HARTE GOLD CORP.
Management's Discussion and Analysis of Financial Condition and Results of Operations
for the 12 months ended December 31, 2011

The following discussion of the results of operations and financial condition of Harte Gold Corp. ("Harte Gold" or "the Company") prepared as of March 29, 2012 summarizes management's review of the factors that affected the Company's financial and operating performance for the twelve months ended December 31, 2011, and the factors reasonably expected to impact on future operations and results ("Management's Discussion and Analysis of Financial Condition and Results of Operations" or "MD&A"). This MD&A is intended to supplement and complement the Company's audited financial statements as at and for the twelve months ended December 31, 2011 ("Financial Statements") and the notes thereto, which were prepared in accordance with International Financial Reporting Standards ("IFRS") and its interpretations adopted by the International Accounting Standards Board ("IASB").

In 2010, the Handbook of the Canadian Institute of Chartered Accountants was revised to incorporate IFRS and to require publicly accountable enterprises to apply these standards effective for years beginning on or after January 1, 2011. Accordingly, these are Harte Gold's first annual financial statements prepared in accordance with IFRS as issued by the IASB.

The Financial Statements have been prepared in compliance with IFRS. Subject to certain transition elections and exceptions as disclosed in Note 23 to those statements, the Company has consistently applied the accounting policies used in the preparation of its opening IFRS statement of financial position at December 1, 2009 throughout all periods presented as if these policies had always been in effect. Note 23 to the Financial Statements includes reconciliations to assist the reader in understanding the effects that the transition to IFRS has had on the Company's Financial Statements. In 2010, the Company changed its fiscal period ending from November 30th to December 31st and accordingly, the IFRS transition date is December 1, 2009.

Certain information and discussion included in this MD&A constitutes forward-looking information, which should be considered in view of the cautionary notes contained in the section Forward-Looking Statements at the end of this MD&A.

The 2011 Audited Financial Statements and the Company's Annual Information Form are available at www.sedar.com and at the Company's website www.hartegold.com. All amounts disclosed are in Canadian dollars.

OVERVIEW

Harte Gold is involved in the acquisition, exploration and development of mineral resource properties, with a current 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 are listed for trading on the Toronto Stock Exchange under the symbol "HRT" and on the Frankfurt Stock Exchange under the symbol "H4O".

The Company currently has interests in two exploration projects: the first is the Sugar Zone Property, located 60 km east of the Hemlo area gold mines and northeast of the town of White River and the second property is the Stoughton-Abitibi Property (formerly Stoughton-Porcupine), located 110 km east of Timmins and 50 km north east of Kirkland Lake.

Exploration work on the Stoughton-Abitibi Property was suspended in 2009 and the Company's exploration activities have been focused entirely on the Sugar Zone Property since that time. The Sugar Zone Property consists of 412 contiguous claims covering an area of approximately 80,000 acres, that includes a greenstone belt within a surrounding buffer zone of claims.

EXPLORATION UPDATE – Sugar Zone Property

The Sugar Zone Property contains a Block Model mineral resource estimate which outlines a National Instrument 43-101("NI 43-101") compliant resource containing an Indicated Resource of 319,280 ounces of gold grading 10.13 grams / tonne and an Inferred Resource of 155,900 ounces of gold grading 8.36 grams / tonne, uncapped. The NI 43-101 was completed by Watts, Griffis and McOuat Limited and is available on the Company web site at www.hartegold.com or on Sedar at www.sedar.com.

The current resource estimate reflects an increase in the number of contained ounces from the previous NI 43-101 dated September 17, 2010. This increase is based on the results of a 7,500 metre drill program conducted during the winter and summer of 2011. Drilling was designed to test mineralized extensions at depth and along strike.

Assay results from the 2011 program include consistent, high grade mineralization that has enabled the Company to extend the orebody down dip an additional 100 metres to cover an area from surface to 400 metres. Assays from two drill holes below the 400 metre level show high grade gold mineralization and a convergence of the upper and lower zones.

Continued high grade intercepts during the 2011 drill program provided a strong indication that the Sugar Zone deposit extends at depth. A down-hole geophysics program conducted in summer 2011 indicated the presence of additional deep and parallel targets that require follow-up drilling.

Exploration drill programs in the vicinity of the Wolf Zone (1,200 m over 4 holes) and the Fold Nose Zone (3,400m over 15 holes) confirmed the presence of sulphide mineralization but returned no significant gold values. These areas will be further explored.

The Company conducted several Induced Polarization ("IP") and Magnetometer ("Mag") surveys during 2011 in order to build a database of prospective targets to be categorized and systematically drilled. This regional exploration effort combined with a recent VTEM survey targeting VMS mineralization is designed to generate drill targets over a wide area.

On the basis of the foregoing**,** Harte Gold has developed a geological model which is interpreted as a gold mineralization corridor that consists of a large Fold Nose Zone from which run two 18 kilometre (eastern and western) limbs. The Sugar Zone Deposit and Wolf Zone are located on the eastern limb, have current strike lengths of 800 and 600 metres respectively and cover a relatively small portion of the property.

Harte Gold has retained NordPro Engineering of Thunder Bay to coordinate permitting and technical studies associated with advanced exploration and mine production. As part of this initiative, NordPro is proceeding with a Preliminary Economic Assessment ("PEA"). The PEA will specify mine design, mining methods, milling and processing and overall project economics.

Harte Gold's current 7,000 metre drill program is testing mineralized extensions of the Sugar Zone Deposit at depth and is designed to double the existing Deposit. The program will also test potential down dip and parallel targets indentified during the summer 2011 down-hole geophysics program.

OUTLOOK

Harte Gold's 2012 exploration program at the Sugar Zone property includes the following:

- Harte Gold's current 7,000 metre drill program is testing mineralized extensions of the Sugar Zone Deposit at depth and is designed to double the existing Deposit. The program will also test potential down dip and parallel targets indentified in the summer 2011 down-hole geophysics program.
- Harte Gold has retained NordPro Engineering ("NordPro") to coordinate permitting and technical studies associated with advanced exploration and production at the Sugar Zone Deposit.
- NordPro is working towards completion of a PEA for June 2012. The PEA will provide an assessment of capital costs, mine lay-out and design, mining and milling operations and project economics.
- The Company will conduct further IP and Mag surveys over a northwest – southeast trending mafic volcanic - sedimentary contact zone, west of the Sugar Zone Deposit. The Contact Zone has returned numerous high grade gold assays from surface samples.
- Harte Gold will also extend the VTEM survey to cover substantially the entire greenstone belt because of positive results obtained from the first survey.
- Continuing roadwork to provide improved access and permitting related to bulk sample are on-going.

RESULTS OF OPERATIONS

Harte Gold changed its year end from November 30th to December 31st for the year ended December 31, 2010 and accordingly, the 2010 audited annual financial statements included the 13 months ended December 31, 2010.

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and its interpretations adopted by the International Accounting Standards Board ("IASB"). In 2010, the Handbook of the Canadian Institute of Chartered Accountants was revised to incorporate IFRS and to require publicly accountable enterprises to apply these standards effective for years beginning on or after January 1, 2011. Accordingly, these are Harte Gold's first annual financial statements prepared in accordance with IFRS as issued by the IASB.

The Financial Statements have been prepared in compliance with IFRS. Subject to certain transition elections and exceptions disclosed in the notes to the Financial Statements, the Company has consistently applied the accounting policies used in the preparation of its opening IFRS statement of financial position at December 1, 2009 throughout all periods presented as if these policies had always been in effect.

Results of Operations		12 Months Ended December 31, 2011		13 Months Ended December 31, 2010
Net Income (Loss)	**$**	**(332,842)**	$	(1,762,547)
Income / (Loss) per weighted average share		**(0.002)**		(0.017)

Balance Sheet	December 31, 2011	December 31, 2010
Total Assets		
Cash and cash equivalents	**4,320,645**	4,108,856
Exploration and evaluation expenditures	**12,114,761**	8,183,187

During the 12 months ended December 31, 2011, the Company incurred a loss of $332,842 compared to a loss of $1,762,547 for the 13 months ended December 31, 2010. The major differences relate to recognition of flow-through share premiums and the amount of stock option grants.

Excluding income recognized from the flow-through share premiums and expenses related to stock-based compensation, corporate costs were $713,536 for the 12 months ended December 31, 2011 compared to $586,173 during the 13 months ended December 31, 2010.

For the 12 month period ended December 30, 2011, the Company incurred cash expenditures of $3,530,682 on exploration and evaluation for the Sugar Zone property, compared with $4,707,160 for the 13 months ended December 31, 2010.

To finance its expenditures, Harte Gold raised $4,788,287 from the issuance of new equity and the exercise of stock options and warrants during the 12 months ended December 31, 2011, compared with an amount of $9,408,893 during the 13 months ended December 31, 2010.

Financing

During the 12 months ended December 31, 2011, the Company raised gross proceeds of $1,595,000 as a result of private placements of flow-through common shares in July 2011 and December 2011 In addition the Company raised $3,235,689 through the exercise of common shares purchase warrants and $15,000 through the exercise of stock options.

During 13 months ended December 31, 2010, the Company raised $8,447,784 under private placements of units and flow through common shares. In addition the Company raised $954,998 through the exercise of common shares purchase warrants and $315,000 through the exercise of stock options.

Corporate Expenses

The Company's policy is to capitalize all exploration and evaluation expenditures until a property becomes a producing mine or circumstances lead the Company to conclude that there has been an impairment in value. Accordingly, the results of operations reflect the Company's corporate expenses that are not capitalized to exploration and evaluation projects.

The following summarizes the major components of corporate expenses:

Expenses	**12 Months Ended December 31, 2011**	13 Months Ended December 31, 2010
Stock-based compensation	**$ 189,006**	$ 1,305,715
Office and general	**145,532**	98,808
Management and consulting	**242,850**	237,500
Professional fees	**84,721**	59,648
Shareholder information	**233,943**	181,503
Flow-through share premium	**(547,571)**	(128,952)

- The Company incurred $189,006 in stock-based compensation expense for the 12 months ended December 31, 2011 (2010 - $1,305,715). Stock-based compensation expense is dependent on the timing of option grants. The 2011 expense reflects the granting of 1,200,000 options on February 14, 2011, 400,000 options on July 15, 2011 and 400,000 options on October 21, 2011. In 2010, the expense reflects the granting of 150,000 options on January 25, 2010, 7,800,000 options on June 24, 2010, 800,000 options on July 27, 2010, 500,000 options on September 28, 2010 and 500,000 options on November 10, 2010. Of these option awards, 1,350,000 options out of the 2011 awards were granted to parties specifically associated with on-site exploration work, and an amount of $362,605 was therefore capitalized to the exploration and evaluation asset in the accounts.

- Office and general expenses increased to $145,532 for the 12 months ended December 31, 2011 compared to $98,808 for the 13 months ended December 31, 2010. Harte Gold became operator of the Sugar Zone Property in the second quarter of 2010 and incurred additional rent, insurance, salaries and other general expenses as a consequence. Previously, these expenses had been incurred by Corona and charged through as an administrative surcharge.

- Management and consulting fees increased to $242,850 for the 12 months ended December 31, 2011 compared to $237,500 for the 13 months ended December 31, 2010 reflecting increased management requirements in 2011, offset by an extra month in 2010.

- Professional fees increased to $84,721 for the 12 months ended December 31, 2011 compared to $59,648 for the 12 months ended December 31, 2010. The increase is attributable to higher legal costs incurred in connection with the TSX listing and responding to the compensation claims of a former director.

- Shareholder information costs increased to $233,943 for the 12 months ended December 31, 2011 compared to $181,503 for the 12 months ended December 31, 2010. The increase in 2011 was due primarily to initial listing costs on migration from the TSXV to the TSX.

- As described herein and in the Financial Statements, the conversion to IFRS resulted in a different treatment of flow-through common share issuances. Under IFRS, the proceeds are bifurcated between the common share component and the premium received. The premium is recorded as a liability until the flow-through expenses are renounced, at which time the premium is recognized in income. In Q1 2011, the Company renounced the expenses related to the June and December 2010 flow-through share issues, resulting in an income amount of $547,571. $128,952 was recognized in Q1 2010 and as a result of renouncing expenses related to the December 2009 flow-through share issuance.

SUMMARY OF QUARTERLY RESULTS

	2011				2010			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total Revenue	$ 7,433	$ 5,486	$ 6,781	$ 2,429	$ 303	$ -	$ -	$ 86
Net Income / (Loss)	(130,962)	(262,570)	(259,531)	320,221	(547,568)	(1,155,572)	(107,997)	48,590
Income / (Loss) per Share - basic and fully diluted	(0.001)	(0.002)	(0.002)	0.002	(0.004)	(0.009)	(0.002)	0.001

Results of operations can vary significantly by quarter, as a result of a number of factors. The Company's level of activity and expenditures during a specific quarter are influenced by the level of working capital, the availability of external financing, the time required to gather, analyze and report on geological data related to its properties and the number of personnel required to advance each project.

The timing and amount of stock option grants affects the quarters. In Q1 2010, the Company recorded stock option expense of $7,785, $979,040 in Q3 2010 and $318,890 in Q4 2010. Stock option expense of $76,080 was recorded in Q1 2011, $7,565 in Q2 2011, $106,894 in Q3 2011 and ($1,533) in Q4 2011.

Income from flow-through share issuance premiums was recognized in Q1 2011 of $547,571 compared to $128,952 in Q1 2010.

LIQUIDITY AND CAPITAL RESOURCES

The Company had a working capital surplus of $4,021,950 at December 31, 2011 (working capital surplus of $3,481,774 at December 31, 2010) excluding the non-cash liabilities for flow-through share premiums. This working capital calculation included the accrued liabilities for Part XII.6 tax and shareholder indemnification costs of $427,425. The timing and ultimate cash payout against such accruals is still uncertain.

During the 12 months ended December 31, 2011, $3,530,682 was spent on exploration and evaluation costs for the Sugar Zone Property (2010 - $4,707,160). Expenditures in 2010 included $2,100,000 cash acquisition costs related to the Corona option. Additionally, the Company incurred $26,590 in capital expenditures for equipment and vehicles required at the Sugar Zone Property in the 12 month period ended December 31, 2011 ($89,438 in 2010).

Management believes the Company has sufficient working capital resources to complete the planned exploration and evaluation projects in 2012. The Company expects to issue additional common shares to finance expanded exploration and evaluation programs as warranted.

The Company has relatively small contractual commitments to pay rent for office, living and core storage areas in White River, Ontario and for certain access rights to its properties, which commitments are summarized in the Financial Statements.

In addition to the foregoing contractual commitments, the Company must also make various payments under its Corona and Halverson Options, which options are described hereafter:

- Under the option to acquire Corona's 51% interest in the Sugar Zone Property, Harte Gold must pay $90,000 every six months plus a payment of $2,500,000 prior to May 28, 2012 or $3,000,000 prior to May 28, 2013.

- Under the Halverson option to acquire certain claims, the Company must make remaining cash payments of $160,000 over 3 years ended June 28, 2014 and issue 100,000 common shares on June 28, 2012 plus incur work commitments of $300,000 over 3 years ended June 28, 2014.

A PEA is being completed on the Company's Sugar Zone deposit in Q2, 2012. The Company expects this will lead to a mine development decision, which would then require permitting and technical studies associated with advanced exploration and production. To maintain an aggressive development schedule and to continue its exploration of the overall greenstone belt, Harte Gold will require additional funding through equity issuances of its common shares over the next 24 months.

RELATED PARTY TRANSACTIONS

Management services by the Company's officers are provided on a contract basis, either directly or through corporate entities related to such officers. Additionally, the Company shares its premises and the costs of certain support personnel with related companies, and reimburses these related companies for its share. These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

CONTINGENCIES

Mr. John Ternowesky, a former director of the Company, has filed a Statement of Claim in the amount of $3,000,000 against the Company in the Ontario Superior Court of Justice. The claim alleges that Mr Ternowesky had provided services as a director and consultant to the Company during the period November 1993 through June 2001. The Company has filed a Statement of Defence and Counterclaim. Management is of the position that the claim by Mr. Ternowesky is without merit as there are no corporate records of any such services or agreements. The Company's Counterclaim is in respect of Mr. Ternowesky's breach of his duties as a director in respect of flow-through share issuances (see below) and seeks damages in the amount of $750,000 relating to CRA liabilities and indemnity of $750,000 for any amounts that may be needed to be reimbursed to investors, plus a discharge of any royalties owing to Mr. Ternowesky. (Mr. Ternowesky holds a portion of the royalties on Sugar Zone Property – see note 10). Mr. Ternowesky has made an offer to settle his claim at a significantly reduced amount but the Company has rejected this. At present, the Company believes it will prevail in this matter and no liability will result. Since any such liability is remote, no provision is included.

Pursuant to a 2009 audit by the Canada Revenue Agency ("CRA") of 2003 exploration expenses, current management conducted a review of expenditures incurred and filings made in respect of flow-through share issuances during the period 2003 – 2008. This review uncovered issues related to the use of flow-through funds, timing of expenditures and other related compliance matters. The Company has filed the required documents with CRA related to the issuance of flow-through common shares during this period and estimates it may incur interest charges and penalties associated with the foregoing and may incur other costs. These financial statements contain a provision of $144,125 (2010 - $144,125) to reflect the interest charges and penalties that are probable under the Part XII.6 provisions in the Income Tax Act. In addition, it is probable the Company will be obligated to reimburse investors for an estimated amount of $283,300 (2010 - $283,300), which has been accrued, in tax liabilities and interest due to CRA re-assessments which re-assessments are a result of flow through funds not spent within prescribed time limits. The Company has approached CRA with a proposal to minimize payments associated with the above. While some relief may be obtained, any such amount is uncertain and may not be material and so has been excluded from the provision.

In addition to the claim against Mr. Ternowesky as noted above, the Company also filed a claim against the other former directors and officers of the Company that were retained, employed or otherwise engaged by the Company during the relevant period, for damages of $750,000 relating to CRA liabilities and indemnity of $750,000 for any amounts that may need to be reimbursed to investors. A number of such directors have in turn filed a claim against Mr. Ternowesky for any such damages or indemnity liability. Any recovery by the Company is very uncertain so no amount has been included in the financial statements for any such potential recovery.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

(a) IFRS

These are Harte Gold's first annual financial statements prepared in accordance with IFRS as issued by the IASB. Subject to certain transition elections and exceptions as disclosed in Note 23 to those statements, the Company has consistently applied the accounting policies used in the preparation of its opening IFRS statement of financial position at December 1, 2009 throughout all periods presented as if these policies had always been in effect. In 2010, the Company changed its fiscal period ending from November 30th to December 31st and accordingly, the IFRS transition date is December 1, 2009.

As a result of the adoption of IFRS, the statement of financial position as of the transition date of December 1, 2009 as well as the subsequent comparative financial information for 2010 were reconciled to the financial information for these same periods as previously reported under pre-changeover Canadian GAAP (see note 23 to the Financial Statements for the 12 months ended December 31, 2011). The only difference related to the treatment of flow-through shares.

Under pre-changeover Canadian GAAP, the entire proceeds from the issuance of flow-through shares were recognized in equity, less the tax effects of renunciation. Under IFRS, on the issuance of flow-through shares, the Company bifurcates the flow-through share into (1) a flow-through share premium, equal to the estimated premium, if any, that investors pay for the flow-through feature, which is recognized as a liability, and (2) share capital. Upon expenses being renounced, the Company derecognizes the liability and recognizes the premium as other income.

(b) Critical Accounting Estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. During the year ended December 31, 2011, there were no material revisions to accounting estimates made in prior periods.

Information regarding significant areas of estimation, uncertainty and critical judgements made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in the notes to the Financial Statements in respect of the following:

- Measurement of flow-through share premium
- valuation of financial assets at fair value through operations
- measurement of the recoverable amounts of exploration and evaluation projects
- utilization of tax losses
- provisions and contingencies
- measurement of share-based payments

(c) Financial Instruments

As at December 31, 2011, the Company's financial instruments are comprised of cash and cash equivalents, receivables, subscriptions receivable accounts payable and accrued liabilities. The carrying value of receivables, subscriptions receivable, accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity of these financial instruments.

The Company's cash and cash equivalents are held through a Canadian chartered bank. The Company's current policy is to invest excess cash in a money market fund administered by the brokerage subsidiary of a Canadian chartered bank.

The Company has no debt instruments.

MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are (1) to safeguard the Company's ability to continue operations to pursue the development of its mineral properties and provide returns for shareholders and (2) to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk. The Company includes the components of shareholders' equity, long-term debt, cash and cash equivalents and short-term investments, if any, in the management of capital.

The Company manages the 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 may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and short-term investments.

To facilitate the management of its capital requirements, the Company prepares forecasts or expenditure budgets for its activities that are used to monitor performance. Variances to plan will result in adjustments to capital deployment subject to various factors and industry conditions.

The Company is not subject to any externally imposed capital requirements limiting or restricting the use of capital. In order to maximize ongoing development efforts, the Company does not pay out dividends at this time.

The Company's investment policy is to invest its cash in highly liquid, short-term, interest-bearing investments with maturities of less than a year from the original date of acquisition, selected with regard to the expected timing of expenditures from operations.

The Company expects its current capital resources will be sufficient to carry out its exploration and development plans and operations for 2012. However, significant additional capital will be required to complete the exploration and development of the Company's projects.

RISKS AND UNCERTAINTIES

Risks Inherent in the Nature of Mineral Exploration and Development

Mineral exploration and development involves several risks which experience, knowledge and careful evaluation may not be sufficient to overcome. Large capital expenditures are required in advance of anticipated revenues from operations. Many exploration programs do not result in the discovery of mineralization; moreover, mineralization discovered may not be of sufficient quantity or quality to be profitably mined. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in the conduct of exploration programs and the operation of mines. The commercial viability of exploiting any precious metal deposit is dependent on a number of factors including infrastructure and governmental regulations, in particular those respecting the environment, price, taxes, and royalties. No assurance can be given that minerals of sufficient quantity, quality, size and grade will be discovered on any of the Company's properties to justify commercial operation.

Uncertainty of Reserve and Resource Estimates

The mining and exploration business relies upon the accuracy of determinations as to whether a given deposit has significant mineral reserves and resources. This reliance is important in that reported mineral reserves and resources are only estimates and do not represent with certainty that estimated mineral reserves and resources will be recovered or that they will be recovered at the rates estimated. Mineral reserve and resource estimates are based on limited sampling, and inherently carry the uncertainty that samples may not be representative of actual results.

Political Risk

The properties are located in Canada. Accordingly, the Company is subject to risks normally associated with exploration for and development of mineral properties in this country. The Company's ability to conduct future exploration and development activities is subject to changes in government regulations and shifts in political attitudes over which Harte has no control.

Business Risk

The success of the operations and activities 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. The company 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 Gold'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. 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 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 mining and sale of precious metals or interests related thereto. The effect of these factors on the price of precious metals, and therefore the economic viability of any of the Company's exploration projects, cannot accurately be predicted.

Funding Risk

There can be no assurance that any funding required by the Company will become available, and if so, that it will be offered on reasonable terms, or that the Company will be able to secure such funding through third party financing or cost sharing arrangements. Furthermore, there is no assurance that the Company will be able to secure new mineral properties or projects, or that they can be secured on competitive terms.

Additional Capital

The exploration activities of the Company may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and development of any of the Company's properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financings will be favorable to the Company. In addition, low commodity prices may affect the Company's ability to obtain financing.

Environmental and Permitting

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations, among other things, mandate the maintenance of air and water quality standards, land reclamation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Acquisition

The Company uses its best judgment to acquire mining properties for exploration and development in pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions and development, or integrate such opportunity and their personnel with the Company. The Company cannot assure that it can complete any acquisition that it pursues or is currently pursuing, on favorable terms, or that any acquisition completed will ultimately benefit the Company.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospectus for mineral exploration in the future.

OUTSTANDING SHARE DATA AS OF March 29, 2012

Issued and outstanding common shares	164,888,114
Share purchase warrants	93,000
Options	13,280,000
Fully diluted shares	178,261,114

DISCLOSURE CONTROLS AND PROCEDURES

In accordance with National Instrument 52-109, *Certification of Disclosure in Issuers' Annual and Interim Filings*, an evaluation of the effectiveness of the Corporation's disclosure controls and procedures ("DC&P") and its internal control over financial reporting ("ICFR") was conducted. Based on this evaluation, the Chairman, President and Chief Executive Officer and the Chief Financial Officer have concluded that DC&P and ICFR were effective as of the year ended December 31, 2011, and that, as a result, ICFR design provides reasonable assurance that material information relating to the Corporation is made known to them by others within those entities, particularly during the period in which the annual filings are being prepared, and the information that the Corporation must present in its annual documents, its interim documents or in other documents it files or submits under securities regulations is recorded, processed, condensed and presented within the time frames prescribed by this legislation. Furthermore, ICFR design provides reasonable assurance that the Corporation's financial information is reliable and that its financial statements have been prepared, for the purpose of publishing financial information, in accordance with IFRS. Lastly, no changes to the ICFR that have had or are likely to have a significant effect on this control mechanism were identified by management during the accounting period commencing on January 1, 2011 and ending on December 31, 2011.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry, including operational risks in exploration, development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of the Company to obtain all permits, consents or authorizations required for its operations and activities; and health, safety and environmental risks, the risk of commodity price and foreign exchange rate fluctuations, the ability of Harte Gold to fund the capital and operating expenses necessary to achieve the business objectives of Harte Gold, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by the Company. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements. Statements in relation to "reserves" or "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves or resources described may be profitably produced in the future.

Readers are cautioned that the foregoing list of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

March 29, 2012

"Stephen G. Roman"
Stephen G. Roman
Chairman, President and CEO

"Rein A. Lehari"
Rein A. Lehari C.A.
Chief Financial Officer