UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016

Management's Comments on Unaudited Condensed Interim Consolidated Financial Statements

The accompanying unaudited condensed interim consolidated financial statements of Harte Gold Corp. (the "Company" or "Harte") for the three and nine months ended September 30, 2016 have been prepared by management, reviewed by the Audit Committee and approved by the Board of Directors of the Company.

In accordance with National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators, the Company herewith discloses that the accompanying unaudited interim consolidated financial statements have not been reviewed by an auditor.

November 8, 2016

"Stephen G. Roman"	"Rein A. Lehari"
Stephen G. Roman	Rein A. Lehari
Chairman, President and CEO	Chief Financial Officer

Harte Gold Corp.

(An Exploration Stage Company)

Consolidated Statement of Financial Position as at

(Unaudited)

Canadian dollars		**September 30, 2016**		December 31, 2015
Assets				
Current Assets				
Cash and cash equivalents	**$**	**4,325,478**	$	400,318
Receivables (note 5)		**2,858,280**		489,048
Subscription Receivable		**-**		11,200
Prepaids		**24,298**		27,315
		7,208,056		927,881
Long Term Assets				
Restricted Cash (note 4)		**355,540**		355,540
Property and Equipment (note 6)		**63,529**		37,939
Exploration and Evaluation Expenditures (note 7)		**39,335,660**		29,397,307
	$	**46,962,785**	$	30,718,667
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities (note 8)	**$**	**6,818,086**	$	1,774,409
Contingency provisions (note 19)		**103,817**		103,817
Flow-through share premium (note 11)		**65,000**		60,000
		6,986,903		1,938,226
Long Term Liabilities				
Secured Notes (note 10)		**2,148,468**		-
Deferred Contract Mining Fee (note 18)		**-**		215,049
Environmental Rehabilitation Provision (note 9)		**347,953**		347,953
Deferred Tax Liability		**1,181,310**		1,181,310
Total Liabilities		**10,664,634**		3,682,538
Shareholders' Equity				
Capital stock and warrants (notes 12 & 14)		**46,626,192**		37,415,842
Shares to be issued (note 18)		**1,206,012**		215,049
Other reserves (note 15)		**5,766,490**		5,423,923
Deficit		**(17,300,543)**		(16,018,685)
		36,298,151		27,036,129
	$	**46,962,785**	$	30,718,667

The accompanying notes are an integral part of these financial statements

Harte Gold Corp.

(An Exploration Stage Company)

Condensed Statements of Operations and Comprehensive Loss and Deficit
For the Three and Nine Months Ended
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	**2016**	**2015**
Revenue				
Interest Income and other income	**$ 4,711**	$ 462	**$ 5,856**	$ 3,686
Expenses				
Management and consulting fees (note 17)	**174,000**	60,000	**522,000**	230,000
Promotion and travel	**28,999**	4,015	**52,154**	13,885
Office and general	**73,297**	49,476	**214,140**	143,397
Interest expense (note 10)	**154,674**	-	**309,806**	-
Professional fees	**19,585**	25,598	**67,228**	45,177
Stock-based compensation (note 13)	**-**	-	**43,524**	-
Shareholders' information	**38,960**	19,781	**138,418**	104,412
Amortization	**148**	109	**444**	252
Part XII.6 interest and penalties	**-**	-	**-**	(51)
Flow-through share premium (note 11)	**-**	-	**(60,000)**	(56,673)
	489,663	158,979	**1,287,714**	480,399
Net Loss and Comprehensive Loss	**(484,952)**	(158,517)	**(1,281,858)**	(476,713)
Net loss per share - basic and fully diluted	**$ (0.001)**	$ (0.001)	**$ (0.004)**	$ (0.002)
Weighted average number of shares outstanding				
Basic and fully diluted	**346,244,552**	258,502,197	**324,347,069**	256,813,469

The accompanying notes are an integral part of these financial statements

Harte Gold Corp.

(An Exploration Stage Company)

Condensed Statements of Cash Flow for the Three and Nine Months Ended
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
Canadian dollars	**2016**	2015	**2016**	2015
Cash provided by (used in):				
Operations				
Net Income (loss)	**$ (484,952)**	$ (158,517)	**$ (1,281,858)**	$ (476,713)
Adjustments to reconcile net loss to cash flow from operating activities:				
Amortization	**148**	109	**444**	252
Stock-based compensation	**-**	-	**43,524**	-
Flow-through share premium	**-**	-	**(60,000)**	(56,673)
Loan accretion (note 10)	**53,424**	-	**105,519**	-
Interest income	**(4,711)**	(462)	**(5,856)**	(3,686)
	(436,091)	(158,870)	**(1,198,227)**	(536,820)
Net changes in non-cash working capital items:				
Prepaids	**12,900**	(124,204)	**3,017**	(126,205)
Subscription receivables	**11,250**	-	**11,200**	26,200
Receivables	**(1,226,658)**	(76,123)	**(2,369,232)**	1,691
Accounts payable and accrued liabilities	**(123,589)**	277,688	**3,837,666**	134,090
	(1,762,188)	(81,509)	**284,424**	(501,044)
Financing				
Secured notes (note 10)	-	-	**2,427,250**	-
Cost of share issuances	**(175,758)**	(29,419)	**(297,916)**	(74,565)
Issuance of units (notes 11 & 12)	**4,050,000**	972,700	**6,050,000**	1,522,700
Options exercised (note 13)	**-**	-	**75,000**	-
Warrants exercised (note 14)	**1,868,418**	-	**3,256,166**	683
	5,742,660	943,281	**11,510,500**	1,448,818
Investing				
[1] Interest income	**4,711**	462	**5,856**	3,686
Property and equipment	**(29,180)**	-	**(33,444)**	(1,503)
Additions to exploration and evaluation expenditures	**(177,582)**	(1,046,216)	**(7,842,176)**	(2,082,493)
	(202,051)	(1,045,754)	**(7,869,764)**	(2,080,310)
Net increase in cash and cash equivalents	**3,778,421**	(183,982)	**3,925,160**	(1,132,536)
Cash and cash equivalents, beginning of period	**547,057**	707,680	**400,318**	1,656,234
Cash and cash equivalents, end of period (note 4)	**$ 4,325,478**	$ 523,698	**$ 4,325,478**	$ 523,698

[1] The Company presents cash interest income in investing activities.

The accompanying notes are an integral part of these financial statements

Harte Gold Corp.

(An Exploration Stage Company)

Condensed Statement of Changes in Shareholders' Equity
(unaudited)

Canadian dollars	Common Shares (Note 12) #	Common Shares (Note 12) $	Warrants (Note 14) #	Warrants (Note 14) $	Subtotal	Shares to be issued (Note 18)	Other (Note 15) Reserves	Deficit	Total Shareholders' Equity
December 31, 2014	**247,240,532**	**$ 33,920,372**	**35,869,188**	**$ 974,087**	**$ 34,894,459**	**$ -**	**$ 4,216,209**	**$ (14,497,833)**	**$ 24,612,835**
Issued as a result of:									
Private placements (notes 12 and 14)	27,267,333	1,331,668	15,900,334	191,032	1,522,700				1,522,700
Flow-through premium (note 11)		(65,167)			(65,167)				(65,167)
Share issuance costs		(99,922)	835,500	25,357	(74,565)				(74,565)
Warrants exercised (note 14)	10,500	929	(10,500)	(246)	683				683
Warrants expired (note 14)			(7,952,733)	(146,525)	(146,525)		146,525		-
Stock options granted (note 13)							6,016		6,016
Net loss for the period								(476,713)	(476,713)
September 30, 2015	**274,518,365**	**35,087,880**	**44,641,789**	**1,043,705**	**36,131,585**	**-**	**4,368,750**	**(14,974,546)**	**25,525,789**
Issued as a result of:									
Private placements (notes 12 and 14)	31,732,666	1,668,527	14,849,667	258,773	1,927,300				1,927,300
Shares to be issued (note 18)						215,049			215,049
Flow-through premium (note 11)		(60,000)			(60,000)				(60,000)
Share issuance costs		(96,922)	1,024,840	40,461	(56,461)				(56,461)
Warrants exercised (note 14)	103,333	8,926	(103,333)	(2,377)	6,549				6,549
Warrants expired (note 14)			(16,008,967)	(533,131)	(533,131)		533,131		-
Stock options granted (note 13)							522,042		522,042
Net loss for the period								(1,044,139)	(1,044,139)
December 31, 2015	**306,354,364**	**36,608,411**	**44,403,996**	**807,431**	**37,415,842**	**215,049**	**5,423,923**	**(16,018,685)**	**27,036,129**
Opening balance correction									
Share issuance costs (2015)		(13)	667	13	-				-
Issued as a result of:									
Private placements (notes 12 and 14)	23,500,000	4,210,653	18,500,000	1,839,347	6,050,000				6,050,000
Secured notes			10,291,000	384,301	384,301				384,301
Shares to be issued (note 18)						990,963			990,963
Flow-through premium (note 11)		(65,000)			(65,000)				(65,000)
Share issuance costs		(360,778)	488,400	62,862	(297,916)				(297,916)
Stock options exercised	700,000	75,000			75,000				75,000
Warrants exercised (note 14)	22,038,669	3,647,523	(22,038,669)	(391,357)	3,256,166				3,256,166
Warrants expired (note 14)			(5,416,256)	(192,201)	(192,201)		192,201		-
Stock options granted (note 13)							150,366		150,366
Net loss for the period								(1,281,858)	(1,281,858)
September 30, 2016	**352,593,033**	**$ 44,115,796**	**46,229,138**	**$ 2,510,396**	**$ 46,626,192**	**$ 1,206,012**	**$ 5,766,490**	**$ (17,300,543)**	**$ 36,298,151**

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS

Harte Gold Corp. (The "Company" or "Harte Gold") 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 Toronto Stock Exchange under the symbol "HRT" and on the Frankfurt Stock Exchange under the symbol "H4O". The head office and principal address of the Company is 8 King Street East, Suite 1700, Toronto, Ontario, M5C 1B5.

The Company 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, and 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. Harte Gold has undertaken an Advanced Exploration and Bulk Sample program on its Sugar Zone Property which will be completed over the next year. This will determine the recoverability and economics of its resource, and may result in the reclassification of these resources as reserves. On the basis of information to date, the Company has not yet identified a mineral resource on its Stoughton-Abitibi Property.

2. BASIS OF PREPARATION

a) *Statement of Compliance*

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRIC") interpretations applicable to companies reporting under IFRS, including IAS 34, Interim Financial Reporting. Accordingly, certain information and disclosure normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed. These condensed interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2015, which were prepared in accordance with IFRS.

The management of Harte prepared these unaudited condensed interim financial statements, which were then reviewed by the Audit Committee and the Board of Directors. The unaudited condensed interim financial statements were authorized for issue by the Board of Directors on November 8, 2016.

b) *Continuance of Operations*

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of interests in mineral properties and the Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims and noncompliance with regulatory and environmental requirements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the Company's financial statements for the year ended December 31, 2015.

4. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

Restricted cash of $355,940 at September 30, 2016 (December 31, 2015 - $355,940) is cash held by the Ontario Ministry of Northern Development and Mines (“MNDM”) as assurance that the Company will complete its remediation obligations under the proposed Closure Plan in respect of the Advanced Exploration and Bulk Sample program.

5. RECEIVABLES

	September 30, 2016	December 31, 2015
GST/HST receivable	**$ 352,244**	$ 473,815
Gold Revenue receivable	**2,504,490**	-
Other	**1,546**	15,233
	$ 2,858,280	$ 489,048

6. PROPERTY AND EQUIPMENT

	Office Equipment [1]			Site Vehicles [1]			TOTAL
	Cost	Amortization	NBV	Cost	Amortization	NBV	NBV
December 31, 2014	**10,527**	**7,195**	**3,332**	**107,665**	**64,760**	**42,905**	**46,237**
Additions	1,503	1,260	243	-	8,541	(8,541)	(8,298)
December 31, 2015	**$ 12,030**	**$ 8,455**	**$ 3,575**	**$ 107,665**	**$ 73,301**	**$ 34,364**	**$ 37,939**
Additions	4,263	1,240	3,023	29,181	6,614	22,567	25,590
September 30, 2016	**$ 16,293**	**$ 9,695**	**$ 6,598**	**$ 136,846**	**$ 79,915**	**$ 56,931**	**$ 63,529**

1) Amortization on property and equipment located at the exploration site is capitalized to exploration and evaluation expenditures. Amortization on head office property and equipment is expensed.

7. EXPLORATION AND EVALUATION EXPENDITURES

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 and consists of a 90% interest in 9 claims and a 100% interest in 25 claims in the Larder Lake Mining Division of Ontario. The Company has recorded a cumulative impairment provision of $2,862,290 against the Stoughton-Abitibi Property.

Sugar Zone Property, Hemlo Gold Area

The Sugar Zone Property consists of approximately 29,435 hectares within the Sault Ste. Marie Mining Division located in Ontario. The Sugar Zone Property includes 4 mining leases (1,467 hectares) and 336 unpatented mining claims (27,968 hectares), and the Company holds a 100% interest in all of these.

7. EXPLORATION AND EVALUATION EXPENDITURES cont'd

The following costs have been capitalized to exploration and evaluation expenditures in respect of the Sugar Zone Property.

		September 30, 2016		December 31, 2015
Opening Balance	**$**	**29,397,307**	$	23,769,300
Expenditures incurred during the year				
Land costs		**39,520**		54,180
Environmental Rehabilitation Provision (note 9)		**-**		347,953
Bulk Sample costs		**14,949,291**		2,746,617
Net Bulk Sample revenues*		**(6,809,519)**		-
Exploration geophysics, drilling and assays		**651,640**		623,852
Site access		**381**		860,149
White River overhead costs		**113,719**		75,701
Consultants		**120,969**		246,595
Direct management/employees		**756,676**		493,809
Stock-based compensation (note 12)		**106,842**		149,449
Amortization of vehicles (note 6)		**7,410**		9,440
Other costs		**1,424**		20,262
Total for this year		**9,938,353**		5,628,007
Closing Balance	**$**	**39,335,660**	$	29,397,307

* Gold revenues payable to Harte Gold less crushing, transportation and processing costs.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		September 30, 2016		December 31, 2015
Accounts Payable	**$**	**5,543,918**	$	1,469,592
Deferred Contract Mining Fee (note 18)		**1,206,011**		-
Accrued Liabilities		**68,157**		304,817
Total accounts payable and accrued liabilities	**$**	**6,818,086**	$	1,774,409

9. ENVIRONMENTAL REHABILITATION PROVISION

Pursuant to the Advanced Exploration and Bulk Sample Closure Plan, the Company is obligated to rehabilitate the Sugar Zone site on completion of the work. The cost of such rehabilitation work was estimated at an amount of $347,953 at the time the Closure Plan was approved, and cash in such amount was deposited with the MNDM (see Note 4). The rehabilitation work relates to surface disturbances and openings, all of which development took place during the fourth quarter of 2015. Accordingly, the full amount of the rehabilitation liability was recorded in the fourth quarter of 2015. The Advanced Exploration and Bulk Sample is expected to be completed in the first quarter of 2017, and the environmental rehabilitation work would have to commence at that time. It should be noted that should a decision be made to undertake commercial production, this rehabilitation work will be deferred until the end of the mine life and incorporated as part of the overall life of mine environmental rehabilitation provision.

9. ENVIRONMENTAL REHABILITATION PROVISION cont'd

Environmental Rehabilitation Provision at January 1, 2016	$	347,953
Rehabilitation liability arising during the period		-
Environmental Rehabilitation Provision at September 30, 2016	**$**	**347,953**

10. SECURED NOTES

In March 2016, the Company completed a non-brokered private placement of $2,500,000 Secured Notes (the "Notes"). The Notes bear interest at a rate of 15% per annum, payable quarterly in arrears. Principal is repayable on the second anniversary (March 31, 2018), with accelerated redemption options. The Notes are secured by a charge on the mining leases of the Sugar Zone Property. In connection with the Notes, the Company issued 4 warrants per $1.00 principal amount of the Notes (10,000,000 warrants in total). Each warrant is exercisable into one common share of the Corporation on payment of $0.15 on or before the date that is twenty-four (24) months from Closing, provided that should the closing price of the common shares of the Corporation on the Toronto Stock Exchange be equal to or greater than $0.20 for a period of 10 consecutive trading days any time after the Closing Date, the Corporation may accelerate the Expiry Date of the Warrants by giving notice to the holders thereof through the issuance of a press release by the Corporation and in such case, the Warrants will expire on the 30th day after the date on which such notice is given by the Corporation. In connection with the placement of the Notes, the Company paid finders fees of $72,750 cash and 291,000 warrants. Each finders warrant is exercisable for a period of 24 months from closing at a price of $0.15 per common share.

The Notes have been accounted for as a compound financial instrument. The amount allocated to the liability component ($2,042,949) has been determined using the effective interest method and the balance has been allocated to the warrants ($384,301). Going forward, there will be an accretion of the liability amount recorded so that the balance outstanding will be $2,500,000 on maturity, March 31, 2018. Accretion will result in additional non-cash interest expense recorded in future periods.

Balance on December 31, 2016	**$**	**-**
Secured notes acquired in Q1-2016		**2,042,949**
Loan Accretion in Q2-2016		52,095
Loan Accretion in Q3-2016		53,424
Balance end of period, September 30, 2016	**$**	**2,148,468**

11. FLOW-THROUGH LIABILITIES

Flow-through liabilities include the deferred premium portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through issues.

Balance on December 31, 2014	**$**	**56,673**
Settlement of liability through renouncement in Q1 2015		(56,673)
Liability incurred on flow-through shares issued September 21, 2015		65,167
Settlement of liability through renouncement in Q4 2015		(65,167)
Liability incurred on flow-through shares issued December 4, 2015		55,880
December 17, 2015		4,120
Balance on December 31, 2015	**$**	**60,000**
Settlement of liability through renouncement in Q1 2016		(60,000)
Liability incurred on flow-through shares issued March 31, 2016		65,000
Balance on September 30, 2016	**$**	**65,000**

On September 21, 2015, the Company completed an initial closing of a non-brokered private placement financing of 6,516,666 flow-through units at a price of $0.06 per unit for gross proceeds of $391,000. Each unit consists of one flow-through common share and one-quarter common share purchase warrant. Each full warrant is exercisable at $0.15 per common share for a period of 18 months from closing, subject to an acceleration clause on 30 days' notice should the Company's common shares trade at $0.20 or higher for a period of 10 consecutive trading days. A flow-through share premium of $65,167 was recorded on this financing. As of September 30, 2016, all funds had been spent.

On September 30, 2015, the Company completed a second closing of a non-brokered private placement financing of 4,416,667 flow-through units at a price of $0.06 per unit for gross proceeds of $265,000, on which no flow-through premium was paid. On October 14, 2015, Harte Gold completed its third closing of a non-brokered private placement financing of 4,066,666 flow-through units at a price of $0.06 per unit for gross proceeds of $244,000 on which no flow-through premium was paid. All terms and conditions were the same as the September 21st units issued. As of September 30, 2016, all funds had been spent.

On December 4, 2015, Harte Gold completed its first closing of a non-brokered private placement financing of 5,588,000 flow-through units at a price of $0.10 per unit for gross proceeds of $558,800. Each unit consists of one flow-through common share and one-half common share purchase warrant. Each full warrant is exercisable at $0.15 per common share for a period of 24 months from closing, subject to an acceleration clause on 30 days' notice should the Company's common shares trade at $0.20 or higher for a period of 10 consecutive trading days. A flow-through share premium of $55,880 was recorded on this financing. On December 17, 2015, Harte Gold completed its second closing of a non-brokered private placement financing of 412,000 flow-through units at a price of $0.10 per unit for gross proceeds of $41,200, including a flow-through share premium of $4,120.

On March 31, 2016, Harte Gold completed its first closing of a non-brokered private placement financing of 3,250,000 flow-through units at a price of $0.20 per unit for gross proceeds of $650,000. Each unit consists of one flow-through common share and one-half common share purchase warrant. Each full warrant is exercisable at $0.25 per common share for a period of 24 months from closing, subject to an acceleration clause on 30 days' notice should the Company's common shares trade at $0.30 or higher for a period of 10 consecutive trading days. No flow-through share premium was recorded on this financing. As of September 30, 2016, all funds had been spent.

11. FLOW-THROUGH LIABILITIES cont'd

On April 20, 2016, Harte Gold completed its second closing of a non-brokered private placement financing of 5,750,000 flow-through units at a price of $0.20 per unit for gross proceeds of $1,150,000, on which no flow-through premium was paid. On April 29, 2016, Harte Gold completed its final closing of a non-brokered private placement financing of 1,000,000 flow-through units at a price of $0.20 per unit for gross proceeds of $200,000, on which no flow-through premium was paid. All other terms and conditions were the same. As of September 30, 2016, all funds raised on both closings had been spent.

12. CAPITAL STOCK

The Company is authorized to issue an unlimited number of common shares without par value.

Number of shares issued and outstanding.

The issued and outstanding common shares are as follows:

	September 30, 2016	December 31, 2015
Balance beginning of period	**306,354,364**	**247,240,532**
Private placement of units	13,500,000	38,000,000
Private placement of flow-through units (note 11)	10,000,000	20,999,999
Options exercised	700,000	-
Warrants exercised	22,038,669	113,833
Balance end of period	**352,593,033**	**306,354,364**

On January 23, 2015, Harte Gold completed the final tranche of its previously announced non-brokered private placement financing with the issuance of 5,000,000 units at $0.05 per unit for gross proceeds of $250,000. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable at $0.15 per common share for a period of 18 months from closing, subject to an acceleration clause on 30 days notice should the Company's common shares trade at $0.20 or higher for a period of 10 consecutive trading days.

On January 23, 2015, Harte Gold completed an initial closing of a non-brokered private placement financing of 4,501,667 units at $0.06 per unit for gross proceeds of $270,100 and on January 28, 2015, Harte Gold completed the final closing of a non-brokered private placement financing of 498,333 units at $0.06 per unit for gross proceeds of $29.900. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable at $0.15 per common share for a period of 18 months from closing, subject to an acceleration clause on 30 days notice should the Company's common shares trade at $0.20 or higher for a period of 10 consecutive trading days.

On September 21, 2015, Harte Gold completed an initial closing of a non-brokered private placement financing of 6,134,000 units at $0.05 per unit for gross proceeds of $306,700. Each unit consists of one common share and one half common share purchase warrant. Each warrant is exercisable at $0.15 per common share for a period of 18 months from closing, subject to an acceleration clause on 30 days' notice should the Company's common shares trade at $0.20 or higher for a period of 10 consecutive trading days. On September 30, 2015, Harte Gold completed a second closing of

200,000 units at $0.05 per unit for gross proceeds of $10,000 and on October 14, 2015, Harte Gold completed a third closing of 21,666,000 units at $0.05 per unit for gross proceeds of $1,083,300. All other terms and conditions were the same.

On July 20, 2016, Harte Gold completed a non-brokered private placement financing of 13,500,000 units at a price of $0.30 per unit for gross proceeds of $4,050,000. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable at $0.35 per common share for a period of 24 months from closing.

13. STOCK OPTION PLAN

The Company has established a stock option plan to provide additional incentives to officers, directors, employees and consultants in their efforts on behalf of the Company in the conduct of its affairs. The terms of the stock option plan provide that the directors have the right to grant options to acquire common shares of the Company at not less than the closing market price of the shares on the day preceding the grant. The number of shares reserved for issuance is not to exceed 10% of the issued and outstanding common shares from time-to-time. At September 30, 2016, the Company had 12,085,553 (December 31, 2015 – 6,835,436) common shares available for granting of future options.

Under the terms of the plan, options vest immediately unless otherwise determined by the Board, and expire on the fifth anniversary from the date of issue unless otherwise specified. As at September 30, 2016, a total of 23,170,000 (December 31, 2015, 23,800,000) options were outstanding under the stock option plan.

	September 30, 2016		December 31, 2015	
	Weighted Average Exercise Price	**Number of Options**	Weighted Average Exercise Price	Number of Options
Outstanding beginning of year	**$ 0.14**	**23,800,000**	$ 0.18	21,450,000
Transactions during the period:				
Granted	**$ 0.175**	**1,200,000**	$ 0.10	12,440,000
Exercised	**$ (0.10)**	**(600,000)**		
Exercised	**$ (0.15)**	**(100,000)**		
Cancelled	**$ (0.10)**	**(150,000)**		
Cancelled	**$ (0.30)**	**(200,000)**		
Expired	**$ (0.47)**	**(780,000)**	$ (0.20)	(10,090,000)
Outstanding at end of period	**$ 0.13**	**23,170,000**	$ 0.14	23,800,000
Exercisable at end of period	**$ 0.13**	**22,140,000**	$ 0.14	22,850,000

The following table provides additional information regarding stock options outstanding at September 30, 2016.

Expiry Date	**Exercise price**	**Weighted average remaining contractual life (years)**	**Number of options outstanding**	**Number of options vested (exercisable)**	
November 13, 2016	$0.50	0.12	150,000	150,000	
May 3, 2017	$0.30	0.59	130,000	130,000	
May 28, 2017	$0.35	0.66	250,000	100,000	(2)
June 20, 2017	$0.30	0.72	2,450,000	2,450,000	
April 25, 2019	$0.10	2.57	6,590,000	6,590,000	
May 9, 2019	$0.15	2.61	50,000	50,000	
July 31, 2019	$0.30	2.83	160,000	160,000	
October 14, 2020	$0.10	4.04	11,590,000	11,290,000	(5)
November 9, 2020	$0.10	4.11	600,000	350,000	(6)
March 22, 2021	$0.175	4.48	1,200,000	870,000	(1)
	$0.13	**2.97**	**23,170,000**	**22,140,000**	

13. STOCK OPTION PLAN cont'd

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 year ended December 31, 2015 and the nine months ended September 30, 2016:

Grant date	14-Oct-15	9-Nov-15	22-Mar-16
Number of options	11,840,000	600,000	1,200,000
Share price	$ 0.07	$ 0.09	$ 0.175
Exercise price	$ 0.10	$ 0.10	$ 0.175
Expected life in years	5	5	5
Volatility (3)	85.88%	86.44%	93.83%
Risk-free interest rate	1.16%	1.46%	0.65%
Dividend yield	0.00%	0.00%	0.00%
Fair value per option (4)	$ 0.043	$ 0.059	$ 0.124
Fair value assigned to options	$ 506,523	$ 35,681	$ 149,226

1 330,000 options of these options vest over time based on the occurrence of certain future events. 500,000 of these options were issued as a result of an extension of non-vested options previously expired.

2 100,000 of these options were vested as of December 31, 2014; 150,000 of these options vest based on the occurrence of certain future events, if these options are not exercised by May 28, 2017, they will be extended for a further 5 year term

3 Volatility is determined based on historical share prices

4 Where options have been granted in which vesting is conditional upon future events, the fair value has been estimated taking into account the probability and timing of meeting those future events, and the fair value is recognized based on these probabilities.

5 300,000 of these options vest over time based on the occurrence of certain future events.

6 250,000 of these options vest over time based on the occurrence of certain future events.

14. WARRANTS

As at September 30, 2016, there were 46,229,138 (December 31, 2015 – 44,403,956) warrants to purchase common shares outstanding. Warrants expire as follows:

	Exercise Price		Warrants	Expiry date
Balance at December 31, 2014			**35,869,188**	
Expired			(23,961,700)	
Exercised			(113,833)	
Issued	$	0.15	9,501,667	July 23, 2016
Issued for finder's fee	$	0.06	220,000	July 23, 2016
Issued for finder's fee	$	0.08	184,250	July 23, 2016
Issued	$	0.15	498,333	July 28, 2016
Issued for finder's fee	$	0.08	24,250	July 28, 2016
Issued	$	0.15	4,696,167	March 21, 2017
Issued for finder's fee	$	0.06	142,000	March 21, 2017
Issued	$	0.15	1,204,167	March 30, 2017
Issued for finder's fee	$	0.06	265,000	March 30, 2017
Issued	$	0.15	11,849,667	April 14, 2017
Issued for finder's fee	$	0.06	683,560	April 14, 2017
Issued	$	0.15	2,794,000	December 4, 2017
Issued for finder's fee	$	0.10	335,280	December 4, 2017
Issued	$	0.15	206,000	December 17, 2017
Issued for finder's fee	$	0.10	6,000	December 17, 2017
Balance at December 31, 2015			**44,403,996**	
Opening balance correction			667	
Expired			(5,416,256)	
Exercised			(22,038,669)	
Issued on secured notes	$	0.15	10,291,000	March 22, 2018
Issued	$	0.25	1,625,000	March 31, 2018
Issued for finder's fee	$	0.22	195,000	March 31, 2018
Issued	$	0.25	2,875,000	April 20, 2018
Issued for finder's fee	$	0.22	245,400	April 20, 2018
Issued	$	0.25	500,000	April 29, 2018
Issued for finder's fee	$	0.22	48,000	April 29, 2018
Issued	$	0.35	13,500,000	July 20, 2018
Balance at September 30, 2016			**46,229,138**	

The weighted average share price on the date of exercise was $0.26 (2015 - $0.17).

14. WARRANTS cont'd

The following tables summarize assumptions used with the Black-Scholes valuation model for the determination of the value allocated to the warrants issued as part of the unit financings during the years ended December 31, 2015 and September 30, 2016:

Issue date	**23-Jan-15**	**23-Jan-15**	**23-Jan-15**	**28-Jan-15**	**28-Jan-15**
Number of warrants	9,501,667	220,000 [1]	184,250 [1]	24,250 [1]	498,333
Share price	$ 0.07	$ 0.07	$ 0.07	$ 0.05	$ 0.05
Exercise price	$ 0.15	$ 0.06	$ 0.08	$ 0.08	$ 0.15
Expected life in years	1.5	1.5	1.5	1.5	1.5
Volatility (2)	107.95%	107.95%	107.95%	111.03%	111.03%
Risk-free interest rate	0.56%	0.56%	0.56%	0.46%	0.46%
Dividend yield	0%	0%	0%	0%	0%
Fair value per warrant	$ 0.0213	$ 0.0373	$ 0.0322	$ 0.0194	$ 0.0123
Fair value of warrants issued	$ 202,411	$ 8,201	$ 5,927	$ 471	$ 6,112
Relative fair value assigned to warrants	$ 121,349	$ -	$ -	$ -	$ 5,890

Issue date	**21-Sep-15**	**21-Sep-15**	**30-Sep-15**	**30-Sep-15**	**14-Oct-15**
Number of warrants	4,696,167	142,000 [1]	1,204,167	265,000 [1]	11,849,667
Share price	$ 0.05	$ 0.05	$ 0.06	$ 0.06	$ 0.07
Exercise price	$ 0.15	$ 0.06	$ 0.15	$ 0.06	$ 0.15
Expected life in years	1.5	1.5	1.5	1.5	1.5
Volatility (2)	104.44%	104.44%	105.48%	105.48%	105.97%
Risk-free interest rate	0.53%	0.53%	0.52%	0.52%	0.52%
Dividend yield	0%	0%	0%	0%	0%
Fair value per warrant	$ 0.0107	$ 0.0216	$ 0.0154	$ 0.0290	$ 0.0206
Fair value of warrants issued	$ 50,191	$ 3,067	$ 18,587	$ 7,691	$ 244,325
Relative fair value assigned to warrants	$ 46,501	$ -	$ 17,292	$ -	$ 158,531

Issue date	**14-Oct-15**	**04-Dec-15**	**04-Dec-15**	**17-Dec-15**	**17-Dec-15**
Number of warrants	683,560 [1]	2,794,000	335,280 [1]	206,000	6,000 [1]
Share price	$ 0.07	$ 0.09	$ 0.09	$ 0.09	$ 0.09
Exercise price	$ 0.06	$ 0.15	$ 0.10	$ 0.15	$ 0.10
Expected life in years	1.5	2.0	2.0	2.0	2.0
Volatility (2)	105.97%	100.23%	100.23%	99.06%	99.06%
Risk-free interest rate	0.52%	0.52%	0.62%	0.52%	0.52%
Dividend yield	0%	0%	0%	0%	0%
Fair value per warrant	$ 0.0368	$ 0.0361	$ 0.0449	$ 0.0355	$ 0.0444
Fair value of warrants issued	$ 25,132	$ 100,991	$ 15,063	$ 7,323	$ 266
Relative fair value assigned to warrants	$ -	$ 93,447	$ -	$ 6,795	$ -

Issue date	**22-Mar-16**	**31-Mar-16**	**31-Mar-16**	**20-Apr-16**	**20-Apr-16**
Number of warrants	10,291,000	1,625,000	195,000 [1]	2,875,000	2,245,400 [1]
Share price	$ 0.175	$ 0.18	$ 0.18	$ 0.24	$ 0.24
Exercise price	$ 0.15	$ 0.25	$ 0.22	$ 0.25	$ 0.22
Expected life in years	2.0	2.0	2.0	2.0	2.0
Volatility (2)	117.92%	117.92%	117.92%	117.82%	117.82%
Risk-free interest rate	0.54%	0.54%	0.54%	0.62%	0.62%
Dividend yield	0%	0%	0%	0%	0%
Fair value per warrant	$ 0.1100	$ 0.0954	$ 0.1002	$ 0.1415	$ 0.1476
Fair value of warrants issued	$ 1,132,010	$ 155,024	$ 19,540	$ 406,736	$ 36,232
Relative fair value assigned to warrants	$ 384,301	$ 136,165	$ -	$ 261,788	$ -

14. WARRANTS cont'd

Issue date	29-Apr-16	29-Apr-16	20-Jul-16
Number of warrants	500,000	48,000 [1]	13,500,000
Share price	$ 0.24	$ 0.24	$ 0.28
Exercise price	$ 0.25	$ 0.22	$ 0.35
Expected life in years	2.0	2.0	2.0
Volatility [(2)]	117.82%	117.82%	112.03%
Risk-free interest rate	0.67%	0.67%	0.59%
Dividend yield	0%	0%	0%
Fair value per warrant	$ 0.1415	$ 0.1477	$ 0.1473
Fair value of warrants issued	$ 70,761	$ 7,089	$ 1,987,956
Relative fair value assigned to warrants	$ 45,540	$ -	$ 1,395,854

[1] In the absence of a reliable measure of the services received, the services have been measured at the fair value of the finder's warrants issued.

[2] Volatility is determined based on historical share prices.

The expiry dates of warrants outstanding as of September 30, 2016 are as follows:

Expiry date	Number of warrants outstanding	Exercise price	Weighted average remaining contractual life (years)
March 21, 2017	3,320,834	$ 0.15	0.47
March 21, 2017	82,000	$ 0.06	0.47
March 30, 2017	204,167	$ 0.15	0.50
March 30, 2017	25,000	$ 0.06	0.50
April 14, 2017	11,063,917	$ 0.15	0.54
April 14, 2017	620,180	$ 0.06	0.54
December 4, 2017	2,794,000	$ 0.15	1.18
December 4, 2017	167,640	$ 0.10	1.18
December 17, 2017	206,000	$ 0.15	1.21
December 17, 2017	6,000	$ 0.10	1.21
March 22, 2018	9,451,000	$ 0.15	1.47
March 31, 2018	1,625,000	$ 0.25	1.50
March 31, 2018	195,000	$ 0.22	1.50
April 20, 2018	2,175,000	$ 0.25	1.55
April 20, 2018	245,400	$ 0.22	1.55
April 29, 2018	500,000	$ 0.25	1.58
April 29, 2018	48,000	$ 0.22	1.58
July 20, 2018	13,500,000	$ 0.35	1.80
	46,229,138	**$ 0.22**	**1.24**

15. OTHER RESERVES

		30-Sep-16		31-Dec-15
Balance beginning of period	**$**	**5,423,923**	$	4,216,209
Stock-based compensation expense (note 12)		**150,366**		528,058
Fair value assigned to expired warrants		**192,201**		679,656
Balance end of period	**$**	**5,766,490**	$	5,423,923

16. LOSS PER SHARE

The calculation of the basic earnings per share for the nine months ended September 30, 2016 was based on the loss attributable to common shareholders of $1,281,858 (loss for the nine months ended September 30, 2015 - $476,713) and a weighted average number of common shares outstanding of 324,347,069 (September 30, 2015 – 256,813,469).

There have been no significant capital transactions from the reporting date to the date of this filing which have had a material impact on earnings per share.

Loss for the nine months ended September 30, 2016 divided by weighted average number of common shares outstanding is equal to $(0.004) per share.

Numerator	$ (1,281,858)
Denominator	324,347,069
Earnings per share	$ (0.004)

17. RELATED PARTY TRANSACTIONS

Balances and transactions with related parties as at and in the nine months ended September 30, 2016 were as follows:

For period ended September 30, 2016		Amount charged		Outstanding balance
Silvermet Inc.	**$**	**61,055**	$	-
Global Atomic Fuels Corporation		**28,063**		-

Amounts due to or from related parties are unsecured, non-interest bearing and due on demand. These are settled on a regular basis. These companies are related parties since one or more directors, officers and consultant are associated with these companies in the same capacity. The related party payments to Silvermet relate to reimbursement for Harte Gold's share of the office lease and are expensed. The related party payments to Global Atomic Fuels Corporation reimburse for Harte Gold's share of office supplies expenses, and are expensed as incurred. Transactions with related parties were in the normal course of operations and were measured at the same value as if the transactions had occurred with non-related parties.

For the period ended September 30, 2016, the Company paid key management personnel, including officers, directors or their related entities for consulting services and/or management services, as follows:

17. RELATED PARTY TRANSACTIONS cont'd

		September 30, 2016		December 31, 2015
Management and consulting fees	**$**	**522,000**	$	290,000
Consulting fees included in exploration and evaluation expenditures		**135,000**		100,000
Stock based compensation				
- expensed to the Statement of Operations and Comprehensive Loss		**-**		295,186
- capitalized to exploration and evaluation expenditures		**-**		85,561

18. COMMITMENTS

During 2015, the Company entered a contract with Technica Group Inc. ("Technica") to complete the Advanced Exploration and Bulk Sample work on a contract basis. The total amount of the Technica contract is based on an adjusted budgeted cost amount of $14,671,026 ("Budget Amount"), which is invoiced to Harte Gold as the work is completed, plus a 20% contractor fee ($2,934,205). As of September 30, 2016, $12,032,678 of the Budget Amount had been invoiced under the contract. Based on the current work schedule, the Company expects the Advanced Exploration and Bulk Sample work to be completed by the first quarter 2017, with final work and billing to be completed by Technica shortly thereafter. The contractor fee payment is deferred and payable after completion of the Advanced Exploration and Bulk Sample work. Half of the contractor fee is payable in cash and half in common shares of the Company, to be priced at the market price at the time. Technica has the option to elect that the full amount of the fee be paid in common shares of the Company. Accordingly, the Company has accrued the contractor fee earned through September 30, 2016 in the amount of $2,406,536, with 50% recorded as a long-term liability and 50% recorded as shares to be issued. Under the terms of the Technica contract, Harte Gold must also reimburse Technica for cost over-runs up to a maximum of $696,908 (5% of the Budget Amount). Should Technica's costs be lower than the Budget Amount, the savings are shared equally between Harte Gold and Technica.

In accordance with a 2010 agreement, the Company has acquired a 100% interest in 3 claims known as the Halverson claims, which are subject to a 3% net smelter royalty. The Company must make 5 annual royalty prepayments of $20,000 for the 5 years ended June 28, 2019. If an economically viable deposit is found within that period, these payments ($100,000 cumulatively) are deemed to be a prepayment of royalties. Otherwise, the royalty obligation is cancelled on completion of the 5 payments.

The Company also has a commitment under a site access agreement to pay $20,000 per annum during exploration and $70,000 per annum upon commercial production, subject to a cumulative maximum of $500,000.

In connection with the issuance of flow-through shares and the related renouncement of exploration expenditures, the Company commits to spend such funds on eligible exploration expenditures (see note 9).

19. CONTINGENCY PROVISIONS

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 subsequently filed the required documents with CRA related to the issuance of flow-through common shares during this period. During the nine months ended September 30, 2016, the Company received no CRA assessment notice in respect of the Part XII.6 interest and penalties ($nil during the year ended December 31, 2015). The Company estimates that the remaining provision of $103,817 is sufficient for any additional reimbursements that may be required.

19. CONTINGENCY PROVISIONS cont'd

The Company has filed a claim against 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 have been or may need to be reimbursed to investors. Any recovery by the Company is very uncertain so no amount has been included in the financial statements for any such potential recovery.

20. SUBSEQUENT EVENTS

Subsequent to September 30, 2016, 700,000 warrants have been exercised for proceeds of $105,000.