



## **HARTE GOLD CORP.**

### **ANNUAL INFORMATION FORM**

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2017

**MARCH 29, 2018**

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## **INTRODUCTORY NOTE**

### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Annual Information Form contains “forward-looking information” under Canadian securities legislation. Forward-looking information may include, but is not limited to, statements with respect to the future financial or operating performance of the Company, its subsidiaries and its projects, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; reliance on a preliminary economic assessment to determine potential economic viability of mineral resources at the Sugar Zone Property (as defined below), as well as those factors discussed in the sections entitled “General Development of the Business”, “Narrative Description of the Business” and “Risk Factors” in this Annual Information Form. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this Annual Information Form and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by law. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

This Annual Information Form uses the terms “measured”, “indicated” and “inferred” resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. “Inferred mineral resources” have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or other economic studies, except in limited circumstances. United States investors are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be converted into mineral reserves. United States investors are also cautioned not to assume that all or any part of an inferred mineral resource exists, or is economically or legally mineable.

## **ITEM 1: CORPORATE STRUCTURE**

Harte Gold Corp. (the “Company” or “Harte”) was incorporated under the *Business Corporations Act* (Ontario) in Ontario, on January 22, 1982, under the name Harte Resources Company. By Articles of Amendment dated December 31, 2003, the Company changed its name to Harte Gold Corp. The Company’s registered office and principal business office is located at 8 King Street East, Suite 1700 Toronto, Ontario M5C 1B5.

The Company is a reporting issuer in the Provinces of Ontario, Alberta and British Columbia and its outstanding common shares are listed on the Toronto Stock Exchange under the symbol “HRT”, the OTC under the symbol “HRTFF” and the Frankfurt Stock Exchange under the symbol “H4O”.

## **ITEM 2: GENERAL DEVELOPMENT OF THE BUSINESS**

### **OVERVIEW**

The Company has acquired and explored various gold properties located in the Provinces of Ontario and Quebec. In recent years, exploration has occurred on two properties in Ontario: (i) a property located approximately 25 km northeast of the Town of White River (either the “Dayohessarah Lake Property” or the “Sugar Zone Property”) located in the north-south trending Dayohessarah greenstone belt, and covers a gold occurrence referred to as the “Sugar Zone”; and (ii) a property located on the Destor - Porcupine Fault Zone in close proximity to the 2.5 million ounce Holloway-Holt Gold Mine in the Timmins Porcupine gold camp (the “Stoughton-Abitibi Property”). The Company has conducted various diamond drill and other exploration programs on these two properties.

The Company has completed 70,000 tonne advanced exploration Bulk Sample and 30,000 tonne Phase I Commercial Production programs. The Company has also received location approval for a tailings management facility, approval under a Notice of Material Change for the construction of a mill processing facility and is in the final stages of permitting for commercial production and on-site processing.

### **THREE YEAR HISTORY**

#### **2015**

During the year, the Company raised \$3,200,000 under flow through and unit financings and received \$7,250 from the exercise of finder’s warrants, to provide funds to advance Harte Gold’s Bulk Sample and for mineral exploration and general corporate purposes.

Despite challenging market conditions, Harte Gold made definitive progress towards its 70,000 tonne Bulk Sample at the Sugar Zone Property. Harte Gold received approval from the Ontario Ministry of Northern Development and Mines for its amended closure plan (the “Closure Plan”). The amendment concerned Harte Gold’s decision to test a different part (the “JB Zone”) of the Sugar Zone deposit than originally planned and the consequent re-location of the portal and site lay-down area, with the new area being closer to surface which the Company anticipates being faster and less expensive to mine.

Harte Gold entered into a fixed price contract mining agreement with Technica Mining Inc., a toll milling agreement term sheet with Barrick Gold Corp. and completed phase III construction on the 20 kilometre site access road. Two in-fill drill programs designed to confirm gold mineralization continuity in the JB Zone were completed. Over the course of the year, Harte Gold was engaged in negotiations with several parties regarding the financing of the Bulk Sample.

Harte Gold achieved a key milestone with the receipt of lease letters patent over the core mining claims at the Sugar Zone Property. The leases confer surface and/or mining rights over 1,364 hectares of land

and have an initial term of twenty-one years, subject to automatic renewal for an additional period of twenty-one years.

Exploration programs this past year consisted of drill programs focused on the contact zone where drilling confirmed the presence of Hemlo-style geochemistry mineralization within a sericite schist and sediment contact zone. Another drill program focused on an area 300m south of the Sugar Zone deposit was successful in intersecting a new gold mineralized zone approximately 50m east of the Sugar Zone Deposit Upper and Lower Zones. Known as the "Footwall Zone" this target was initially identified through a ground geophysics program.

On September 21, 2015 Harte Gold filed a revised preliminary economic assessment entitled the "*NI 43-101 Technical Report on the Preliminary Economic Assessment of the Sugar Zone Project*" (the "PEA") pursuant to a notice from the Ontario Securities Commission ("OSC"). The PEA was prepared by Nordmin Engineering Ltd. ("Nordmin") and has an effective date of May 31, 2012 and a signing date of July 12, 2012.

The OSC completed a continuous disclosure review of Harte Gold's public disclosure and determined that the original preliminary economic assessment prepared by Nordmin, and originally filed by the Company on July 13, 2012 (the "2012 PEA"), did not include certain required consents and certificates related to information derived from the technical report prepared by Watts, Griffis & McOuat Limited ("WGM") dated February 27, 2012 entitled "*Technical Report and Mineral Resource Estimate Update for the Dayohessarah Lake Property, Ontario for Harte Gold Corp.*" and included in Sections 3 – 12 and 15 of the 2012 PEA.

The filing of the PEA complied with the OSC's request that Harte Gold re-file the 2012 PEA to include the consents and certificates of WGM referenced above. **No changes were made to the underlying economic or operational assumptions of the 2012 PEA. Harte Gold anticipates updating these assumptions following completion of the current Bulk Sample.**

It should be noted that many of the items in Section 1.3 Recommendations contained in the PEA have been implemented by Harte Gold. In particular, Harte Gold has received approval for the Closure Plan for an advanced exploration project to test a 70,000 tonne Bulk Sample. As part of the Closure Plan approval process Harte Gold has conducted comprehensive metallurgical testing of the Sugar Zone deposit mineralization and as a result has confirmed various characteristics of the mineralization including the specific gravity.

## **2016**

During the year, the Company raised an aggregate of \$33,550,000 under secured note, flow through and unit financings (including the financing with Appian Capital Advisory LLP discussed below), and received \$3,528,221 from the exercise of investor and finder's warrants, to provide funds to advance Harte Gold's Bulk Sample and for mineral exploration and general corporate purposes.

Harte Gold continued development work related to its 70,000 tonne Advanced Exploration Bulk Sample and began shipping development ore to the Barrick Gold Inc. Hemlo Mill under a toll milling agreement in mid-April, 2016.

Bulk Sample ramp development was completed at the end of August and level development was completed by the end of October. Longhole stoping production which began in July was scheduled for completion in the first quarter of 2017.

As of the end of December, the Company had shipped 41,464 tonnes of ore at an average grade of 8.48 grams/tonne for proceeds of approximately \$17.7 million. Proceeds have been re-invested in the Sugar Zone Property to support development costs for commercial operations.

In connection with commercial production permitting, Harte Gold completed environmental and technical studies in support of its application for commercial mining permits and submitted its Phase I Commercial Production Closure Plan in Q4 2016.

Following completion of the Crone Geophysics 3D geophysical survey over the 2.3 x 2.0 km area between the Sugar Zone Deposit and Wolf Zone, Harte Gold began a 5,000 meter drill program in order to follow up on geophysical targets identified by the Crone survey and expand the Sugar Zone Deposit resource base at depth and on strike.

Drilling the south extension of the Sugar Zone Deposit intersected both the Upper and Lower Zones within a block measuring 200 x 300 meters. This block is located 500 to 900 meters below surface and has the potential to add significant resources.

During Q4 2016 Harte Gold added a second drill rig and expanded the drill program to 15,000 meters, leaving one drill rig to focus on the Sugar Zone while the second drill rig focused on the “Middle Zone” located between the Sugar Zone Deposit and the Wolf Zone Discovery.

Initial drilling produced encouraging results with the incidence of wider alteration assemblages and gold mineralization indicators such as sphalerite and galena improving at depth. An additional area, located approximately one (1) kilometer north of the Wolf Zone was also tested under the expanded drill program. Prospective host rock geology has been encountered to date and will be followed up with additional drilling.

In December the Company completed a \$25 million private placement financing with a strategic partner; Appian Capital Advisory LLP (“Appian”). Appian is a London, UK-based investment fund that also brings significant technical expertise to its investee companies. The Appian investment has allowed Harte Gold to accelerate both mine development and wider exploration initiatives.

## **2017**

During the year the Company raised an aggregate of \$50 million under bought deal private placements and received \$5,063,163 from the exercise of investor and finders warrants and stock options. Funds were used to complete the Company’s 70,000 tonne Advanced Exploration Bulk Sample, underground development work associated with the Company’s 30,000 Phase I Commercial Permit, mill construction and general corporate purposes.

Harte Gold completed the 70,000 tonne Advanced Exploration Bulk Sample in March 2017 under which it shipped a total of 67,425 dry tonnes at an average grade of 8.28 grams / tonne to Barrick Inc.’s nearby Hemlo Mill for processing. Harte Gold realized approximately \$27 million from the advanced exploration bulk sample, which funds were re-invested in the Sugar Zone project.

Harte Gold received a phase I 30,000 tonne commercial permit in January 2017. The Phase I program is situated towards the south end of the Sugar Zone Deposit and required the development of a ramp from the Advanced Exploration Bulk Sample at the north end of the Deposit to provide access. Harte Gold established five mining levels and excavated 30,000 tonnes of development ore. The development ore is stockpiled on surface and will serve as the initial feed for the on-site Mill under Phase II Commercial Permits anticipated in June 2018.

In February 2017 Harte Gold submitted a Notice of Material Change (“NOMC”) and subsequently received approval to build the Mill Building and install the crusher, ball mill, gravity concentrator, float concentrate circuit, paste back-fill plant, effluent treatment plant and other ancillary items associated with on-site milling process. As of the date hereof construction is well advanced and on schedule for completion in June 2018.

Harte Gold received location approval for its tailings management facility (“TMF”) and commenced pre-construction clearing completed the installation of the west dam. Harte Gold sought and received confirmation from the Canadian Environmental Assessment Agency that no federal environmental assessment is applicable to the project.

Harte Gold submitted a Draft Closure Plan Amendment (“CPA”) to the MNDM which CPA provides for full commercial production, on-site milling and the operation of the TMF. Harte Gold is working with the MNDM and MOECC to finalize all outstanding permits in order to begin commissioning the mill in June and production in July.

Harte Gold was also very active with its exploration programs; Harte Gold completed approximately 80,000 meters of drilling during the year. Drill programs focused on:

- Moving that portion of the Sugar Zone Deposit between surface and 500m from the inferred resource category to the indicated category
- Increasing the number of contained ounces within the newly discovered Middle Zone
- Testing for Wolf Zone extensions at depth and other targets along strike.

A regional airborne geophysical survey was also undertaken which resulted in the definition of new exploration targets within and outside the Sugar Zone Property. As a results of this survey Harte Gold staked an additional ground to cover a greenstone belt and other targets, to bring the total property package to 79,335 hectares.

#### **Key Developments year to date:**

- Released an updated N1 43-101 Resource Report that triples the Sugar Zone gold resource
- Announced plans to publish a preliminary economic assessment and pre-feasibility study
- Announced the discovery of the Footwall Zone - a new parallel gold zone located 50m east of the Middle Zone

#### **Current initiatives:**

- Phase II Commercial Production permitting near completion
- Mill complex on schedule for completion June 2018
- In-fill drill program to upgrade resource classification at Middle Zone showing higher grades

### **ITEM 3: NARRATIVE DESCRIPTION OF THE BUSINESS**

The Sugar Zone Property covers over 79,335 Hectares and consists of a greenstone belt and extensions thereof. Based on in-fill drill programs related to the Bulk Sample, Phase I Commercial Production and exploration results to date, management is confident there is considerable potential to increase the size of the Sugar Zone Deposit and discover additional gold resources on the Property.

On February 15, 2018 the Company released the results of a National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) compliant technical report (the “**Technical Report**”) entitled “Technical Report and Updated Mineral Resource Estimate on the Sugar Zone Gold Property

(the "**Sugar Zone Project**") Sault Ste. Marie Mining Division, Ontario UTM Zone 16U NAD83 646,140m E, 5,406,900m N" with an effective date of February 15, 2018, and a signing date of March 29, 2018, prepared by Antoine Yassa, P.Geo., Eugene Puritch, P.Eng., FEC, CET, Yungang Wu, P.Geo., Alfred Hayden, P.Eng., Jarita Barry, P.Geo., David Burga, P.Geo., and Douglas Feasby, P.Eng. of P&E Mining Consultants Inc. ("**P&E**"). The Technical Report has been filed with the Canadian securities regulatory authorities on SEDAR, and is available at [www.sedar.com](http://www.sedar.com).

The Technical Report is an update of, and replaces, the Company's previously published 2012 technical report and preliminary economic assessment of the Sugar Zone Project entitled "*NI 43-101 Technical Report on the Preliminary Economic Assessment of the Sugar Zone Project, North-Western Ontario, Canada, for Harte Gold Corp.*", dated effective May 31, 2012 (the "**2012 Technical Report**"). The 2012 Technical Report provided a preliminary economic assessment using Inferred Resources, which are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves.

The Technical Report was prepared to provide an NI 43-101 compliant report with an updated mineral resource estimate for the gold mineralization contained in the Sugar Zone Project, Sault Ste. Marie Mining Division, Ontario that is 100% owned by the Company.

### **PROJECT DESCRIPTION, LOCATION AND ACCESS**

The following report was prepared to provide a National Instrument ("NI") 43-101 Technical Report and Updated Mineral Resource Estimate for the gold mineralization contained in the Sugar Zone Property, Sault Ste. Marie Mining Division, Ontario that is 100% owned by Harte Gold Corp. ("Harte Gold" or "the Company"). The Project is approximately 715 km northwest of Toronto and 68 km east of the Hemlo Gold Camp, Ontario. The Sugar Zone Deposit is located at UTM Zone 16U NAD83 646,140m E, 5,406,900m N or 48° 47' 53" North latitude and 85° 00' 36" West longitude.

The Project comprises 549 contiguous unpatented mining claims plus 4 mining leases with a combined area of approximately 79,355 ha (794 km<sup>2</sup>) that are 100% owned by Harte Gold. The Sugar Zone Project is an advanced project that has been significantly de-risked through the successful completion of a 70,000 tonne underground Bulk Sample that was processed at Barrick Gold's Hemlo operation in 2016/2017. In January 2017, Harte Gold received approvals required to expand its mining operation with a Phase 1 Commercial Production Program for an additional 30,000 tonnes. In May 2017, the Company obtained approvals to construct an on-site processing facility. Permitting and pre-development activities relating to development and commercial operation of the project are ongoing. The Sugar Zone has significant underground development including 1,678 m of ramping and 2,540 m of horizontal drifting on six levels.

The Sugar Zone Project is road accessible and located 30 km north of White River, Ontario on the Trans-Canada Highway 17. The Property is accessed from the Highway 631, a secondary paved highway, extending north from White River and passes approximately 10 km east of the Sugar Zone. A Hydro One electrical transmission line and the Canadian Pacific transcontinental main rail line passes through White River.

The Project benefits significantly from proximity to the Hemlo Gold Camp and several mining operations in the Wawa area. A number of businesses in the area provide services to the exploration and mining sector and a long history of mining in the region contributes to a highly skilled work force.

The Property is located in the Great Lakes watershed. The topography of the area is typical of the Canadian Shield and consists of a peneplained surface with local relief consisting of low rocky ridges separated by poorly drained ground. The area around the Sugar Zone Project has local relief varying from 394 m asl at Dayohessarah Lake to 480 m on higher ridges. The Project area is characterized by a

northern boreal climate, with short hot summers and cold, snowy winters. Snow cover occurs from late October through April. Exploration and mining can generally be carried out year-round.

The Sugar Zone Property has a history of significant exploration that has been undertaken intermittently since 1969. The majority of the work has been done in the vicinity of Dayohessarah Lake and the Sugar Zone area and follows the discovery of the Hemlo Gold Deposit in 1981. Hemlo Gold Mines Inc. discovered the Sugar Zone by surface prospecting in 1991, followed by trenching and diamond drilling between 1991 and 1994. The Property was explored by the Corona Gold Corporation/Harte Gold Corp. Joint Venture between 1998 and 2009 and subsequently Harte Gold after 2010. To date there have been 687 holes drilled for a total of 217,876 m on the Property. The 2017 drilling program was the largest undertaken on the Property with a total of 256 drill holes totalling 128,243 m.

Harte Gold completed a 70,000 tonne underground Bulk Sampling program on the Sugar Zone in 2017. The program included approximately 960 m of ramp development and 634 m of horizontal drifting in mineralization on five levels at a 15m spacing, to provide drilling access for long hole mining. A total of 15 stopes were mined from development work completed on the 375, 360, 345, 330 and 315 levels. An extensive sampling and grade control program was completed which included chip, miner muck, crusher muck and truck muck sampling. Toll processing of the Bulk Sample was completed at Barrick's Williams process plant located in the Hemlo camp. Overall, the combined development and production from the block model was estimated by Harte at a gold grade of 7.25 g/t Au compared to a processed and stockpile grade of 7.55 g/t Au, resulting in an underestimating of the grade by 0.30 g/t Au or 4.1%.

The Sugar Zone Property is located in the Dayohessarah Greenstone Belt of late Archean (ca. 2.7 Ga) age that is part of the Abitibi-Wawa Subprovince of the Superior Province. The belt is approximately 36 km in length and varies in width from 1.5 to 5.5 km. Principal lithologies in the belt are moderately to highly deformed metamorphosed volcanics, volcanoclastics and sediments that have been enclosed and intruded by tonalitic to granodioritic quartz-porphyry plutons.

In the Sugar Zone Gold Deposit ("Sugar Zone" or "Deposit"), gold mineralization occurs in quartz veins, quartz stringers and quartz flooded zones predominantly associated with narrow porphyry sills, porphyry contact zones, hydrothermally altered mafic metavolcanics and, rarely in weakly altered mafic metavolcanics. The mineralization occurs in three parallel zones, the Upper, Lower and Footwall Subzones, that range in thickness from 1.5 to 10 m, strike at 140° and dip between 65° and 75° to the west. The three subzones are separated by 20 to 30 m of unmineralized metavolcanics. The Sugar Deformation Zone is a high strain deformation zone associated with the mineralization has a northwest trend and dips west at 65° to 75°. The mineralization has been defined for over 1.5 km strike length and to a vertical depth of over 1,200 m and remains open along strike and at depth. Fine to coarse grained specks and blebs of visible gold are common in the Sugar Zone quartz veins, usually occurring within marginal, laminated or refractured portions of the veins. Quartz veins and silicified rocks also contain varying amounts of pyrrhotite, pyrite, chalcopyrite, galena, sphalerite, molybdenite and arsenopyrite.

The Sugar Zone is interpreted as an orogenic, mesothermal gold deposit located in a zone of high strain within the Dayohessarah Greenstone Belt. The Deposit is hosted in medium-metamorphic grade (amphibolite) rocks that exhibit ductile deformation and have been intruded by felsite and porphyry sills. The gold is associated with silica-sulphide-potassic alteration. These characteristics are shared with the Hemlo Deposit, located 68 km to the west.

Harte Gold drill core sample intervals have been sent for analysis to ActLabs, in Ancaster, Ontario for all assay work on samples taken during the 2009 program and all subsequent programs. All samples were assayed for gold using a 30g fire assay using lead collection and an AAS finish. The detection limit is 5 ppb Au. If sample assays returned a value greater than 3,000 ppb Au, they were re-assayed using a

metallic screen method. Actlabs is accredited by the Standards Council of Canada (SCC) for International Standards Organization (ISO/IEC) 17025, Mineral Analysis/geological tests (CAN-P-1579).

For Corona and Harte's 2009 to 2017 programs, field-inserted Certified Reference Standards and Blanks supplemented Actlabs internal Quality Assurance/Quality Control ("QA/QC") programs on Blanks and Standards. For the 2012 to 2017 programs, a total of 22,034 samples were sent for analysis including 994 blanks and 1,014 reference standards. It is P&E's opinion that sample preparation, security, and analytical procedures for the Sugar Zone Project drill program were adequate for the purposes of this Mineral Resource Estimate.

The Sugar Zone Property was visited by Mr. Antoine Yassa, P.Geo., on January 8 to 9, 2018 for the purposes of completing due diligence sampling. During the site visit, Mr. Yassa viewed access to the Property, drill hole collar locations, geology and topography, as well as took several GPS readings to confirm the location of the baseline grid intersections and locate several drill hole collars.

Mr. Yassa collected 16 core samples from seven drill holes from the Sugar Zone Deposit. The verification samples from the Project drill holes were collected by  $\frac{1}{4}$  cutting the half split core for each sample interval selected by Mr. Yassa. The samples were bagged and shipped directly by courier by Mr. Yassa to AGAT Labs, ("AGAT") in Mississauga, ON for analysis. Samples at AGAT were analyzed for gold by fire assay method with an AAS or gravimetric finish. All samples were analyzed by pycnometer at AGAT to determine bulk density. AGAT is an independent lab that has developed and implemented at each of its locations a Quality Management System (QMS) designed to ensure the production of consistently reliable data. The system covers all laboratory activities and takes into consideration the requirements of ISO standards. P&E considers there to be good correlation between P&E's independent verification samples analyzed by AGAT and the original analyses in the Sugar Zone database. Based upon the evaluation of the QA/QC program undertaken by Harte Gold and P&E's due diligence sampling, it is P&E's opinion that the results are acceptable for use in the current Mineral Resource Estimate.

All drilling and assay data for the current Mineral Resource Estimate were provided in the form of Excel data files by Harte. The database for this Mineral Resource Estimate, compiled by Harte and reviewed/verified by P&E, consisted of 687 drill holes totalling 217,876m, of which 385 drill holes totalling 143,069 m were utilized for the Mineral Resource Estimate. P&E validated the Mineral Resource database by checking for inconsistencies in analytical units, duplicate entries, interval, length or distance values less than or equal to zero, blank or zero-value assay results, out-of-sequence intervals, intervals or distances greater than the reported drill hole length, inappropriate collar locations, survey and missing interval and coordinate fields. P&E believes that the supplied database is suitable for Mineral Resource estimation.

Four mineralization wireframes provided by Harte Gold were reviewed by P&E. The wireframes were created from successive interpretations on NW facing vertical cross-sections with 12.5 m spacing. At the Sugar Zone, the contact between mineralized and non-mineralized material is very sharp and a strict assay cut-off is not generally used for the domain interpretations. A nominal 1.8 m minimum horizontal mining width was utilized for the construction of the wireframes. In some cases, sub-grade mineralization was included for the purpose of maintaining zonal continuity and the minimum constraining width. The resulting wireframes were used as constraining boundaries during the Mineral Resource estimation process for block coding, statistical analysis and compositing limits. The topography surface was created by Harte from LIDAR survey data. Underground mine infrastructure (ramps and levels) were surveyed using a Leica TS12 total station. Stopes were surveyed using an underground Cavity Monitoring System ("CMS") utilizing a Leica P20 high definition scanner.

A compositing length of 1.5 m was selected for mineral resource estimation. Outlier analysis and grade capping were investigated on the assays and 1.5 m composite values in the database within the constraining domains to ensure that the possible influence of erratic high values did not bias the

estimation. The Lower Zone was capped at 75 g/t whereas the Upper, Middle and Footwall Subzones were capped at 20 g/t, 40 g/t and 40 g/t Au respectively.

A uniform bulk density of 2.73 t/m<sup>3</sup> was utilized for all domains for the Mineral Resource Estimate. The Sugar Zone resource model was divided into a block model framework with blocks extending 2.0 m in the X direction, 4.0 m in the Y direction and 1.5 m in the Z direction. The Au grade blocks were interpolated using Indicator modified Ordinary Kriging. The indicator discriminator was 2 g/t Au in the Lower Zone, Footwall Zone and Middle Subzone and 0.7 g/t Au in the Upper Subzone.

In P&E's opinion, the drilling, assaying and exploration work of the Sugar Zone Project supports this Mineral Resource Estimate and are sufficient to indicate a reasonable potential for economic extraction and thus qualify it as a Mineral Resource Estimate under the CIM definition standards. The Mineral Resource Estimate was classified as Indicated and Inferred based on the geological interpretation, semi-variogram performance and drill hole spacing.

The Mineral Resource Estimate was derived from applying Au grade cut-off values to the block model and reporting the resulting tonnes and grade for potentially underground mineable areas. Based on a gold price of USD\$1,250, Au process recovery of 96%, an exchange rate of USD\$0.80=CAD\$1.00, and estimated mining, processing, G&A and sustaining capex costs of CAD\$129/tonne, a 3.0 g/t Au cut-off grade was utilized.

The resulting Mineral Resource Estimate is tabulated in Table 1.1. P&E considers the mineralization at the Sugar Zone Deposit to be potentially amenable to underground extraction.

<b>TABLE 1.1</b>				
<b>MINERAL RESOURCE ESTIMATE AT 3.0 G/T AU CUT-OFF<sup>(1-5)</sup></b>				
<b>Classification</b>	<b>Zone</b>	<b>Tonnes</b>	<b>Au (g/t)</b>	<b>Au (oz)</b>
Indicated	Sugar (Upper & Lower Subzones)	2,148,000	8.61	594,700
	Middle	460,000	8.09	119,500
	<b>Total</b>	<b>2,607,000</b>	<b>8.52</b>	<b>714,200</b>
Inferred	Sugar (Upper & Lower Subzones)	1,802,000	6.37	369,300
	Middle	1,788,000	6.81	391,500
	<b>Total</b>	<b>3,590,000</b>	<b>6.59</b>	<b>760,800</b>

- (1) *Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.*
- (2) *The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.*
- (3) *The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.*
- (4) *The Mineral Resources in this report were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council.*
- (5) *Bulk sample mined-out area was removed from the Mineral Resource model.*

P&E considers that the Sugar Zone Property contains a significant gold Mineral Resource that is associated with a well-defined mineralized system. The following opportunities may impact and/or improve the Mineral Resource Estimate in subsequent updates:

- Updated vein package interpretations will locally improve the continuity of the grade distribution resulting in improved variography and local grade block estimation.
- Capping grades have increased with each drilling campaign and model update (3) as the grade distributions have filled in leading to less metal removed due to capping strategies. This is expected to continue.
- During previous Mineral Resource model updates, increasing drill density when converting Inferred to Indicated Mineral Resource and better classification has led to improved average Mineral Resource grades in the Indicated classification. This trend is likely to continue.
- Recent drilling in the Middle Zone (occurring after the database cut-off for this Mineral Resource model update) has increased the Indicated Mineral Resource metal content per level in the Middle Zone. Grade has maintained or improved and this is expected to continue.
- Channel sampling QAQC protocols should be fully implemented and the data should be considered in a future Mineral Resource Estimate.

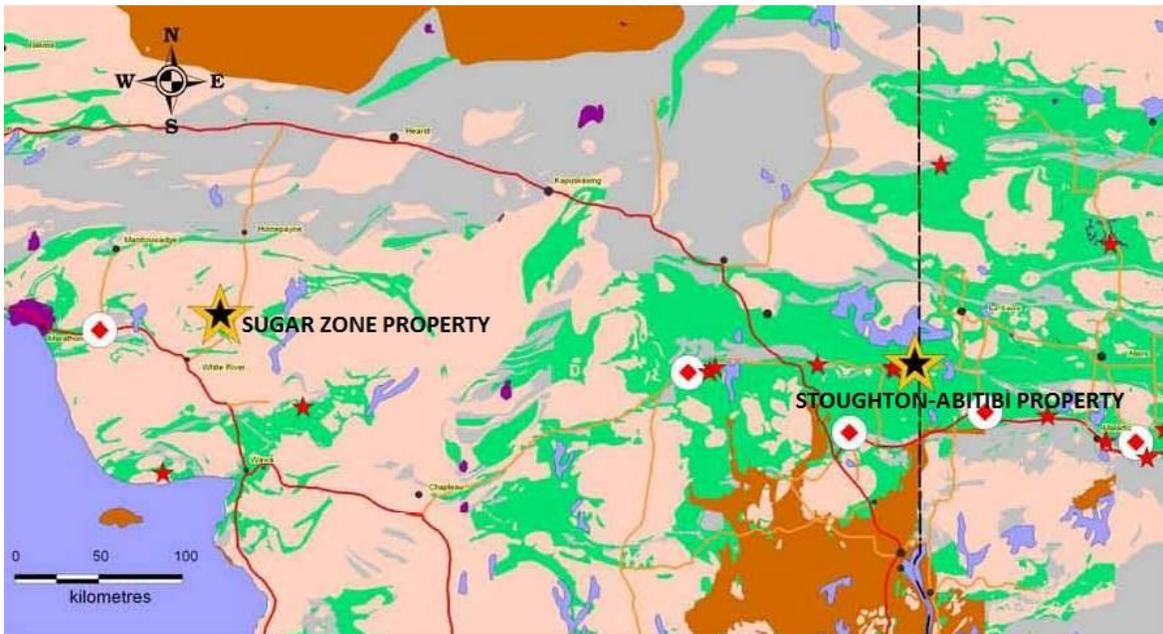
P&E further considers that Property has potential for delineation of additional Mineral Resources both in the vicinity of the current Mineral Resource and along the mineralized trend. Further exploration is warranted to increase the size and confidence of the Mineral Resource Estimate, and complete a PEA.

A proposed single Phase program budgeted at \$12.7M includes an expanded drilling program to extend Mineral Resources in the vicinity of the Sugar Zone Deposit and other identified targets. The program for CAD \$12.7M is summarized in Table 1.2

<b>TABLE 1.2</b>			
<b>RECOMMENDED PROGRAM AND BUDGET</b>			
<b>Program</b>	<b>Units</b>	<b>Unit Cost (\$)</b>	<b>Budget (\$)</b>
Drilling – infill and resource expansion	62,000 m	150/m	9,300,000
Drilling – extension and exploration	14,500 m	125/m	1,812,500
Geophysical Survey		222,000	222,000
Mapping and Prospecting		179,000	179,000
PEA/PFS		300,000	300,000
Management		15,000	15,000
Contingency (7.5%)		887,000	887,000
<b>Total</b>			<b>12,715,500</b>

## **DESCRIPTION OF THE COMPANY'S BUSINESS**

The Company is a mineral exploration company which has been engaged in exploring for gold on its two properties that are located in Ontario: the Sugar Zone Property and the Stoughton-Abitibi Property.



**Figure 1 Property Location Map**

### **Consultants / Employees**

As at the date hereof, the Company has 20 consultants and employees located in Toronto, Ontario and in White River, Ontario. Executive officers of the Company are retained under consulting contracts to provide services to Harte.

Harte is dependent on the services of key executives, including the Chairman, President and Chief Executive Officer of the Company and a small number of highly skilled and experienced executives and personnel. See *“Risk Factors – Dependence on Key Personnel”*.

### **Environmental Protection**

All phases of Harte Gold’s operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. These regulations set forth a wide range of sanctions and penalties, both criminal and civil, for violations of the regulations.

To date, applicable environmental legislation has had no material financial or operational effects on the operations of the Company. See also *“Risk Factors – Environmental Regulations”*.

### **Competitive Conditions**

The mineral industry is intensely competitive in all its phases. The Company competes with many other mineral exploration companies which have greater financial resources and experience. The market price of metals and minerals is determined in international markets, is volatile and is beyond the Company’s control. See *“Risk Factors – Competition”*.

## **Specialized Skill and Knowledge**

All aspects of the business of the Company require specialized skill and knowledge. Such skill and knowledge include the areas of geology, drilling, logistical planning, engineering, construction, mine operations, metallurgical processing, environmental compliance and accounting. The Company employs or retains a number of technical personnel with relevant experience, education and professional designations, and constantly evaluates the need for additional employees and or consultants with particular expertise.

## **ITEM 4: RISK FACTORS**

An investment in the securities of the Company is speculative and involves significant risks which should be carefully considered by prospective investors before purchasing such securities. In addition to the other information set forth elsewhere in this Annual Information Form, the following risk factors should be carefully reviewed by prospective investors:

### ***History of Losses***

The Company is a junior mining, exploration and development corporation with no producing properties. There is no assurance that any of the properties which the Company now has or may hereafter acquire or obtain an interest in will generate earnings, operate profitably, or provide a return on investment in the future.

### ***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.

All phases of the mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Mining and exploration activities are also subject to various laws and regulations relating to the protection of the environment. Although the Company believes that its exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that would limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company. In the context of environmental permitting, including the approval of reclamation plans, the Company must comply with known standards, existing laws and regulations which may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. The Company is not aware of any material environmental constraint affecting any of its development properties that would preclude the economic development or operation of any specific property.

***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***

There are numerous business risks involved in the mineral exploration industry, some of which are outlined below.

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 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's operations and financial performance.

***Commodity Price Risk***

The price of the Common Shares, 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 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 and base 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.

***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. Depending upon if and when commercial quantities of ore are found, the Company may or may not have the financial resources at that time to bring a mine into production. The only sources of funding which might be available to the Company at such time may be limited to the sale of

equity capital, mineral properties, royalty interests or the entering into of joint ventures, there being no assurances that any of the foregoing forms of funding will be available to the Company.

### ***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 favourable 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 increased consultation with First Nations, 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 favourable 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.

### ***Dilution***

In the event the Company seeks to procure additional financing through the sale and issuance of its securities, or in the event that current common share option or warrant holders exercise their options or warrants, the then shareholders of the Company may suffer immediate and substantive dilution in their percentage ownership of the issued and outstanding shares of the Company. As of the date of this AIF, there were common share purchase warrants outstanding allowing the holders of such warrants to purchase up to 15,943,853 Common Shares. In addition 49,040,000 incentive stock options granted to certain directors, officers, employees and consultants of the Company, pursuant to the Company's Stock Option Plan, as amended, are also outstanding. As of the date of this AIF, there are 572,212,795 Common Shares outstanding meaning the exercise of all existing common share purchase options and warrants would result in further dilution to the existing shareholders of approximately 10.20% of the outstanding Common Shares. Should such common share options and warrants be exercised, the voting power of the Company's existing shareholders will be diluted and such increase in the number of Common Shares issued and outstanding, and the possibility of the sale of such shares may have a depressive effect on the price of the Common Shares.

### ***Absence of Dividends***

The Company has no earnings or dividend record and since it intends to employ available funds for mineral exploration and development it does not intend to pay any dividends in the immediate or foreseeable future. The future dividend policy will be determined by the Board of Directors.

### ***Potential Volatility of Material Price of Common Shares***

The Toronto Stock Exchange has, from time to time, experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the market price of the Company's Common Shares. In addition, price of the Common Shares is likely to be highly volatile. Factors such as the price of gold, and other minerals, announcements by competitors, changes in stock market analyst recommendations regarding the Company, and general market conditions and attitudes affecting other exploration and mining companies may have a significant effect on the market price of the Common Shares. Moreover, it is likely that during the future quarterly periods, the Company's results and exploration activities may fluctuate significantly or may fail to meet the expectations of stock market analysts and investors and, in such event, the market price of the Common Shares could be materially adversely affected.

### **ITEM 5: DIVIDENDS**

The Company has not declared or paid any dividends on its Common Shares since the date of its formation. The Company intends to retain its earnings, if any, to finance the growth and development of its business and has no present intention of paying dividends or making any other distributions in the foreseeable future.

### **ITEM 6: DESCRIPTION OF CAPITAL STRUCTURE**

#### General Description

The Company is authorized to issue an unlimited number of Common Shares of which, as of the date hereof Common Shares are issued and outstanding as fully paid and non-assessable Common Shares.

The holders of the Common Shares are entitled to dividends, if, as and when declared by the Board of Directors, to notice of and to one vote per share at meetings of the shareholders of the Company and, upon liquidation, to receive such assets of the Company as are distributable to the holders of the Common Shares. All of the Common Shares outstanding are fully paid and non-assessable.

### **ITEM 7: MARKET FOR SECURITIES**

#### Trading Price and Volume

The Common Shares of the Company trade on the Toronto Stock Exchange. The following table sets forth the price ranges and trading volumes of the Common Shares from January 1, 2017 to March 31, 2018:

<b>Period</b>	<b>High</b>	<b>Low</b>	<b>Volume</b>
January 2017	\$0.37	\$0.29	26,533,632
February 2017	\$0.50	\$0.35	26,140,018
March 2017	\$0.55	\$0.47	22,839,613
April 2017	\$0.88	\$0.53	44,722,443
May 2017	\$0.77	\$0.56	18,889,295
June 2017	\$0.72	\$0.63	15,081,031
July 2017	\$0.68	\$0.58	11,087,007
August 2017	\$0.66	\$0.58	7,483,106
September 2017	\$0.66	\$0.58	11,417,909
October 2017	\$0.60	\$0.435	13,485,279
November 2017	\$0.53	\$0.41	13,075,692
December 2017	\$0.51	\$0.415	9,964,281
January 2018	\$0.55	\$0.44	12,376,039
February 2018	\$0.465	\$0.35	14,891,599
March 1 - 31, 2018	\$0.47	\$0.33	10,841,483

Trading Data in the table above is from the Toronto Stock Exchange.

## Prior Sales

The following table contains details of the prior sales of securities of the Company during the previous fiscal year and to the date of this Annual Information Form:

<b>Date of Issue</b>	<b>Securities</b>	<b>Number of Securities</b>	<b>Price per Security (\$)</b>	<b>Issuance</b>
January 1 - 31, 2017	Common Shares	4,886,640 shares	0.10 / 0.15	Warrant Exercise
January 1 - 31, 2017	Common Shares	250,000 shares	0.10	Option Exercise
February 1 - 28, 2017	Common Shares	1,837,438 shares	0.15 / 0.22 / 0.25	Warrant Exercise
March 1 - 31, 2017	Common Shares	4,527,803 shares	0.10 / 0.15 / 0.22	Warrant Exercise
April 1 - 30, 2017	Common Shares	11,015,289 shares	0.06 / 0.15 / 0.22 / 0.25	Warrant Exercise
May 15, 2017	Common Shares	100,000 shares	0.25	Warrant Exercise
May 1 - 31, 2017	Common Shares	330,000 shares	0.10 / 0.30 / 0.35	Option Exercise
June 1 - 30, 2017	Common Shares	502,400 shares	0.10 / 0.35	Warrant Exercise
June 1 - 30, 2017	Common Shares	550,000 shares	0.10 / 0.20 / 0.30	Option Exercise
July 5, 2017	Common Shares	40,323,500 shares	0.62	Bought Deal Private Placement
July 7, 2017	Common Shares	2,250,000 shares	0.30	Option Exercise
August 31, 2017	Common Shares	50,000 shares	0.175	Option Exercise
August 31, 2017	Common Shares	100,000	0.63	Property Acquisition
September 06, 2017	Common Shares	100,000 shares	0.2625	Option Exercise
September 11, 2017	Common Shares	1,000,000 shares	0.35	Warrant Exercise
November 30, 2017	Common Shares	150,000 shares	\$0.35	Warrant Exercise
November 1 - 30, 2017	Common Shares	200,000 shares	0.10 / 0.175	Option Exercise
December 22, 2017	Flow-Through Common Shares	9,781,982 shares	0.56	Bought Deal Private Placement
December 29, 2017	Common Shares	41,088,698 shares	0.47	Bought Deal Private Placement
December 31, 2017	Common Shares	7,187,911 shares	0.56	Warrant Exercise
January 8, 2018	Common Shares	16,284,143 shares	0.47	Bought Deal Private Placement
January 17, 2018	Common Shares	80,000 shares	0.15	Warrant Exercise
February 1 - 28, 2018	Common Shares	1,941,000 shares	0.15 / 0.35	Warrant Exercise
March 1 - 29, 2018	Common Shares	4,100,000 shares	0.15	Warrant Exercise

**ITEM 8: DIRECTORS AND OFFICERS**

**NAME, OCCUPATION AND SECURITY HOLDING**

<b>Name, Province and Country of Residence</b>	<b>Position with the Company</b>	<b>Principal Occupation During Preceding Five Years</b>
Stephen G. Roman, B.A (2) Ontario, Canada	Chairman, President & CEO	Chairman, President & CEO of the Company since January, 2009; with over 35 years' experience in mine operations, exploration, mergers and acquisitions. Mr. Roman is also the Chairman, President & CEO of Global Atomic Corporation since 2005;
Richard Colterjohn B.Comm., MBA (2) Ontario, Canada	Director	Director of the Company since February 2017; over 25 years in the mining sector as an investment banker, director and operator, formerly Head of Mining Sector Investment at UBS Bunting Warburg from 1992 to 2002. Currently Managing Partner of Glencoban Capital Management Inc.; an investment management company, Director of MAG Silver Corp. since 2007 and Roxgold Inc. since 2012.
Richard R. Faucher Metallurgist (1)(2) Quebec, Canada	Director	Director of the Company since June 2011; formerly Vice President, Brunswick Mining & Smelting, President & GM, Falconbridge Dominicana. Director of Global Atomic Corporation and Robex Resources Inc. since 2010, Karmin Exploration Inc. since 2011.
Fergus P. Kerr P. Eng. (3) Ontario, Canada	Director	Director of the Company since January 2018, over 40 years' experience in the mining industry, General Manager of Denison Mines and Area Manager of INCO, served as Employer Co-Chair of the Mining Health, Safety and Prevention Review for the Ontario Mining Association.
Derek C. Rance, P.Eng. MBA (1)(2)(3) Ontario, Canada	Director	Director of the Company since July, 2010; Formerly President and COO of the Iron Ore Company of Canada and currently principal of Behre Dolbear & Company, Inc. since 1997.
Douglas Scharf, CPA CA (1)(5) Ontario, Canada	Director	Director of the Company since July 2015; retired Mining Executive with over 35 years' experience in international precious and base metals mining, formerly Chief Financial Officer of the Dome Mines Group of Companies and Inmet Mining Company.
Dr. Richard Sutcliffe Ph.D. (3) Ontario, Canada	Director	Director of the Company since July 2015; professional Geoscientist and previously President and CEO of Ursa Major Minerals Inc. and Auriga Gold Corp. Currently an associate of P&E Mining Consultants Inc.; a mining consultancy.
Timothy N. Campbell B.A. Hons Ontario, Canada	Vice President & Corporate Secretary	President of PCSI since 1995; provides corporate finance, regulatory compliance, government relations, community and aboriginal consulting, permitting and other management services. Vice President & Corporate Secretary of the Company since June 2009, of Romex Mining Corp. since 2010, Global Atomic Corporation since 2011.
Roger J. Emdin P.Eng. Ontario, Canada	Vice President Operations	Mining Engineer with over 30 years in senior management roles with large operating mines and leading roles in health and safety, permitting and government relations, currently Chair of the Centre for Excellence in Mining and Innovation ("CEMI").
Shawn Howarth MBA Ontario, Canada	Vice President Corporate Development	Formerly with Standard Chartered Bank in the mergers and acquisitions group from 2008 to 2014 and previously with Alloycorp Mining Inc. Vice President, Corporate Development of the Company since June 2017.
Rein A. Lehari, C.A. CBV Ontario, Canada	Chief Financial Officer	President of Reindalyne Enterprises Inc. since 2002 and provides financial consulting services including, Chief Financial Officer of the Company since January, 2009; Chief Financial Officer of Global Atomic Fuels Corporation since 2010; Director of Silvermet Inc. since 2009;

(1) Member of the Audit Committee.

(2) Member of the Nominating and Compensation Committee and Corporate Governance Committee

(3) Member of the Health and Safety Committee

(4) Michael Scherb, BBA, Masters of Finance, appointed to the Board of Directors of the Company March 29, 2018.

(5) Douglas Scharf is included in the table above as he served as a Director for the year ended December 31, 2017. Mr. Scharf passed away March 23, 2018.

The directors and executive officers of the Company, as a group, currently beneficially own, directly or indirectly, or exercise control or direction over an aggregate of 145,287,754 Common Shares representing 25.4% of the issued and outstanding Common Shares.

## **CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS**

Except as disclosed below, to the knowledge of the Company, no director or executive officer of the Company or shareholder holding a sufficient number of securities to affect materially the control of the Company (a) is, as at the date of this Annual Information Form, or has been, within 10 years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company, including the Company, that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was issued while the director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, (b) is, as at the date of this Annual Information Form, or has been within 10 years before the date of this Annual Information Form, a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or (c) has, within the 10 years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director. Mr. Stephen G. Roman was Executive Chairman of Exall Energy Corporation when it entered receivership on March 25, 2015.

### **(1) Penalties or Sanctions**

None of the directors or officers of the Company or shareholder holding a sufficient number of securities to affect materially the control of the Company has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or have entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

### **(2) Individual Bankruptcies**

None of the directors or officers of the Company has, within the ten years prior to the date hereof, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

## **CONFLICTS OF INTEREST**

To the best of the Company's knowledge and other than as disclosed herein, there are no existing or potential conflicts of interest among the Company, its promoters, directors, officers or other members of management of the Company except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of

other public companies and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies and their duties as a director, officer, promoter or management of the Company.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty to any of its directors and officers.

#### **ITEM 9: LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

There are no legal proceedings or regulatory actions by or against the Company or affecting the Company's business as of the date of this Annual Information Form except as described below:

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 year ended December 31, 2017, 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.

#### **ITEM 10: INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

No director, senior officer or principal shareholder of the Company, or any associate or affiliate of the foregoing has had any material interest, direct or indirect, in any transaction within the last three most recently completed financial years or during the current financial year prior to the date of this AIF that has materially affected or will materially affect the Company.

#### **ITEM 11: TRANSFER AGENT AND REGISTRAR**

TSX Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario, M5M 4H1 is the registrar and transfer agent for the Company.

#### **ITEM 12: MATERIAL CONTRACTS**

There are no material contracts entered into outside the ordinary course of business.

#### **ITEM 13: INTERESTS OF EXPERTS**

None of WeirFoulds LLP, Miller Thomson LLP, P&E Mining Consultants Inc. and Collins Barrow LLP, Chartered Accountants, or any director, officer, employee or partner thereof received or has received a direct or indirect interest in the property of the Company or of any associate or affiliate of the Company. As at the date hereof, none of the aforementioned individuals, companies and partnerships, nor any of the directors, officers, employees and partners thereof, beneficially own, directly or indirectly, any securities of the Company or its associates and affiliates other than Wayne Egan, partner of WeirFoulds LLP, who holds less than 1% of the Company's securities.

No director, officer, partner or employee of any of the aforementioned companies and partnerships is currently expected to be elected, appointed or employed as a director, officer or employee of the

Company or of any associates or affiliates of the Company, other than Dr. Richard Sutcliffe who is a consultant to P& E Mining Consultants Inc.

#### **ITEM 14: ADDITIONAL INFORMATION**

Additional information may be found on SEDAR at [www.sedar.com](http://www.sedar.com).

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and interests of insiders in material transactions, where applicable, is contained in the Company's information circular for its most recent annual meeting of shareholders that involved the election of directors, and additional financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial reporting periods.

The Company will provide to any person, upon request to the Secretary of the Company:

1) when securities of the Company are in the course of a distribution pursuant to a short form prospectus or a preliminary short form prospectus has been filed in respect of a distribution of its securities:

i) one copy of the Annual Information Form of the Company, together with one copy of any document, or the pertinent pages of any document, incorporated by reference in the Annual Information Form;

ii) one copy of the comparative financial statements of the Company for its most recently completed financial year together with the report of the auditor and one copy of any interim financial statements of the Company subsequent to the financial statements for its most recently completed financial year;

iii) one copy of the management information circular in respect of the most recent annual meeting of shareholders that involved the election of directors or one copy of any annual filing prepared in lieu of that information circular, as appropriate and,

iv) one copy of any other documents incorporated by reference into the preliminary short form prospectus or the short form prospectus not required to be provided under (i) to (iii) above; or

2) at any other time, one copy of any other documents referred to in (i), (ii) and (iii) above, provided that the Company may require the payment of a reasonable charge if the request is made by a person who is not a security holder of the Company

#### **ITEM 15: AUDIT COMMITTEE INFORMATION**

##### **AUDIT COMMITTEE'S CHARTER**

The Company's Audit Committee is governed by its Audit Committee Charter, a copy of which is annexed hereto as **Schedule "A"**.

##### **COMPOSITION OF THE AUDIT COMMITTEE**

The Company's Audit Committee, as a result of the recent passing of Mr. Douglas Scharf, consists of two (2) directors; Richard R. Faucher and Derek C. Rance. As defined in MI 52-110, each of Richard R. Faucher and Derek C. Rance is independent and financially literate. The Company is currently assessing candidates to join the Board of Directors and Audit Committee.

## AUDIT COMMITTEE OVERSIGHT

Since the commencement of the Company's most recently completed fiscal year, the Company's Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

## RELEVANT EDUCATION AND EXPERIENCE

The following is a summary of the relevant education and experience of each of the current members of the Company's Audit Committee.

### Richard R. Faucher

Mr. Faucher is the Chairman of the Audit Committee and is a retired Professional Engineer trained in metallurgical engineering. Mr. Faucher has had extensive experience in the management of large mining and metallurgical projects and has held senior management positions in several large mining companies and metallurgical projects including serving as Vice-President, Brunswick Mining & Smelting, for Noranda Inc. and, President and General Manager Falconbridge Dominicana, a large nickel mine. As a result, he has gained an understanding of accounting principles and the ability to analyze and evaluate the financial statements of the Company.

### Derek C. Rance

Mr. Rance is a principal of Behre Dolbear & Company Inc. a global mining industry consultancy, and previously President and COO of Iron Ore Company of Canada, Mine Manager at the Dickenson Mine, Red Lake, Ontario and has served on the Board of Directors of a number of public companies including Gold Eagle Mines Ltd. As a result, he has gained an understanding of accounting principles and the ability to analyze and evaluate the financial statements of the Company.

## RELIANCE ON CERTAIN EXEMPTIONS

Since the effective date of MI 52-110, the Company has not relied on the exemptions contained in sections 2.4 or 8 of MI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditors, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditors in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of MI 52-110, in whole or in part.

## PRE-APPROVAL POLICIES AND PROCEDURES

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

## EXTERNAL AUDITORS SERVICE FEES (BY CATEGORY)

Fees paid to the Company's external auditors in each of the last two fiscal years for audit fees as follows:

<u>Financial Year Ending</u>	<u>Audit Fees</u>	<u>Audit Related Fees</u> <sup>(1)</sup>	<u>Tax Fees</u> <sup>(2)</sup>	<u>All Other Fees</u> <sup>(3)</sup>
2017	\$55,000	\$Nil	\$Nil	\$Nil
2016	\$51,800	\$Nil	\$Nil	\$Nil

(1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under Audit Fees.

(2) Fees charged for tax compliance, tax advice and tax planning services.

(3) Fees for services other than disclosed in any other column. Fees related to review of prior year's financial statements in relation to the Company's initial public offering.

## Schedule "A"

### CHARTER OF THE AUDIT COMMITTEE

#### Charter of the Audit Committee of the Board of Directors

##### PURPOSE

The Audit Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for Harte Gold Corp. (the "**Company**"). The Committee's primary duties and responsibilities are to:

- review the quarterly and annual financial statements and management's discussion and analysis of the Company and report thereon to the Board;
- select and monitor the independence and performance of the outside auditors of the Company (the "**Independent Auditors**"), including meetings with the Independent Auditors;
- conduct such reviews and discussions with management and the independent auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- provide oversight to related party transactions entered into by the Company; and
- if necessary, assess the integrity of internal controls and financial reporting procedures of the Company and review the internal control report prepared by management required to be included with the annual report of the Company;

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the Independent Auditors as well as any officer of the Company, or outside counsel for the Company, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Company and has the authority to retain, at the expense of the Company, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

##### COMPOSITION AND MEETINGS

1. The Committee and its membership shall meet all applicable legal and listing requirements, including, without limitation, those of the Toronto Stock Exchange.
2. The Committee shall be composed of three or more directors, one of whom shall serve as the Chair; both the members and the Chair shall be designated by the Board from time to time.
3. A majority of the members of the Committee shall not be officers or employees of the Company or any of its affiliates.
4. The Committee shall meet at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements, and a majority of the members of the Committee shall constitute a quorum.
5. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.

6. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by, the Committee.
7. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
8. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
9. The Committee may invite such officers, directors and employees of the Company and its subsidiary as it may see fit, from time to time, to attend at meetings of the Committee.
10. The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.
11. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose; actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose.

The Committee members will be elected annually at the first meeting of the Board following the annual meeting of shareholders.

## **RESPONSIBILITIES**

### **A. Financial Accounting and Reporting Process and Internal Controls**

1. The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with applicable generally accepted accounting principles (“GAAP”) and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review the interim financial statements. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
2. The Committee shall review any internal control reports prepared by management and the evaluation of such report by the external auditors, together with management’s response.
3. The Committee shall be satisfied that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements, management’s discussion and analysis and interim financial press releases, and periodically assess the adequacy of these procedures.
4. The Committee shall review management’s discussion and analysis relating to annual and interim financial statements and any other public disclosure documents, including interim financial press releases, that are required to be reviewed by the Committee under any applicable laws before the Company publicly discloses this information.
5. The Committee shall meet no less frequently than annually with the external auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Company in charge of financial matters, to review accounting practices, internal controls and such other matters as the

Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, the officer of the Company in charge of financial matters, deem appropriate.

6. The Committee shall inquire of management and the external auditors about significant risks or exposures, both internal and external, to which the Company may be subject, and assess the steps management, has taken to minimize such risks.
7. The Committee shall review the post-audit or management letter containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.
8. The Committee shall establish procedures for:
  - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
  - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
9. The Committee shall provide oversight to related party transactions entered into by the Company.

#### **B. Independent Auditors**

1. The Committee shall recommend to the Board the external auditors to be nominated, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors report directly to the Committee.
2. The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.
3. The Committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the external auditors in accordance with the terms of this charter.
4. The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and assure the independence and objectivity of the external auditors.
5. The Committee shall review the external auditors' audit plan, including the scope, procedures and timing of the audit.
6. The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.
7. The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within GAAP that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Company and the external auditors.
8. The Committee shall review fees paid by the Company to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.
9. The Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Company.
10. The Committee shall monitor and assess the relationship between management and the external auditors and monitor the independence and objectivity of the external auditors.

#### **C. Other Responsibilities**

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

## **Policy and Procedures for Disclosure Concerning Financial/Accounting Irregularities**

### **Overview**

The Company requires its directors, officers and employees to observe high standards of professional and ethical conduct in maintaining the financial and accounting records of the Company and to ensure the accuracy of its publicly disclosed financial records. Consistent with this commitment, the Company has adopted procedures for handling complaints or submissions received from employees, directors or officers to ensure that information that could improve the quality of the Company's financial and accounting records is available to the Company's Audit Committee. In order to ensure that all relevant information is disclosed and that the integrity of both the financial and accounting records of the Company are maintained, these procedures are being adopted by the Company.

### **When to Submit a Complaint**

Information should be submitted in good faith, based on reasonable belief and in accordance with the procedures described below if it is felt that such information indicates that the Company is experiencing problems with its financial, accounting, internal control or auditing matters. For example, information should be submitted if it is felt that the Company, or any of its employees, officers or outside consultants, have engaged in conduct that could:

- affect the accuracy of the Company's accounting records or information;
- compromise the Company's system for gathering and recording accounting information; or
- bring into question the independence of the Company's relationship with its outside auditor; or
- be contrary to law.

### **Reporting Violations**

It is the responsibility of all directors, officers and employees to report all suspected irregularities in the Company's financial or accounting records in accordance with this policy. The Company maintains an open door policy and suggests that employees share their questions, concerns, suggestions, complaints or suspected irregularities with the Chairman of the Company's Audit Committee. In addition, complaints will be received by the Company's corporate secretary, **Timothy N. Campbell**. Following initial review, all complaints that warrant further action or consideration are forwarded to all members of the Company's Audit Committee. The Audit Committee serves to provide independent review and oversight of the Company's accounting, financial reporting process and internal controls. All information received will be considered carefully, and if necessary, action will be initiated by the Audit Committee to resolve the identified problems or concerns.

### **Confidentiality**

Employees are not required to identify themselves when submitting information to Timothy N. Campbell. As such, if an employee does not feel comfortable discussing his or her questions, concerns, suggestions or complaints, confidentiality will be facilitated by allowing employees to use postal delivery (which, cannot easily be traced) to submit such complaints. In addition, anyone that does identify himself or herself will be protected from any reprisal by management. Those submitting information will not be punished, formally or informally. The Company recognizes that by reporting problems or concerns you will be advancing the overall interests of the Company, and helping to safeguard the Company's financial integrity and reputation.

How to Submit a Confidential Complaint

Confidential Complaints should be mailed to the following address:

Timothy N. Campbell  
Vice President & Corporate Secretary  
1700 – 8 King Street E.  
Toronto, Ontario M5C 1B5

All complaints should identify as many relevant facts as possible, including, if applicable: (i) the date(s) relevant to the identified concern; (ii) the name of any persons involved in the identified activity; (iii) the specific facts that give rise to the concerns expressed; and (iv) any suggestions for resolving or dealing with the problems or issues identified. Following initial review by the above specified person, all complaints will be promptly reviewed, investigated and resolved by the Company's Audit Committee.

### **Privacy Violations**

In addition to these rules regarding accounting, internal controls and auditing matters, recent privacy legislation (the *Personal Information Protection and Electronic Documents Act* (Canada) and the *Freedom of Information and Protection of Privacy Act* (Ontario)) provide that any person who believes that there has been a contravention of either Act may notify the relevant Privacy Commissioner. The Company may not dismiss, suspend, discipline, harass or otherwise disadvantage an employee because the employee, acting in good faith and on reasonable belief, has disclosed to the Privacy Commissioner that the Company may or may be about to contravene either Act. Any employee that feels a complaint in conjunction with these provisions is warranted may also provide the information under this Policy on a confidential and anonymous basis to the Company's corporate counsel as identified above.