

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.