are an integral part of these interim financial statements

General

Harte Gold Corp. (The "Company" or "Harte") is engaged in the acquisition, exploration and development of mineral resource properties with a focus on gold properties located in the Province of Ontario, Canada. The Company was incorporated in Ontario on January 22, 1982 and is a reporting issuer in the Provinces of Ontario, Alberta and British Columbia. The common shares of the Company trade on the TSX Venture Exchange under the symbol "HRT" and on the Frankfurt Stock Exchange under the symbol "H4O".

The Company currently owns interests in two advanced exploration projects: the Sugar Zone property, 60 km east of the Hemlo area gold mines, located on the north shore of Lake Superior and the Stoughton-Abitibi property (formerly Stoughton-Porcupine), 110 km east of Timmins and 50 km north east of Kirkland Lake, Ontario, Canada.

1. *Nature of Operations and Going Concern*

The Company is in the process of exploring and evaluating its mineral properties. On the basis of information to date, it has not yet determined whether these unproven mineral properties contain economically recoverable reserves. The amounts shown as mineral properties and deferred costs represent costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values.

The underlying value of the unproven mineral properties is entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest and, the ability of the Company to obtain the necessary financing to complete development, and future profitable production.

As at May 31, 2009, the Company had working capital of $159,934 and accumulated losses of $6,638,208 and expects to incur further losses in the development of its properties, all of which casts substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to fund its exploration and development programs.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern. Such adjustments could be material. These financial statements have been prepared using Canadian generally accepted accounting principles applicable to a going concern and do not reflect any adjustments in the carrying values of the assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used that would be necessary if the going concern assumption was not appropriate.

Various factors including the Company's exploration results could cause significant fluctuations in the price and volume of trading in the Common Shares of the Company. Management plans to secure the necessary financing through a combination of the exercise of existing warrants for the purchase of common shares, the issue of new equity or debt instruments and the entering into of joint venture arrangements; there is no assurance that these initiatives will be successful.

These financial statements have been prepared on a going-concern basis which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future.

Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in these interim financial statements.

2. *Significant Accounting Policies*

The accompanying unaudited interim financial statements of Harte Gold Corp. have been prepared in accordance with Canadian generally accepted accounting principles applicable for interim reporting periods. These unaudited notes to the interim financial statements do not include all disclosures required in the annual financial statements and should be read in conjunction with the audited financial statements and notes for the year ended November 30, 2008. These unaudited interim financial statements have been prepared following the same accounting policies and methods of computation as the annual financial statements for the year ended November 30, 2008 except as described in Note 3 below. In the opinion of management, all adjustments required for a fair presentation are included in these unaudited interim financial statements in accordance with the accounting policies of the Company.

3. *New Accounting Standards*

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities
In January 2009, CICA approved EIC 173 Credit Risk and the Fair Value of Financial Assets and Financial Liabilities. This guidance clarified that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. This guidance is applicable to fiscal periods ending on or after January 20, 2009. Application of EIC 173 had no impact on the Company's operating results or financial position.

Mining Exploration Costs
On March 27, 2009, CICA approved EIC 174, "Mining Exploration Costs" which provides guidance on the capitalization of exploration costs related to mining properties in particular and on the impairment of long-lived assets in general; application of EIC 174 to the six months ended May 31, 2009 resulted in no significant impact on the Company's financial statements.

Section 3064 - Goodwill and intangible assets
Effective December 1, 2008, the Company adopted Section 3064 "Goodwill and intangible assets" which establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. The Company's financial statements do not contain any goodwill amounts such that adoption of this new policy had no impact on the Company at the present time.

4. *Future Changes in Accounting Policies*

The Canadian Accounting Standards Board has confirmed that effective January 1, 2011 the use of International Financial Reporting Standards ("IFRS") will be required for publicly accountable profit-oriented enterprises. IFRS will replace Canada's current GAAP for those enterprises which include listed companies and other profit-oriented enterprises that are responsible to large or diverse groups of shareholders. The official changeover date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Companies will be required to provide comparative IFRS information for the previous fiscal year. The Company is currently evaluating the impact of adopting IFRS.

5. *Mineral Properties*

The following table summarizes the Company's mineral properties and deferred exploration expenditures:

	May 31, 2009	November 30, 2008
Mineral properties		
Balance, beginning of the period	**$ 907,702**	$ 877,702
Acquisition costs	**-**	30,000
	907,702	907,702
Deferred exploration expenditures		
Balance, beginning of period	**3,522,592**	2,835,443
Exploration costs	**263,018**	687,149
	3,785,610	3,522,592
Balance, end of period	**$ 4,693,312**	$ 4,430,294

Acquisition costs consist of $780,000 (2008 - $505,000) for the Stoughton-Abitibi Property and $127,702 (2008 - $127,702) for the Sugar Zone Property. Deferred exploration expenditures consist of $1,976,133 (2008 - $1,838,554) for the Stoughton-Abitibi Property and $1,808,998 (2008 - $1,809,477) for the Sugar Zone Property.

Sugar Zone Property, Hemlo Gold Area
The Sugar Zone Property consists of 326 unpatented, unsurveyed, contiguous claims within the Sault Ste. Marie Mining Division located in Ontario, approximately 60 km east of the Hemlo area gold mines, 25 km north of White River off the Trans-Canada Highway (#17). The Company presently owns a 49% interest in the Property while the remaining 51% is owned by Corona Gold Corporation. The property is subject to a 3.5% net smelter royalty ("NSR") in favour of the original vendors of the property which can be reduced to 2% through the payment of $1.5 million. Harte and Corona have a right of first refusal on the balance of the NSR. The Sugar Zone Property contains an NI 43-101 compliant inferred resource of 904,400t @ 9.75g/t Au for 283,500 ounces of contained gold.

Stoughton-Abitibi Property, Timmins Porcupine Gold Area
The Stoughton-Abitibi Property (formerly known as Stoughton-Porcupine property), is located along the Destor-Porcupine Fault, 110 km east of the Timmins, 50 km north-east of Kirkland Lake, Ontario and 10 km due east of the Holloway-Holt gold mine and mill. The property adjoins the Ontario-Quebec border to the east, covers a 4 km strike length of the Destor-Porcupine Fault with an overall length of more than 11 km along the upper portions of the property.

During 2008 the Company increased its interest in certain claims and acquired additional claims. The property currently consists of a 90% interest in 9 claims and a 100% interest in 25 claims in the Larder Lake Mining Division of Ontario and a 100% interest in 86 adjoining Mining Claims in the Province of Quebec. Certain of the claims in the Larder Lake Mining Division are subject to NSR's up to 3.5%. Three of the mining claims are subject to a 3% NSR which can be reduced to 1% through the payment of $2 million and, a charge of $10 per ounce of gold up to a maximum of $2 million is applicable to certain other mining claims. To maintain the Quebec claims the Company must incur approximately $107,500 in exploration expenditures by January 22, 2010. Certain of the claims in the Larder Lake Mining Division are subject to a 3.5% NSR.

6. *Related Party Transactions*

Certain corporate entities that are related to the Company as a result of having common officers and/or directors, provide consulting services to the Company. These expenditures, which have been recorded at their fair market value, are in the normal course and relate to former and current officers and directors, are summarized as follows:

For the periods ended	**May 31, 2009**	May 31, 2008
Management, consulting and legal fees	**$ 65,300**	$ 59,227
For the periods ended	**May 31, 2009**	November 30, 2008
Amounts included in accounts payable owing to officers	**$ nil**	$ 5,000

7. *Capital Stock*

(a) Share Capital
The Company is authorized to issue an unlimited number of common shares without par value. Issued and outstanding common shares consist of the following:

	No. of Shares	$
Balance at November 30, 2007	36,617,104	$ 8,569,444
Issuance of common shares for cash:		
Private placement December 18, 2007	3,800,000	608,000
Private placement December 24 2007	2,975,000	595,000
Private placement January 3, 2008	790,000	158,000
Other share issuance	320,000	51,200
Issuance of common shares as commission	459,000	76,600
Future tax liability pursuant to flow through shares		(168,066)
Fair value assigned to broker warrants		(7,000)
Fair value assigned to warrants		(42,000)

Share issuance costs – cash			(96,862)
Share issuance costs – common shares			(76,600)
Balance at November 30, 2008	44,961,104	$	9,667,716
Issuance of common shares for cash:			
Private placement December 18, 2008	890,000		44,500
Private placement April 21, 2009	2,916,666		350,000
Private placement April 30, 2009	500,000		60,000
Private placement April 30, 2009	2,100,000		210,000
Future tax liability pursuant to flow through shares			(128,905)
Issuance of common shares as commission	74,000		3,700
Issuance of common shares for debt	2,450,998		220,590
Share issuance costs – cash			(55,610)
Share issuance costs – common shares			(3,700)
Fair value assigned to broker warrants			(19,992)
Fair value assigned to warrants			(73,581)
Balance at May 31, 2009	**53,892,768**	**$**	**10,274,716**

Private Placements

Details of private placements completed during the period ended May 31, 2008 and May 31, 2009:

Date of issuance	**December 18, 2007**	**December 24, 2007**	**January 3, 2008**
Units issued	3,800,000	2,975,000	790,000
Price of issue	$ 0.20	$ 0.20	$ 0.20
Gross proceeds of issue	$ 608,000	$ 595,000	$ 158,000
Common shares issued	3,800,000	2,975,000	2,100,000
Related warrants issued	1,900,000	1,487,500	1,050,000
Common shares issued as Finders Fees	380,000		79,000
Warrants issued as Finders Fees	190,000	-	38,000
Broker warrants issued as Finders Fees	-	297,500	-
Exercise price per purchase warrant	$ 0.25	$ 0.20	$ 0.25
Exercise price per broker warrant	-	$ 0.20	-
Expiry date of warrants	18/12/2008	31/12/2008	31/12/2008
Expiry date of broker warrants		31/12/2009	

Date of issuance	**December 18, 2008**	**April 21, 2009**	**April 30, 2009**	**April 30, 2009**
Units issued	890,000	2,916,666	500,000	2,100,000
Price of issue	$ 0.05	$ 0.12	$ 0.12	$ 0.10
Gross proceeds of issue	$ 44,500	$ 350,000	$ 60,000	$ 210,000
Common shares issued	964,000	2,916,666	500,000	2,100,000

Related warrants issued	445,000	1,458,333	250,000	1,050,000
Warrants issued as Finders Fees	37,000	291,666	40,000	154,000
Exercise price per warrant	$ 0.10	$ 0.20	$ 0.20	$ 0.20
Exercise price per Finders Fee warrant	$ 0.05	$ 0.12	$ 0.12	$ 0.12
Expiry date of warrants	31/12/2009	30/04/2010	30/04/2010	30/04/2010

In addition to the above 2,450,998 common shares were issued at a price of $0.09 in lieu of payment of $220,590 for expenses incurred regarding the Special Shareholders Meeting held January 30, 2009.

(b) Stock Options

The Company has established a stock option plan to provide additional incentive to officers, directors, employees and consultants in their efforts on behalf of the Company in the conduct of its affairs. Under the terms of the plan, options vest immediately and expire on the fifth anniversary from the date of issue unless otherwise specified. As at May 31, 2009 a total of 4,700,000 options (2008 – 2,800,000) were outstanding under the stock option plan.

	May 31, 2009		May 31, 2008	
	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options
Outstanding at beginning of period	**$ 0.15**	**2,800,000**	$ 0.25	3,000,000
Transaction during the period:				
Granted	**0.15**	**4,500,000**	-	-
Exercised				-
Forfeited	**0.15**	**(2,600,000)**		-
Outstanding at end of period	**$ 0.15**	**4,700,000**	$ 0.25	3,000,000
Exercisable at end of period	**$ 0.15**	**4,700,000**	$ 0.25	3,000,000

The following table provides additional information about outstanding stock options at May 31, 2009

No. of Options Outstanding	**Weighted Average Remaining Life (Years)**	**Weighted Average Exercise Price**	**No. of Options Currently Exercisable**	**Weighted Average Exercise Price – Exercisable Options**
4,700,000	**4.75**	**$ 0.15**	**4,700,000**	**$ 0.15**

Stock-based Compensation
The following table summarizes assumptions used with the Black-Scholes valuation model for the determination of stock-based compensation costs for stock options issued during the period ended May 31, 2009:

Grant date	**February 20, 2009**	**May 26, 2009**
Number of options	3,850,000	650,000
Exercise price	$ 0.15	$ 0.15
Expected life in years	5.0	5.0
Volatility	72.80%	74.57%
Risk-free interest rate	2.09%	2.28%
Dividend yield	0%	0%
Fair value of options granted	$ 0.06	$ 0.03
Stock-based compensation expense	$ 229,460	$ 16,575

The following table summarizes assumptions used with the Black-Scholes valuation model for the determination of stock-based compensation costs for stock options issued during the year ended November 30, 2008:

Grant date		**May 15,2008**
Number of options		2,800,000
Exercise price	$	0.15
Expected life in years		5
Volatility		56.20%
Risk-free interest rate		3.19%
Dividend yield		0%
Fair value of options granted	$	0.04
Stock-based compensation expense	$	112,840

(c) Warrants
There were 4,023,499 warrants outstanding as at May 31, 2009 to purchase common shares; all warrants outstanding expire as follows.

		Exercise Price	**Number Issued**	**Expiry date**
Balance, Beginning of period	**$**	**0.25**	**4,309,500**	
Issued		0.10	445,000	December 31, 2009
Issued		0.10	37,000	December 31, 2009
Issued		0.12	291,666	April 21, 2011
Issued		0.10	154,000	April 30, 2011
Issued		0.12	40,000	April 30, 2011
Issued		0.20	2,758,333	April 30, 2011
Expired		0.25	(4,012,000)	
Balance, End of Period			**4,023,499**	

The following table summarizes assumptions used with the Black-Scholes valuation model for the determination of the value allocated to the warrants issued during unit financings during the period ended May 31, 2009:

Issue date	**December 31, 2008**	**December 31, 2008**	**April 21, 2009**	**April 21, 2009**
Number of warrants	445,000	37,000	1,458,333	291,666
Exercise price	$ .10	$ .10	$ .24	$ .12
Expected life in years	1.0	1.0	2.0	2.0
Volatility	46.20%	46.20%	89.90%	89.90%
Risk-free interest rate	1.08%	1.08%	1.10%	1.10%
Dividend yield	0%	0%	0%	0%
Fair value of warrants issued	$ 0.00	$ 0.00	$ 0.026	$ 0.043
Fair value assigned to warrants Issued	$ -	$ -	$ 38,062	$ 12,600

Issue date	**April 30, 2009**	**April 30, 2009**	**April 30, 2009**	**April 30, 2009**
Number of warrants	250,000	40,000	1,050,000	154,000
Exercise price	$ .24	$ .12	$ .24	$ .10
Expected life in years	2.0	2.0	2.0	2.0
Volatility	89.90%	89.90%	89.90%	89.90%
Risk-free interest rate	.98%	.98%	.98%	.98%
Dividend yield	0%	0%	0%	0%
Fair value of warrants issued	$ 0.026	$ 0.043	$ 0.026	$ 0.048
Fair value assigned to warrants Issued	$ 6,500	$ 1,720	$ 27,300	$ 7,392

8. *Contributed Surplus*

As at	**May 31, 2009**	May 31, 2008
Balance at beginning of period	**$ 607,750**	$ 445,910
Stock-based compensation expense (Note 7)	**246,035**	112,840
Fair Value assigned to warrants granted (Note 7)	**93,574**	49,000
Balance at end of period	**$ 947,359**	$ 607,750

9. *Management of Capital*

The Company's objective when managing capital is to obtain adequate levels of funding to support its exploration activities, to obtain corporate and administrative functions necessary to support organizational functioning and obtain sufficient funding to further the identification and development of precious metals deposits.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company, subject to approval of the Board of Directors, may attempt to issue new shares, issue debt or acquire or dispose of assets. The Company manages its capital structure in a manner that provides sufficient funding for operational activities and ensures the company will be able to continue as a going concern. Funds are primarily secured through equity capital raised by way of private placements. There is no assurance that the Company will be able to continue raising equity capital in this manner.

The Company defines capital as the aggregate of its shareholders' equity which is comprised of share capital, contributed surplus, warrants, deposits on subscriptions and deficit. The Company invests all capital that is surplus to its immediate operational needs in short term, liquid and highly rated financial instruments, such as cash, and short term guarantee deposits, all held with major Canadian financial institutions.

10. *Financial Instruments*

The carrying value of the Company's cash and short term investments, receivables, accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of these instruments.

11. *Financial Risk Management*

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

A) Credit Risk

The Company is not exposed to major credit risk attributable to customers. Additionally, the Company's cash and cash equivalents are held with a high rated Canadian financial institution in Canada.

B) Market Risk

Interest Rate Risk

There is no debt, interest bearing or otherwise currently outstanding. The Company may invest cash surplus to its operational needs in investment-grade short term deposits certificates issued by the bank where it keeps its Canadian Bank accounts. The Company periodically assesses the quality of its investments with this bank and is satisfied with the credit rating of the bank and the investment grade of its short term deposits certificates.

Foreign Currency Risk

As the Company's exploration and evaluation activities are denominated in Canadian dollars and the Company's funds are kept in Canadian dollars with a major Canadian financial Institution, the Company has no current foreign exchange risk.

Business Risk

The Company's current or future operations, including development activities, are subject to environmental regulations which may make operations not economically viable or prohibit them altogether. The success of the operations and activities of Harte is dependent to a significant extent on the efforts and abilities of its management, outside contractors, experts and other advisors. Investors must be willing to rely to a significant degree on management's discretion and judgment, as well as the expertise and competence of the outside contractors, experts and other advisors. Harte does not have a formal program in place for succession of management and training of management. The loss of one or more of the key employees or contractors, if not replaced on a timely basis, could adversely affect Harte's operations and financial performance.

Commodity Price Risk

The price of the common shares in the capital the Company, its financial results, exploration and development activities have been, or may in the future be, adversely affected by declines in the price of gold and/or other metals. Gold prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of commodities by various central banks, financial institutions, expectations of inflation or deflation, currency exchange rate fluctuations, interest rates, global or regional consumptive patterns, international supply and demand, speculative activities and increased production due to new mine developments, improved mining and production methods and international economic and political trends. The Company's revenues, if any, are expected to be in large part derived from the mining and sale of precious metals or interests related thereto. The effect of these factors on the price of precious and base metals, and therefore the economic viability of any of the Company's exploration projects, cannot accurately be predicted.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at May 31, 2009, the Company had current assets of $214,851 and current liabilities of $54,917. All of the Company's financial liabilities and assets have contractual maturities of less than 90 days and are subject to normal trade terms. Working capital as of May 31, 2009 is $159,934.

12. Contingencies

Further to the Meeting of Shareholders held January 30, 2009 pursuant to which the former Board of Directors was replaced and a new management team appointed, the Company is following up on preliminary forensic audit work done in 2008 in connection with historical cash disbursements and property acquisitions. At this time management does not know what the outcome will be and has not made any adjustments in the financial statements.

Subsequent to the Meeting, two former officers and directors of the Company filed claims against the Company in the aggregate amount of $610,000 relating to services allegedly provided but unpaid. Management is of the position that the claims are without merit and has advised the claimants accordingly. Management intends to defend its position vigorously should the need arise. No amounts have been accrued in these financial statements for these claims because settlement amounts if any, are not determinable.

Management is currently reviewing the Company's transactions and filings with respect to private placements of flow-through shares prior to the Meeting and has identified issues that require the Company to file and/or re-file certain documents with the Canada Revenue Agency. The Company will incur interest charges and penalties associated with the filing or re-filing of forms and may incur other costs that are not determinable at this time. These financial statements contain a provision of $13,500 to reflect the interest charges and penalties that are likely and quantifiable at this time.

13. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's financial statement presentation.