



**Audited
Financial Statements**

**Years Ended
November 30, 2008, and 2007**

Auditors' Report

To the Shareholders of
Harte Gold Corp.

We have audited the balance sheet of Harte Gold Corp. as at November 30, 2008 and the statements of operations and comprehensive loss and deficit and cash flow for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2008 and the results of its operations and its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements as at November 30, 2007 and for the year then ended, prior to the adjustment described in Note 12, Prior Year Restatement, were audited by other auditors who expressed an opinion without reservation on those financial statements in their report dated March 30, 2008. We have audited the adjustment (as described in Note 12, Prior Year Restatement) to the financial statements as at November 30, 2007 and for the year then ended and in our opinion, such adjustment, in all material respects, is appropriate and has been properly applied.

Collins Barrow Toronto LLP

Collins Barrow Toronto LLP
Licensed Public Accountants

March 16, 2009
Toronto, Ontario

Harte Gold Corp.

Balance Sheets
(audited)

<i>As at November 30,</i>	2008	2007
Assets		(Restated)
Current Assets		
Cash and short term investments	\$ 78,449	\$ 681,698
GST recoverable	103,848	-
Other receivables	6,641	-
	188,938	681,698
Mineral properties and deferred exploration expenditures <i>(Note 4)</i>	4,430,294	3,713,145
	\$ 4,619,232	\$ 4,394,843
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 116,862	\$ 131,472
Bank Loan	-	100,000
	116,862	231,472
Future Income Tax Liability <i>(Note 8)</i>	140,474	100,326
	257,336	331,798
Shareholders' equity		
Capital stock <i>(Note 6)</i>	9,667,716	8,569,444
Deposit on subscription	-	535,600
Contributed surplus <i>(Note 7)</i>	607,750	445,910
Deficit	(5,913,570)	(5,487,909)
	4,361,896	4,063,045
	\$ 4,619,232	\$ 4,394,843

Going Concern (Note 1)
 Prior Year Restatement (Note 12)
 Contingencies (Note 13)
 Subsequent Events (Note 15)

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

"H. Douglas Scharf"
 H. Douglas Scharf
 Director

Harte Gold Corp.

Statements of Operations and Comprehensive Loss and Deficit
(audited)

Years Ended November 30,	2008	2007
Revenue		(Restated)
Interest Income	\$ 11,158	\$ 12,867
 Administrative Expenses		
Management and consulting fees <i>(Note 5)</i>	\$ 114,547	\$ 255,707
Directors Fees	9,967	11,375
Promotion and travel	104,758	51,729
Office and general	91,569	94,673
Professional fees	73,667	62,504
Stock-based compensation <i>(Note 6)</i>	112,840	398,000
Shareholders' information	57,389	51,690
	564,737	925,678
 Loss and comprehensive loss before income taxes	(553,579)	(912,811)
Future income tax recovery <i>(Note 8)</i>	127,918	149,295
 Net loss and Comprehensive loss	\$ (425,661)	\$ (763,516)
Deficit at beginning of year	(5,487,909)	(5,003,951)
Prior period adjustment (Note 12)		279,558
 Deficit, end of year	\$ (5,913,570)	\$ (5,487,909)
 Net loss per share – basic and fully diluted	\$ (0.01)	\$ (0.02)
Weighted average number of shares outstanding – basic and fully diluted	44,463,984	36,486,912

Harte Gold Corp.
Statements of Cash Flow
(audited)

<i>Years Ended November 30,</i>	2008	2007
Operations		(Restated)
Net loss	\$ (425,661)	\$ (763,516)
Adjustments to reconcile net income (loss) to cash flow from operating activities:		
Stock-based compensation	112,840	398,000
Future income tax recovery	(127,918)	(149,295)
Other Receivables	(6,641)	-
GST recoverable	(103,848)	-
Accounts payable and accrued liabilities	(28,110)	83,279
	(565,838)	(431,532)
Financing		
Bank indebtedness	(100,000)	100,000
Cost of share issuances	(96,862)	(60,500)
Issuance of common shares	876,200	940,600
	679,338	980,100
Investing		
Additions to mineral properties and deferred costs	(717,149)	(730,574)
	(717,149)	(730,574)
Net increase (decrease) in Cash and cash equivalents	(603,249)	(182,006)
Cash and short term investments, beginning of year	681,698	863,704
Cash and short term investments, End of Year	\$ 78,449	\$ 681,698
Cash and short term investments are comprised of:		
Cash	68,449	551,698
Short-term investments	10,000	130,000
	\$ 78,449	\$ 681,698

Harte Gold Corp.

Notes to Audited Financial Statements Years Ended November 30, 2008 and 2007

General

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

The Company presently has an interest in two advanced exploration projects: the first is the Sugar Zone property, 60 km east of the Hemlo area gold mines, located on the north shore of Lake Superior while the second property, Stoughton-Abitibi (formerly Stoughton-Porcupine), is 110 km east of Timmins and 50 km north east of Kirkland Lake.

As the Company continues to build shareholder value, the board has effected some changes in the corporate structure to improve Harte's management team through depth of experience and focus.

1. *Going Concern*

The Company is in the process of exploring and evaluating its mineral properties. On the basis of information to date, it has not yet determined whether these unproven mineral properties contain economically recoverable reserves. The amounts shown as mineral properties and deferred costs represent costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values. The underlying value of the unproven mineral properties is entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest, the ability of the Company to obtain the necessary financing to complete development, and future profitable production.

As at November 30, 2008 the Company will require additional financing in order to conduct its planned work programs on its mineral properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. These financial statements have been prepared on a going-concern basis which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in these financial statements.

Subsequent to year end, the Company's Board of Directors was replaced and the new Board is dealing with various issues relating to the Company's past as disclosed in Notes 12 and 13.

2. *Significant Accounting Policies*

The accompanying audited financial statements of Harte have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

Harte Gold Corp.

Notes to Audited Financial Statements Years Ended November 30, 2008 and 2007

Significant Accounting Policies (continued)

Mineral Properties and Deferred Costs

The Company considers exploration costs to have the characteristics of property, plant and equipment. As such, the Company defers all exploration costs including acquisition costs, field exploration and field supervisory costs relating to specific properties and any recoveries until those properties are brought into production. At that time, net exploration costs will be amortized on a unit-of-production basis based on proven and probable reserves or until the properties are abandoned, sold or considered to be impaired in value at which time an appropriate charge will be made.

The recovery of mining interest costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete exploration, the development of future profitable production or the receipt of proceeds from disposition of such properties.

Impairment

On a periodic basis, management reviews the carrying values of mining property acquisition and deferred exploration expenditures to assess whether there has been any impairment in value. In the event that management determines the carrying values of any mining property to be permanently impaired, the carrying value will be written down or written off, as appropriate. Guidance is taken from EIC-174 relating to Mining Exploration Costs in determining appropriate impairment provisions.

Ownership

Ownership in mineral properties involves certain risks due to the difficulties in determining the validity of certain claims as well as the potential for problems arising from the conveyancing history of mineral interests. The Company has investigated the ownership of its mineral properties and, to the best of its knowledge, ownership of its interests are in good standing.

Asset Retirement Obligations

At November 30, 2008, the Company has made no provision for site restoration costs or potential environmental liabilities as all properties are in the exploration stage of their development.

Income Taxes

Harte follows the liability method of accounting for income taxes. Under this method, future tax liabilities and assets are recognized for the estimated tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. Future tax liabilities and assets are measured using enacted tax rates. The effect on the future tax liabilities and assets of a change in tax rates is recognized in the period that the change occurs.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompany notes. Actual results could differ from those estimates. Areas requiring significant estimates by management are the valuation of stock-based compensation, the allocation of proceeds to warrants on unit issuances and the determination of impairment provisions relating to deferring mining costs.

Short-Term Investments

Short-term investments are liquid investments with a maturity greater than three months but less than one year.

Harte Gold Corp.

Notes to Audited Financial Statements Years Ended November 30, 2008 and 2007

Significant Accounting Policies (continued)

Flow-through Shares

The resource expenditure deductions for income tax purposes related to exploratory and development activities funded by flow-through share arrangements are renounced to investors in accordance with tax legislation. Under the liability method of accounting for income taxes, the future income taxes relating to the temporary difference that will arise when the qualifying expenditures is incurred as recorded at the time of filing the renunciation with the tax authorities. The recognition of the future income tax liability will result in a corresponding reduction to the carrying value of the shares issued.

Stock-based compensation

Harte Gold uses the fair value method in accounting for stock-based compensation. Under this method, stock-based payments are measured at the fair value of the equity instruments issued, and are amortized over the vesting period. The offset to the recorded cost is to contributed surplus.

Loss (Income) per Share

Loss (Income) per share is calculated based on the weighted average number of shares issued and outstanding during the year. In the years when the Company reports a net loss, the effect of potential issuances of shares under options and warrants are anti-dilutive and, therefore, basic and diluted losses per share are the same. When fully-diluted loss per share is calculated, only those options and warrants with average exercise prices that are "in-the-money" are included.

Financial Instruments

Financial assets and liabilities, are initially recognized and subsequently measured based on their classification as "held-for-trading" or "available-for-sale" financial assets and "held-to-maturity", "loans and receivables", or "other" financial assets / liabilities. Held-for-trading financial instruments are measured at fair value with changes in fair value recognized in net income for the period. Available-for-sale financial assets are measured at their fair value and changes in fair value are included in other comprehensive income until the asset is removed from the balance sheet. Held-to-maturity investments, loans and receivables and other financial liabilities are initially measured at fair value and thereafter at amortized cost using the effective interest rate method. Derivative instruments, including embedded derivatives, are measured at their fair value with changes in fair value recognized in net income for the period, unless the instrument is a cash flow hedge and hedge accounting applies, in which case changes in fair value are recognized in other comprehensive income.

The Company has made the following classifications:

Cash and short term investments	Held for trading
Other receivables	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities

Transaction costs are expensed as incurred for financial instruments classified as held-for-trading. For other financial instruments, transaction costs are expensed on initial recognition.

Comprehensive Income

Comprehensive income is the change in equity (net assets) of the Company during a reporting period from transactions and other events and circumstances from non-owner sources. It includes all changes to equity during a period except those resulting from Investments by owners and distributions to owners. Comprehensive income is comprised of net income for the period and other comprehensive income. To date, the Company has not had any other comprehensive income (loss).

Harte Gold Corp.

Notes to Audited Financial Statements Years Ended November 30, 2008 and 2007

3. Current and Future Changes in Accounting Policies

New Accounting Policies:

On December 1, 2007, the Company adopted four new accounting standards: Capital Disclosure (Handbook Section 1535); Financial Instruments Disclosures (Handbook Section 3862); Financial Instruments Presentation (Handbook Section 3863); and Going Concern (Handbook Section 1400).

Current and Future Changes in Accounting Policies (continued)

Capital Disclosures

Handbook Section 1535 specifies the disclosures of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. Disclosure requirements pertaining to Section 1535 are contained in Note 9.

Financial Instruments

Handbook Sections 3862 and 3863 replaces Section 3861, Financial Instruments Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risk arising from financial instruments and how the entity manages those risks. Disclosure requirements pertaining to Section 3862 are contained in Note 10. Adoption of Section 3863 had no impact on the Company's financial instrument disclosures.

Going Concern

Handbook Section 1400, General Standards of Financial Statement Presentation, changes the guidance related to management's responsibility to assess the ability of an entity to continue as a going concern. Management is required to make an assessment of an entity's ability to continue as a going concern and should take into account all available information about the future, which is at least, but is not limited to, 12 months from the balance sheet dates. Disclosure is required of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern.

Future Accounting Policies:

In February 2008, the Canadian Institute of Chartered Accountants ("CICA") issued Section 3064, Goodwill and Intangible Assets, replacing Section 3062, "Goodwill and Other Intangible Assets" and Section 3450, "Research and Development Costs". Various changes have been made to other sections of the CICA Handbook for consistency purposes. The new Section will be applicable to financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Company will adopt the new standards for its fiscal year commencing December 1, 2008. It establishes guidance on the recognition, measurement and disclosure requirements for goodwill and other intangible assets. The Company has determined that this new standard will have no material impact on its financial statements.

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

Harte Gold Corp.

Notes to Audited Financial Statements Years Ended November 30, 2008 and 2007

4. Mineral Properties and Deferred Exploration Expenditures

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

	November 30, 2008	November 30, 2007
Mineral properties		
Balance, beginning of the period	\$ 877,702	\$ 632,702
Acquisition costs	30,000	245,000
	907,702	877,702
Deferred exploration expenditures		
Balance, beginning of period	2,835,443	2,349,869
Exploration costs	687,149	485,574
	3,522,592	2,835,443
Balance, end of period	\$ 4,430,294	\$ 3,713,145

Acquisition costs consist of \$780,000 (2007 - \$750,000) for the Stoughton-Abitibi Property and \$127,702 (2007 - \$127,702) for the Sugar Zone Property. Deferred exploration expenditures consist of \$1,974,033 (2007 - \$1,503,974) for the Stoughton-Abitibi Property and \$1,548,559 (2007 - \$1,331,469) for the Sugar Zone Property.

Sugar Zone Property, Hemlo Gold Area

The Sugar Zone Property consists of 326 unpatented, unsurveyed, contiguous claims within the Sault Ste. Marie Mining Division located in Ontario, approximately 60 km east of the Hemlo area gold mines, 25 km north of White River off the Trans-Canada Highway (#17). The Company presently owns a 49% interest in the Property while the remaining 51% is owned by Corona Gold Corporation. The property is subject to a 3.5% net smelter royalty ("NSR") in favour of the original vendors of the property.

Stoughton-Abitibi Property, Timmins Porcupine Gold Area

The Stoughton-Abitibi Property (formerly known as Stoughton-Porcupine property), is located along the Destor-Porcupine Fault, 110 km east of the Timmins, 50 km north-east of Kirkland Lake, Ontario and 10 km due east of the Holloway-Holt gold mine and mill. The property adjoins the Ontario-Quebec border to the east, covers a 4 km strike length of the Destor-Porcupine Fault with an overall length of more than 11 km along the upper portions of the property. The property lies adjacent to and along strike with the Holloway-Holt gold mine, a 2.5 million oz. gold producer.

During the year the Company increased its interest in certain claims and acquired additional claims. The property currently consists of a 90% interest in 9 claims and a 100% interest in 25 claims in the Larder Lake Mining Division of Ontario and a 100% interest in 86 adjoining Mining Claims in the Province of Quebec. To maintain the Quebec claims the Company must incur approximately \$107,500 in exploration expenditures by January 22, 2010. Certain of the claims in the Larder Lake Mining Division are subject to a 3.5% NSR.

5. Related Party Transactions

Certain corporate entities that are related to the Company's as a result of having common officers and directors, provide consulting services to Harte Gold. These expenditures, which have been recorded at their fair market value, are in the normal course and relate to the Company's former officers and directors, are summarized as follows (see Note 13):

Harte Gold Corp.

**Notes to Audited Financial Statements
Years Ended November 30, 2008 and 2007**

Related Party Transactions (continued)

<i>For the years ended November 30,</i>	2008	2007
Management, consulting and legal fees	\$ 118,500	\$ 150,000
Amounts included in accounts payable owing to officers	\$5,000	\$54,843

6. Capital Stock

Share Capital

The Company is authorized to issue an unlimited number of common shares without par value. The issued and outstanding common shares consist of the following:

	No. of Shares	
Balance at November 30, 2006 (restated – Note 12)	35,132,104	\$ 8,313,104
Issuance of common shares for cash	1,350,000	405,000
Issuance of common shares pursuant to a private placement	135,000	40,500
Share Issue costs		(101,000)
Future tax liability pursuant to flow through shares		(88,160)
Balance at November 30, 2007	36,617,104	\$ 8,569,444
Issuance of common shares for cash:		
Private placement December 18, 2007	3,800,000	608,000
Private placement December 24 2007	2,975,000	595,000
Private placement January 3, 2008	790,000	158,000
Other share issuance	320,000	51,200
Issuance of common shares as commission	459,000	76,600
Future tax liability pursuant to flow through shares		(168,066)
Fair value assigned to broker warrants		(7,000)
Fair value assigned to warrants		(42,000)
Share issuance costs – cash		(96,862)
Share issuance costs – common shares		(76,600)
Balance at November 30, 2008	44,961,104	\$ 9,667,716

Private Placements

Details of private placements completed during the year ended November 30, 2008, is as follows:

Harte Gold Corp.

**Notes to Audited Financial Statements
Years Ended November 30, 2008 and 2007**

Capital Stock (continued)

Date of issuance	December 18, 2007	December 24, 2007	January 3, 2008
Number of units issued	3,800,000	2,975,000	790,000
Price of issue	\$ 0.16	\$ 0.20	\$ 0.20
Gross proceeds of issue	\$ 608,000	\$ 595,000	\$ 158,000
Number of common shares issued	3,800,000	2,975,000	790,000
Number of common share purchase warrants including warrants issued as finders fees	2,090,000	1,487,500	434,500
Number of common share broker unit warrants	-	297,500	-
Exercise price per purchase warrant	\$ 0.25	\$ 0.25	\$ 0.25
Exercise price per broker warrant	-	\$ 0.20	-
Expiry date of warrants	December 18, 2008	December 31, 2008	December 31, 2008

A non-brokered unit private placement closed on December 18, 2007 under which 3,800,000 units at a price of \$0.16 per unit were issued for gross proceeds of \$608,000. Each unit consisted of one (1) common share and one-half (½) share purchase warrant. Each whole share purchase warrant is convertible into one (1) common share at an exercise price of \$0.25 for a period of 12 month from Closing. The Company paid a Finder's fee in the form of units equal to 10% of the Units issued.

A brokered flow-through unit private placement closed December 24, 2007 under which 2,975,000 units at a price of \$0.20 per unit were issued for gross proceeds of \$595,000. Each unit consisted of one (1) flow-through common share and one-half (½) share purchase warrant. Each whole share purchase warrant is convertible into one (1) non flow through common share at a price of \$0.25 per share until December 31, 2008. The Company paid a cash commission equal to 9% of gross proceeds and that number of broker warrants that is equal to 10% of the units issued. Broker warrants provide the right to acquire 297,500 units at a price of \$0.20 per unit at any time until December 31, 2009.

A non-brokered flow-through unit private placement closed January 3, 2008 under which 790,000 units at a price of \$0.20 per unit were issued for gross proceeds of \$158,000. Each unit consisted of one (1) flow-through common share and one-half (½) share purchase warrant. Each whole share purchase warrant is convertible into one (1) non flow-through common share at a price of \$0.25 per share until December 31, 2008. The Company paid a finders fee in the form of units equal to 10% of the units issued.

Stock Options

Harte established a stock option plan to provide additional incentive to its officers, directors, employees and consultants in their effort on behalf of the Company in the conduct of its affairs under the terms of the plan, options vest immediately and expire on the fifth anniversary from the date of issue unless otherwise specified. As at November 30, 2008 the Company had issued 2,800,000 (2007 - 3,000,000) under the plan.

Harte Gold Corp.

Notes to Audited Financial Statements
Years Ended November 30, 2008 and 2007

Capital Stock (continued)

	November 30, 2008		November 30, 2007	
	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options
Outstanding at beginning of period	\$ 0.25	3,000,000	\$ -	-
Transaction during the period:				
Granted	0.15	2,800,000	0.25	3,000,000
Exercised				
Forfeited	0.25	(3,000,000)		
Outstanding at end of period	\$ 0.15	2,800,000	\$ 0.25	3,000,000
Exercisable at end of period	\$ 0.15	2,800,000	\$ 0.25	3,000,000

The following table provides additional information about outstanding stock options at November 30, 2008

	No. of Options Outstanding	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	No. of Options Currently Exercisable	Weighted Average Exercise Price – Exercisable Options
\$ 0.15 - \$0.20	2,800,000	5.0	\$ 0.15	2,800,000	\$ 0.15
	2,800,000	5.0	\$ 0.15	2,800,000	\$ 0.15

Stock-based Compensation

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

Grant date	May 15, 2008
Number of options	2,800,000
Exercise price	\$ 0.15
Expected life in years	5.0
Volatility	56.20%
Risk-free interest rate	3.19%
Dividend yield	0%
Fair value of options granted	\$ 0.04
Stock-based compensation expense	\$ 112,840

The following table summarizes assumptions used with the Black-Scholes valuation model for the determination of stock-based compensation costs for stock options issued during the year ended November 30, 2007:

Harte Gold Corp.

**Notes to Audited Financial Statements
Years Ended November 30, 2008 and 2007**

Capital Stock (continued)

Grant date	February 13, 2007 (Restated)	
Number of options		3,000,000
Exercise price	\$	0.25
Expected life in years		3.75
Volatility		58.00%
Risk-free interest rate		2.45%
Dividend yield		0%
Fair value of options granted	\$	0.13
Stock-based compensation expense	\$	398,000

Warrants

There were 4,458,250 outstanding warrants as at November 30, 2008 to purchase common shares; all warrants outstanding expire as follows.

	Average Exercise Price	Number Issued	Expiry date
Balance, Beginning of period	\$ 0.29	2,688,667	
Issued ⁽ⁱ⁾	0.25	2,090,000	December 12, 2008
Issued ⁽ⁱ⁾	0.25	1,922,000	December 31, 2008
Issued Broker Warrants ⁽ⁱⁱ⁾	0.20	297,500	December 31, 2009
Expired	0.29	(2,688,667)	
Balance, End of Period		4,309,500	

(i) Subsequent to the year end these warrants expired unexercised.

(ii) Broker unit warrants are convertible into units at an exercise price of \$0.20 for a period of two years. Each unit consists of one common share and one-half of one warrant. Each additional full warrant is convertible into one common share at an exercise price of \$0.25 until December 31, 2009.

The following table summarizes the assumptions used with the Black-Scholes valuation model for the determination of the value allocated to the warrants issued during unit financings during the year ended November 30, 2008:

Grant date	December 18, 2007	December 24, 2007	January 3, 2008
Number of options	2,090,000	1,487,500	434,500
Exercise price	0.25	0.25	0.25
Expected life in years	0	0	0
Volatility	44.55%	44.55%	45.63%
Risk-free interest rate	3.90%	3.89%	3.65%
Dividend yield	0%	0%	0%
Fair value of options granted	\$0.01	\$0.02	\$0.01
Value allocated to warrants	\$23,000	\$16,000	\$3,000

Harte Gold Corp.

**Notes to Audited Financial Statements
Years Ended November 30, 2008 and 2007**

Capital Stock (continued)

The following table summarizes assumptions used with the Black-Scholes valuation model for the determination of the value allocated to broker warrants issued during the year ended November 30, 2008:

Grant date	December 24, 2007
Number of options	297,500
Exercise price	0.20
Expected life in years	0
Volatility	44.55%
Risk-free interest rate	3.89%
Dividend yield	0%
Fair value of options granted	\$0.02
Value of broker warrants	\$7,000

7. Contributed Surplus

As at November 30,	2008	2007 (Restated – Note 13)
Balance at beginning of year	\$ 445,910	\$ 47,910
Stock-based compensation expense (Note 5)	112,840	398,000
Fair Value assigned to warrants granted (Note 5)	49,000	-
Balance at end of period	\$ 607,750	\$ 445,910

8. Future Income Taxes

The Company's income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial income tax rates with the Company's effective tax rate is as follows:

The Canadian statutory income tax rate for the year ended November 30, 2008 is 33.7% (2007 - 36.12%). The primary differences which give rise to the future income tax recoveries at November 30, 2008 and 2007 are as follows:

(a) Provision for Income Taxes

	November 30, 2008	November 30, 2007 (Restated)
Loss before income taxes	\$ (553,579)	\$ (912,811)
Expected tax recovery at statutory rates	(186,657)	(329,707)
Non-deductible expenses	37,926	143,578
Change in valuation allowance	(15,184)	(546,580)
Expired losses	15,184	546,580
Change in tax rates and other	20,813	36,654
	\$ (127,918)	\$ (149,295)

Harte Gold Corp.

Notes to Audited Financial Statements Years Ended November 30, 2008 and 2007

Future Income Taxes (continued)

(b) Future Tax Balances

The future income tax liability is compromised of the following temporary differences:

	November 30, 2008	November 30, 2007 (Restated)
Resource properties	\$ (892,330)	\$ (637,960)
Non-capital loss carry forwards	987,081	789,134
Share issue costs	104,014	138,923
	198,765	254,097
Valuation allowance	(339,238)	(354,423)
Future tax liability	\$ (140,474)	\$ (100,326)

(c) Tax Loss Carry-forwards

The Company has accumulated non-capital losses of \$3,315,000, which may be deducted in the calculation of taxable income in future years. The losses expire as follows:

2009	\$	166,000
2010		245,000
2014		670,000
2015		341,000
2026		623,000
2027		535,000
2028		735,000
	\$	3,315,000

9. Management of Capital

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

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

The Company defines capital as the aggregate of its shareholders' equity which is comprised of share capital, contributed surplus, warrants, deposits on subscriptions and deficit.

The Company invests all capital that is surplus to its immediate operational needs in short term, liquid and highly rated financial instruments, such as cash, and short term guarantee deposits, all held with major Canadian financial institutions.

Harte Gold Corp.

Notes to Audited Financial Statements Years Ended November 30, 2008 and 2007

10. *Financial Instruments*

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

11. *Financial Risk Management*

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

A) Credit Risk

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

B) Market Risk

Interest Rate Risk

The Company does not have any interest bearing debt. The Company invests cash surplus to its operational needs in investment-grade short term deposits certificates issued by the bank where it keeps its Canadian Bank accounts. The Company periodically assesses the quality of its investments with this bank and is satisfied with the credit rating of the bank and the investment grade of its short term deposits certificates.

Foreign Currency Risk

The Company's exploration and evaluation activities are substantially denominated in Canadian dollars. The Company's funds are predominantly kept in Canadian dollars, with a major Canadian financial Institution.

Business Risk

The Company's current or future operations, including development activities, are subject to environmental regulations which may make operations not economically viable or prohibit them altogether.

The success of the operations and activities of Harte is dependent to a significant extent on the efforts and abilities of its management, outside contractors, experts and other advisors. Investors must be willing to rely to a significant degree on management's discretion and judgment, as well as the expertise and competence of the outside contractors, experts and other advisors. Harte does not have a formal program in place for succession of management and training of management. The loss of one or more of the key employees or contractors, if not replaced on a timely basis, could adversely affect Harte's operations and financial performance.

Harte Gold Corp.

Notes to Audited Financial Statements Years Ended November 30, 2008 and 2007

Financial Risk Management (continued)

Commodity Price Risk

The price of the common shares in the capital the Company, its financial results, exploration and development activities have been, or may in the future be, adversely affected by declines in the price of gold and/or other metals. Gold prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of commodities by various central banks, financial institutions, expectations of inflation or deflation, currency exchange 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.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at November 30, 2008, the Company had current assets of \$188,938 and current liabilities of \$116,862. All of the Company's financial liabilities and assets have contractual maturities of less than 90 days and are subject to normal trade terms. Current working capital of the Company is \$72,076.

12. Prior Year Restatement

The financial statements of the Company as at November 30, 2007 and for the year then ended have been restated to account for the impact of the future tax differences arising from renunciations made in 2007 and the prior years. The adjustment has been made on a retroactive basis and has resulted in a \$100,326 increase in the future tax liability, a \$279,558 decrease to the opening deficit, a \$529,179 decrease to capital stock, and a \$149,295 decrease to the net loss for the year ended November 30, 2007.

In addition the financial statements have been restated to adjust the volatility used in the prior year from 15% to 58%. The impact on the financial statements was to increase the stock-based compensation expense in the prior year by \$190,733 and to increase contributed surplus in the prior year by \$190,733.

13. Contingencies

Further to the Special Shareholders' Meeting held January 30, 2009 at which the former Board of Directors was replaced and a new management team appointed (Note 15), the Company will follow up on preliminary forensic audit work done in 2008 in connection with historical cash disbursements and property acquisitions. At this time management does not know what the outcome will be and has not made any adjustments in the financial statements.

Management is currently reviewing the Company's transactions and filings with respect to flow through shares and has identified issues that require the Company to re-file certain documents with CRA. As a result, the Company will incur penalties associated with re-filing these forms and may incur other costs that are undeterminable at this time. A provision has been made in these financial statements to reflect the penalties that are likely and quantifiable at this time.

Harte Gold Corp.

Notes to Audited Financial Statements Years Ended November 30, 2008 and 2007

Contingencies (continued)

Following the events described in Note 15, two former officers and directors of the Company have filed claims against the Company in the amount of \$610,000 in the aggregate relating to unpaid services. Management is of the position that the claims are without merit and has advised the claimants accordingly. Management intends on defending its position vigorously. No amounts have been accrued in these financial statements for these claims because settlement amounts, if any, are undeterminable.

14. Comparative Figures

In addition to the restatement (Note 12), certain comparative figures have been reclassified to conform with the current year's financial statement presentation.

15. Subsequent Events

On November 24, 2008 the Company received a requisition from the Shareholders' Protection Committee of Harte (the "Committee") instructing the Company to convene a Special Meeting of Shareholders. The Special Meeting of Shareholders was held January 30, 2009 with the result that a new Board of Directors was elected, new management of the Company was installed and a resolution regarding the issuance of shares for debt in the amount of \$220,590 at \$0.09 per share for expenses incurred in connection with the Special Meeting of Shareholders was approved by the shareholders. A copy of the Committee's Dissident Proxy Circular and previous managements' Management Information Circular available at www.sedar.com

Subsequent to November 30, 2008 the Company raised gross proceeds of \$44,500 under a private placement.

On December 19, 2008 the Company issued a total of 8,465,000 common shares which amount included 790,000 common shares issued pursuant to the January 3, 2009 closing described above together with 7,575,000 common shares issued in lieu of payment of debt of which former management and insiders received 5,834,000 common shares. The TSX Venture Exchange instructed the Company to cancel the 7,575,000 common shares as they had been issued without the necessary prior regulatory approval. The Committee sought and received a court injunction prohibiting the voting of the common shares at the Meeting.

The Company cancelled 2.5 million outstanding options and granted to Management and Directors of stock options to acquire 3.85 million common shares at a price of \$0.15 per common share until February 17, 2014. The Company will continue the forensic study as described in Note 13.