

HARTE GOLD CORP.
Management's Discussion and Analysis of Financial Condition and Results of Operations
for the 6 months ended June 30, 2011

The following discussion of the results of operations and financial condition of Harte Gold Corp. ("Harte Gold" or "the Company") prepared as of August 15, 2011 summarizes management's review of the factors that affected the Company's financial and operating performance for the six months ended June 30, 2011, and the factors reasonably expected to impact on future operations and results ("Management's Discussion and Analysis of Financial Condition and Results of Operations" or "MD&A"). This MD&A is intended to supplement and complement the Company's unaudited condensed interim financial statements as at and for the six months ended June 30, 2011 ("Unaudited Interim Financial Statements") and the notes thereto, which were prepared in accordance with International Financial Reporting Standards ("IFRS").

The unaudited condensed interim financial statements are prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"). Note 20 to those statements include reconciliations to assist the reader in understanding the effects that the transition to IFRS has had on the Company's financial statements. The reconciliations include a reconciliation of equity as at May 31, 2010. In 2010, the Company changed its fiscal period ending from November 30th to December 31st ("2010 Audited Financial Statements"), and accordingly, the IFRS transition date is December 1, 2009.

These are the Company's second condensed interim financial statements prepared in accordance with IAS 34 and IFRS using accounting policies consistent with IFRS. The accounting policies have been selected to be consistent with IFRS as is expected to be effective on December 31, 2011, the Company's first annual IFRS reporting date. These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's first condensed interim financial statements prepared in accordance with IAS 34 and IFRS dated March 31, 2011, as well as the Company's annual financial statements for the year ended December 31, 2010 prepared in accordance with previous Canadian Generally Accepted Accounting Principles ("GAAP").

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

The unaudited condensed interim financial statements, the 2010 Audited Financial Statements and the Company's Annual Information Form are available at www.sedar.com and at the Company's website www.hartegold.com. All amounts disclosed are in Canadian dollars.

OVERVIEW

Harte Gold is involved in the acquisition, exploration and development of mineral resource properties, with a current focus on gold properties located in the Province of Ontario, Canada.

The Company was incorporated in Ontario on January 22, 1982 and is a reporting issuer in the Provinces of Ontario, Alberta and British Columbia. The common shares of the Company are listed for trading on the Toronto Stock Exchange under the symbol "HRT" and on the Frankfurt Stock Exchange under the symbol "H4O".

The Company currently has interests in two exploration projects: the first is the Sugar Zone Property, located 60 km east of the Hemlo area gold mines and northeast of the Town of White River, Ontario and the second property, the Stoughton-Abitibi Property (formerly Stoughton-Porcupine), is located 110 km east of Timmins and 50 km north east of Kirkland Lake, Ontario. Exploration work on the Stoughton-Abitibi Property was discontinued in 2009 and the Company's exploration activities have been focused entirely on the Sugar Zone Property since that time.

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EXPLORATION UPDATE – Sugar Zone Property

The Sugar Zone Property consists of 412 contiguous claims (covering an area of approximately 80,000 acres), that includes a greenstone belt within a surrounding buffer zone of claims.

The Sugar Zone contains a National Instrument 43-101 ("NI 43-101") compliant Indicated Resource of 302,000 ounces of gold grading 8.41 grams / tonne and an Inferred Resource of 95,000 ounces of gold grading 7.13 grams / tonne, as described in detail in the NI 43-101 Report dated September 28, 2010 and available for review on Sedar (www.sedar.com) and the Harte Gold website (www.hartegold.com).

The current resource reflects both an increase in the number of contained ounces and an upgrade from the Inferred to the Indicated categories of the majority of the resource from the previous NI 43-101 report. This increase is based on the results of a 2,000 metre drill program conducted in March and April 2010. Drill programs consisted of in-fill drilling and testing extensions of the mineralized zone at depth and along strike.

Harte Gold also conducted a 3,000 metre drill program on the newly discovered "Wolf Zone" located 2 kilometres north of the Sugar Zone, during the October – December period in 2010. The Wolf Zone was discovered as a result of an IP/Mag survey conducted in the spring of 2010 and followed up with a trenching and sampling program.

Drill results at the Wolf Zone included several high grade disseminated sulphide zones which are notable for their similarity to Hemlo style mineralization and represent a different style of gold mineralization on the property which is separate and distinct from the Sugar Zone deposit.

As of the date hereof, Harte Gold is completing a 10,000 metre drill program. The program is focused on the Sugar Zone deposit and combines in-fill drilling from surface to the 300 metre level, as well as deeper drilling designed to add to the gold mineralization previously found between the 300 metre and 600 metre levels.

Assay results from the 18 holes drilled under the current program, include consistent, high grade mineralization between surface and 300 metres. Assays from two drill holes below the 300 metre level show high grade gold mineralization as well as a narrowing of the distance between the upper and lower zones.

Continued high grade intercepts and the possible convergence of the two mineralized zones are positive developments for the Harte Gold exploration program as indications are that the Sugar Zone deposit extends at depth.

Harte Gold recently completed an IP/Mag survey over the "Fold Nose" area located 7 kilometres northwest and on strike of the Sugar Zone. The Fold Nose is an area of significant exploration potential which will be drill tested following completion of the compilation and analysis of the IP/Mag Survey and related field work.

Another area of immediate exploration interest is the 2 kilometre area between the Wolf Zone (discovered during the Fall 2010 prospecting and drill program) and the Sugar Zone. A recently completed IP/Mag Survey over this area shows drill targets on strike of the Sugar Zone deposit.

The discovery of disseminated sulphide hosted gold mineralization at the Wolf Zone and north to the Fold Nose was a significant event for Harte Gold. As mentioned above, this discovery represents the presence on the property of a different style of mineralization from that of the existing quartz vein hosted Sugar Zone deposit. The discovery and presence of wide spread disseminated sulphide gold mineralization on the Company's property bodes well for continued discovery of new deposits utilizing the now proven

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Induced Polarization ("IP") and Magnetometer ("Mag") surveys which were instrumental in the Wolf Zone discovery.

It is the Company's intention to continue with IP and Mag surveys in order to build a database of prospective targets can be categorized and systematically drilled. During this regional exploration effort designed to unlock the true potential of this large land package, Harte Gold will continue to move the Sugar Zone Deposit through the feasibility process with the intention of beginning an advanced exploration program and bulk sample within the next 24 months.

Since assuming operatorship of the Sugar Zone project in March 2010, Harte Gold has consolidated a substantial amount of historical geological data to add to its understanding of the mineral potential on the property.

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

OUTLOOK

Harte Gold's summer 2011 exploration program at the Sugar Zone property will include the following:

- Final 4,000 metres of the 10,000 metre initial 2011 drill program is currently underway and will test Sugar Zone deposit extensions at depth between 300 and 600 metres to follow up on drill holes SZ-18-2011 and SZ-14-2011 which encountered Sugar Zone mineralization at the 400 and 700 metre levels respectively.
- Based on the two drill holes referenced above, Harte intends to increase its deep drilling by an additional 2,000 metres in order to better define Sugar Zone depth extension mineralization.
- Downhole geophysics will test for sulphide mineralization at depth at both the Sugar Zone and the Wolf Zone in order to generate additional deep drill targets.
- 80 line kilometre IP and Mag survey over the Fold Nose area located 5 kilometers northwest of the Wolf Zone is complete, data compilation and analysis is currently underway.
- IP and Mag survey over a 2 kilometre section of strike length south of the Sugar Zone to follow up on historical surface samples of up to 600 gpt gold.
- Property - wide summer and fall 2011 prospecting and sampling program.
- Road design and construction to facilitate improved access to the Sugar Zone Deposit.
- Update NI 43-101 to include results from the Sugar Zone 2011 drill program and the Wolf Zone drill program of October – December 2010.
- Preliminary Economic Assessment and NI 43-101 to be completed after the resources are updated.

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RESULTS OF OPERATIONS

Harte Gold changed its year end from November 30th to December 31st for the year ended December 31, 2010 and accordingly, the 2010 audited annual financial statements included the 13 months ended December 31, 2010. On a quarterly basis, the 3 months and 6 months ended June 30, 2011 are therefore compared with the 3 months and 6 months ended May 31, 2010.

The Company adopted IFRS effective December 1, 2009. The financial information in this MD&A has been prepared using accounting policies consistent with IFRS and in accordance with IAS 34, Interim Financial Reporting. Adoption of IFRS has not had a material effect on the financial position of the Company and further information is described in note 20 to the unaudited condensed interim financial statements and later in this MD&A.

Results of Operations	3 Months Ended June 30, 2011	3 Months Ended May 31, 2010	6 Months Ended June 30, 2011	6 Months Ended May 31, 2010
Net Income (Loss)	\$ (259,531)	\$ (107,997)	\$ 60,690	\$ (59,406)
Income / (Loss) per weighted average share	(0.002)	(0.002)	-	(0.001)

Balance Sheet	June 30, 2011	December 31, 2010
Total Assets		
Cash and cash equivalents	3,385,020	4,108,856
Exploration and evaluation expenditures	10,226,684	8,183,187

During the 6 months ended June 30, 2011, the Company recognized income of \$60,690 compared to a loss of \$59,406 for the 6 months ended May 31, 2010. For the 3 months ended June 30, 2011, the Company incurred a loss of \$259,531 compared to \$107,997 for the 3 months ended May 31, 2010. The major differences relate to recognition of flow-through share premiums in the first quarters of 2010 and 2011 and the timing of stock option grants.

Excluding income recognized from the flow-through share premiums and expenses related to stock-based compensation, corporate costs were \$412,447 for the 6 months ended June 30, 2011 compared to \$180,659 during the 6 months ended May 31, 2010. For the 3 months ended June 30, 2011, such costs were \$258,747 compared to \$107,997 for the 3 months ended May 31, 2010.

For the 6 month period ended June 30, 2011, the Company's cash and cash equivalent position decreased to \$3,385,020 from \$4,108,856 at December 31, 2010. Cash was used to fund exploration and general corporate expenses, net of the inflow of funds on the exercise of warrants as described below.

Financing

During the 3 months ended February 28, 2010, the Company raised gross proceeds of \$701,334 as a result of private placements of common shares and flow-through common shares in December 2009 and January 2010. During the 3 months ended May 31, 2010, the Company raised gross proceeds of \$3,879,700 on a private placement of common shares in May 2010 plus \$85,941 proceeds on the exercise of options and warrants during Q2 2010.

During 3 months ended March 31, 2011, the Company received \$58,000 on the exercise of common share purchase warrants. An additional \$562,950 was received on the exercise of warrants and options during the 3 months ended June 30, 2011.

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Corporate Expenses

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

The following summarizes the major components of corporate expenses:

Expenses	3 Months Ended June 30, 2011	3 Months Ended May 31, 2010	6 Months Ended June 30, 2011	6 Months Ended May 31, 2010
Stock-based compensation	\$ 7,565	\$ -	\$ 83,645	\$ 7,785
Office and general	33,383	11,409	71,854	17,648
Management and consulting	62,850	45,000	122,850	87,500
Professional fees	43,249	22,168	59,396	34,890
Shareholder information	117,873	27,609	152,563	35,256
Flow-through share premium			(547,571)	(128,951)

- The Company incurred \$83,645 in stock-based compensation expense for the 6 months ended June 30, 2011 compared to \$7,785 for the 6 months ended May 31, 2010 (\$7,565 for the 3 months ended June 30, 2011 compared to \$nil for the 3 months ended May 31, 2010). Stock-based compensation expense is dependent on the timing of option grants. The 2010 expense reflects the granting of 150,000 options on January 25, 2010. In 2011, the expense reflects the granting of 200,000 options on February 14, 2011 that vested immediately and 50,000 options that only vested over the subsequent 4 quarters. Additionally, 950,000 options were granted on February 14, 2011 which are capitalized to exploration and evaluation expenditures, rather than expensed.
- Office and general expenses increased to \$71,854 for the 6 months ended June 30, 2011 compared to \$17,648 for the 6 months ended May 31, 2010 (an increase to \$33,383 for the 3 months ended June 30, 2011 from \$11,409 for the 3 months ended May 31, 2010). Harte Gold became operator of the Sugar Zone Property in the second quarter of 2010 and incurred additional rent, insurance, salaries and other general expenses as a consequence.
- Management and consulting fees increased to \$122,850 for the 6 months ended June 30, 2011 compared to \$87,500 for the 6 months ended May 31, 2010 (an increase to \$62,850 for the 3 months ended June 30, 2011 from \$45,000 for the 3 months ended May 31, 2010) reflecting increased management requirements.
- Professional fees increased to \$59,396 for the 6 months ended June 30, 2011 compared to \$34,890 for the 6 months ended May 31, 2010 (an increase to \$43,249 for the 3 months ended June 30, 2011 from \$22,168 for the 3 months ended May 31, 2010). The increase is attributable to higher legal costs incurred in connection with the TSX listing and responding to the compensation claims of a former director.
- Shareholder information costs increased to \$152,563 for the 6 months ended June 30, 2011 compared to \$35,256 for the 6 months ended May 31, 2010 (an increase to \$117,873 for the 3 months ended June 30, 2011 from \$27,609 for the 3 months ended May 31, 2010). The increase in Q2 was due to initial listing costs on migration from the TSXV to the TSX.
- As described herein and in the financial statements, the conversion to IFRS resulted in a different treatment of flow-through common share issuances. Under IFRS, the proceeds are bifurcated between the common share component and the premium received. The premium is recorded as a liability until the flow-through expenses are renounced, at which time the premium is recognized in

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income. In Q1 2011, the Company renounced the expenses related to the June and December 2010 flow-through share issues, resulting in an income amount of \$547,571. \$128,951 was recognized in Q1 2010 as a result of renouncing expenses related to the December 2009 flow-through share issuance.

SUMMARY OF QUARTERLY RESULTS

	IFRS						Canadian GAAP	
	2011		2010				2009	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Total Revenue	\$ 6,781	\$ 2,429	\$ 303	\$ -	\$ -	\$ 86	\$ -	\$ -
Net Income / (Loss)	(259,531)	320,221	(797,568)	(905,572)	(107,997)	48,590	(3,051,762)	(76,497)
Income / (Loss) per Share - basic and fully diluted	(0.002)	0.002	(0.011)	(0.007)	(0.002)	0.001	(0.058)	(0.001)

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

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

Income from flow-through share issuance premiums was recognized in Q1 2011 of \$547,571 compared to \$128,951 in Q1 2010. Under the former Canadian GAAP, a future income tax recovery of \$128,905 was recorded in Q2 2009 related to flow-through share issuances.

Provisions for Part X11.6 interest and penalties, shareholder indemnification costs, adjustments to deferred taxes and mineral property impairment were recorded in Q4 2009.

LIQUIDITY AND CAPITAL RESOURCES

The Company had a working capital surplus of \$2,656,276 at June 30, 2011 (working capital surplus of \$3,481,774 at December 31, 2010) excluding the non-cash liabilities for shares to be issued and flow-through share premiums.

During the 6 months ended June 30, 2011, \$2,043,497 was spent on exploration and evaluation costs for the Sugar Zone Property, \$789,320 of which was spent during the 3 months ended June 30, 2011. Additionally, the Company incurred \$20,075 in capital expenditures for equipment and vehicles required at the Sugar Zone Property in the 6 month period ended June 30, 2011.

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

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

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

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- Under the option to acquire Corona's 51% interest in the Sugar Zone Property, Harte Gold must pay \$90,000 every six months plus a payment of \$2,500,000 prior to May 28, 2012 or \$3,000,000 prior to May 28, 2013.
- Under the Halverson option to acquire certain claims, the Company must make cash payments of \$225,000 and incur work commitments of \$300,000 and issue 200,000 common shares over 3 years from June 28, 2010.

The Company will require substantial additional funding to further explore and, if warranted, develop its Sugar Zone Property. The Company plans to obtain such funding through equity issuances of its common shares as required. The Company has limited financial resources and no current source of recurring revenue, and there is no assurance that additional funding will be available to the Company to carry out the completion of its planned exploration activities, for additional exploration or for the substantial capital that is typically required in order to place a property into commercial production.

RELATED PARTY TRANSACTIONS

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

CONTINGENCIES

Mr. John Ternowesky, a former director of the Company, has filed a Statement of Claim in the amount of \$3,000,000 against the Company in the Ontario Superior Court of Justice. The claim alleges that Mr. Ternowesky had provided services as a director and consultant to the Company during the period November 1993 through June 2001. The Company has filed a Statement of Defence and Counterclaim. Management is of the position that the claim by Mr. Ternowesky is without merit as there are no corporate records of any such services or agreements. The Company's Counterclaim is in respect of Mr. Ternowesky's breach of his duties as a director in respect of flow-through share issuances (see below) and seeks damages in the amount of \$750,000 plus a discharge of any royalties owing to Mr. Ternowesky.

Pursuant to a 2009 audit by the Canada Revenue Agency ("CRA") of 2003 exploration expenses, current management conducted a review of expenditures incurred and filings made in respect of flow-through share issuances during the period 2003 – 2008. This review uncovered issues related to the use of flow-through funds, timing of expenditures and other related compliance matters. The Company has filed the required documents with CRA related to the issuance of flow-through common shares during this period and estimates it may incur interest charges and penalties associated with the foregoing and may incur other costs. These financial statements contain a provision of \$146,500 to reflect the interest charges and penalties that are likely under the Part XII.6 provisions in the Income Tax Act. In addition, the Company may be obligated to reimburse investors for an estimated amount of \$283,300, which has been accrued, in tax liabilities and interest due to CRA re-assessments which re-assessments are a result of flow through funds not spent within prescribed time limits. The Company has approached CRA with a proposal to minimize payments associated with the above.

In addition to the Counterclaim against Mr. Ternowesky as noted above, the Company has filed a claim in respect of the CRA liabilities for previous flow-through issuances against the former directors and officers of the Company that were retained, employed or otherwise engaged by the Company during the relevant period.

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ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

(a) IFRS

The financial statements for the 6 months ended June 30, 2011, as well as the prior period comparative financial information, have been prepared in accordance with IFRS and its interpretations adopted by the International Accounting Standards Board ("IASB"). These are Harte Gold's second condensed interim financial statements prepared in accordance with IAS 34 and IFRS using accounting policies consistent with IFRS.

The previous Unaudited Interim Financial Statements for the 3 months ended March 31, 2011 were Harte Gold's first interim IFRS financial statements and accordingly, the provisions of IFRS 1, *First Time Adoption of International Financial Reporting Standards* were applied. The disclosures set out in the notes to those Unaudited Interim Financial Statements exceeded the minimum requirements under IAS 34, *Interim Financial Reporting*. In particular, the Company's accounting policies under IFRS were presented in full, including the various elections made, and certain notes included more detail than the conventional updates required under interim reporting standards, in order to provide the reader with additional contextual information. Readers of these condensed interim financial statements for the 6 months ended June 30, 2011 are urged to refer back to the previous Unaudited Interim Financial Statements for the 3 months ended March 31, 2011.

As a result of the adoption of IFRS, the statement of financial position as of the transition date of December 1, 2009 as well as the subsequent comparative financial information for 2010 were reconciled to the financial information for these same periods as previously reported under pre-changeover Canadian GAAP (see note 22 to the Unaudited Interim Financial Statements for the 3 months ended March 31, 2011). The only difference related to the treatment of flow-through shares.

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

(b) New Accounting Pronouncements

Financial Instruments

In November 2009, the IASB issued IFRS 9, Financial Instruments ("IFRS 9"), which introduces new requirements for classifying and measuring financial assets. IFRS 9 requires that all financial assets be classified as subsequently measured at amortized cost or at fair value based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. In October 2010, IFRS 9 was amended to include requirements for classifying and measuring financial liabilities. The standard is effective for periods beginning on or after January 1, 2013 with early adoption permitted. The Company is continuing to evaluate the impact of this standard on its financial statements but it is not considered to be significant.

Consolidation

In May 2011, the IASB issued IFRS 10, Consolidated Financial Statements ("IFRS 10"), which replaces the consolidation requirements of IAS 27, Consolidated and Separate Financial Statements, and Standing Interpretations Committee ("SIC") Interpretation 12, Consolidation – Special Purpose

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Entities. IFRS 10 introduces a single consolidation model for all entities based on control, irrespective of the nature of the investee, and is effective for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company is continuing to evaluate the impact of this standard on its financial statements but it is not considered to be significant.

In addition, the IASB issued IFRS 12, Disclosure of Interests in Other Entities ("IFRS 12"), which combines and enhances the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates and unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. The Company is continuing to evaluate the impact of this standard on its financial statements but it is not considered to be significant.

Joint Ventures

In May 2011, the IASB issued IFRS 11, Joint Arrangements ("IFRS 11"), which replaces IAS 31, Interests in Joint Ventures. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures based on the rights and obligations of the parties to the joint arrangements. A joint operation is a joint arrangement in which the parties that have joint control of the arrangement ("joint operators") have individual rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement in which the parties that have joint control of the arrangements ("joint venturers") have rights only to the net assets of the arrangement. IFRS 11 requires that a joint operator recognize its portion of assets, liabilities, revenues and expenses of a joint arrangement, while a joint venture recognizes its investment in a joint arrangement using the equity method. IFRS 11 is effective for annual periods beginning on or after January 1, 2013. The Company is continuing to evaluate the impact of this standard on its financial statements and believes it could, in certain circumstances, be significant, as the proportionate consolidation method would no longer be permitted on the Company's Sugar Zone Property.

Fair Value Measurement

In May 2011, the IASB issued IFRS 13, Fair Value Measurement ("IFRS 13"), which replaces the fair value measurement guidance contained in existing IFRS standards with a single source of fair value measurement guidance. IFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosure about fair value measurements. However, IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value. IFRS 13 is effective for annual periods beginning on or after January 1, 2013 with early application permitted. The Company is currently evaluating the impact of this standard on its financial statements.

(c) Critical Accounting Estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. During the six months ended June 30, 2011, there were no material revisions to accounting estimates made in prior periods.

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

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

(d) Financial Instruments

As at June 30, 2011, the Company's financial instruments are comprised of cash and cash equivalents, receivables, accounts payable and accrued liabilities. The carrying value of receivables, accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity of these financial instruments.

The Company's cash and cash equivalents are held through a Canadian chartered bank. The Company's current policy is to invest excess cash in a money market fund administered by the brokerage subsidiary of a Canadian chartered bank. The Company periodically monitors the investment to satisfy itself with the credit rating. The Company's receivables consist of harmonized sales tax rebates due from the Government of Canada. Accordingly, management is of the view that there is limited credit risk to these financial instruments.

The Company has no debt instruments.

MANAGEMENT OF CAPITAL

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

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and short-term investments.

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

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

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

The Company expects its current capital resources will be sufficient to carry out its exploration and development plans and operations for 2011. However, significant additional capital will be required to complete the exploration and development of the Company's projects.

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RISKS AND UNCERTAINTIES

Risks Inherent in the Nature of Mineral Exploration and Development

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

Uncertainty of Reserve and Resource Estimates

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

Political Risk

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

Business Risk

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

Commodity Price Risk

The price of the common shares in the capital the Company, its financial results, exploration and development activities have been, or may in the future be, adversely affected by declines in the price of gold. Gold prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of commodities by various central banks, financial institutions, expectations of inflation or deflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, international supply and demand, speculative activities and increased production due to new mine developments, improved mining and production methods and international economic and political trends. The Company's revenues, if any, are expected to be in large part derived from mining and sale

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

Funding Risk

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

Additional Capital

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

Environmental and Permitting

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

Acquisition

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

Competition

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

OUTSTANDING SHARE DATA AS OF AUGUST 15, 2011

Issued and outstanding common shares	146,1225,063
Share purchase warrants	17,025,223
Options	<u>13,700,000</u>
Fully diluted shares	176,877,286

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed interim financial statements of Harte Gold for the six months ended June 30, 2011 were prepared by management in accordance with IFRS. Management acknowledges responsibility for the preparation and presentation of the period end unaudited condensed interim financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

The Board of Directors is responsible for ensuring that management fulfills its financial reporting responsibilities and for reviewing and approving the period end unaudited condensed interim financial statements together with other financial information. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process and the period end unaudited condensed interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the period end unaudited condensed interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial statements, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

In accordance with National Instrument 52-102, Continuous Disclosure Obligations of the Canadian Securities Administrators, the Company herewith discloses that the accompanying unaudited interim financial statements have not been reviewed by an auditor.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

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

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

SUBSEQUENT EVENTS

On July 15, 2011, the Company completed a non-brokered private placement of flow through common shares under which 2,862,500 flow through common shares were issued at \$0.40 per share for gross proceeds of \$1,145,000. Finder's fees payable in connection with this issue comprised a total of \$39,200 and 99,250 common share purchase warrants exercisable at \$0.40 per common share for a period of 12 months from closing.

August 15, 2011

"Stephen G. Roman"

Stephen G. Roman
Chairman, President and CEO

"Rein A. Lehari"

Rein A. Lehari
Chief Financial Officer