HARTE GOLD CORP.

Management's Discussion and Analysis

For the six months ended May 31, 2009

This Management's Discussion and Analysis ("MD&A") is written as of July 28, 2009 and is management's assessment of the operations and the financial results together with future prospects of Harte Gold Corp. ("Harte" or the "Company"). This MD&A should be read in conjunction with the interim financial statements and related notes for the six months ended May 31, 2009 prepared in accordance with Canadian generally accepted accounting principles. All figures are in Canadian dollars unless stated otherwise. The Company has adopted National Instrument 51-102F1 as the guideline in presenting the MD&A. Additional information regarding the Company's activities can be found on SEDAR at www.sedar.com.

Cautionary Note Regarding Forward Looking Statements

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 to fund the capital and operating expenses necessary to achieve the business objectives of Harte, 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.

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.

Outlook

The summer 2009 field program is underway at the Hemlo area Sugar Zone Property and consists of reconnaissance mapping and sampling across known anomalies. An area of particular focus is the Sugar Zone Extension Corridor (SZEC) which extends to the north and south of the existing Sugar Zone resource area as was identified in the most recent drill campaign completed in the spring of 2009.

The SZEC also includes the area where the 2009 diamond drill program is believed to have intersected the same geological structure as contains the resource previously identified on the property.

Harte expects the current field program to generate further targets for a subsequent drill program envisioned for this fall and winter.

In addition to the above, Harte is assessing historical exploration work done on the Stoughton-Abitibi property as a first step in determining the appropriate next steps in the further exploration of this property.

Harte has reviewed and will continue to review project acquisition opportunities with a view to acquiring precious metal exploration properties.

Description of Business

Harte is involved primarily 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 TSX Venture Exchange under the symbol "HRT" and on the Frankfurt Stock Exchange under the symbol "H4O".

The Company currently owns interests in two projects: the first is the Sugar Zone Property, which hosts an N1 43-101 defined resource of approximately 300,000 ounces of gold grading 10 grammes/tonne, 60 kilometres east of the Hemlo area gold mines, on the north shore of Lake Superior in the Province of Ontario and the second property, Stoughton-Abitibi (formerly Stoughton-Porcupine), is located 110 kilometres east of Timmins and 50 kilometres north east of Kirkland Lake, Ontario with additional adjacent claims in the Province of Quebec. This is an early stage exploration property.

Overall Performance

Six months ended May 31, 2009

The six months ended May 31, 2009 saw a change of management at the Company pursuant to a Special Meeting of Shareholders held January 30, 2009 (the "Meeting"). The Meeting was requisitioned by the Shareholders' Protection Committee of Harte (the "Committee") and resulted in a vote by shareholders to elect a new Board of Directors. 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.

Prior to the Meeting the former Board of Directors authorized the conversion of up to $400,000 in debt into 8 million shares at a deemed price of $0.05 per share, of which 7,575,000 shares were subsequently issued to management and insiders. By order of the Ontario Court it was determined that the common shares so issued were not eligible to be voted. These shares were subsequently cancelled as required by the TSX Venture Exchange.

During the six months ended May 31, 2009 the Company completed a non-brokered flow-through unit private placement which closed December 18, 2008 under which 890,000 units were issued at a price of $0.05 per unit for gross proceeds of $44,500. 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 $0.10 per share until December 31, 2009. The Company paid a Finders fee in the form of $4,450 cash and the issuance of 74,000 compensation units. The units consisted of one common share and one-half (½) share purchase warrant. Each whole share purchase warrant is convertible into one (1) common share at a price of $0.10 per share until December 31, 2009.

On April 21, 2009, the Company closed a non-brokered private placement of 2,916,666 flow-through units at $0.12 per unit for total proceeds of $350,000. Each unit consisted of one flow-through share and one-half purchase warrant. Each whole warrant is exercisable into one common share at $0.20 for the first year following the date of issue and thereafter for $0.24 until the second anniversary of the issue date. Following the expiry of the four month hold period, Harte may accelerate the expiry date of the Warrants to the day which is 30 days following notice by Harte, that the closing price of its shares on the TSX Venture Exchange has exceeded $0.20 for 20 executive trading days. The Company paid a Finder's fee in the form of $35,000 cash and compensation warrants equal to 10% of the Units issued. Each compensation warrants entitles the holder to purchase one unit consisting of one common share and one-half warrant, each whole warrant is exercisable at $0.12 for a period of two years subject to acceleration of the expiry date as above.

On April 30, 2009, the Company closed a non-brokered private placement of 500,000 flow-through units at $0.12 per unit for total proceeds of $60,000. Each unit consists of one flow-through share and one-half purchase warrant. Each whole warrant is exercisable into one common share at $0.20 for the first year following the date of issue and thereafter for $0.24 until the second anniversary of the issue date. Following the expiry of the four month hold period, Harte may accelerate the expiry date of the Warrants to the day which is 15 days following notice by Harte that the closing price of its shares on the TSX Venture Exchange has exceeded $0.20 for 20 executive trading days. The Company paid a Finders fee in the form of $3,840 cash and issued 40,000 compensation warrants. Each compensation warrants entitles the holder to purchase one unit consisting of one common share and one-half warrant, each whole warrant is exercisable at $0.12 for a period of two years subject to acceleration of the expiry date as above.

On April 30, 2009, the Company closed a non-brokered private placement of 2,100,000 units at $0.10 per unit for total proceeds of $210,000. Each unit consisted of one common share and one-half purchase warrant. Each whole warrant is exercisable into one common share at $0.20 for the first year following the date of issue and thereafter for $0.24 until the second anniversary of the issue date. Following the expiry of the four month hold period, Harte may accelerate the expiry date of the Warrants to the day which is 15 days following notice by Harte that the closing price of its shares on the TSX Venture Exchange has exceeded $0.20 for 20 executive trading days. The Company paid a Finders fee in the form of $12,320 cash and issued 154,000 compensation warrants. Each compensation warrants entitles the holder to purchase one unit consisting of one common share and one-half warrant, each whole warrant is exercisable at $0.12 for a period of two years subject to acceleration of the expiry date as above.

The winter 2009 ten hole NQ size diamond core drill program at the Sugar Zone property was designed to test near surface targets along 3.5 km of strike length away from the main zone, as well as sub-parallel zones defined in the 2008 airborne magnetic/electro magnetic survey and previous induced polarization surveys conducted over the zone. The program was successful in intersecting significant mineralization within the same structural package that hosts the Sugar Zone's NI-43-101 compliant resource of approximately 300,000 ounces of gold grading 10 grammes/tonne The new "south" zone lies roughly 1.5 kilometers south of the existing Sugar Zone.

As of the date hereof, the summer 2009 field program is underway and consists of reconnaissance mapping and sampling across known anomalies at the Sugar Zone Property. An area of particular focus is the Sugar Zone Extension Corridor (SZEC) which extends to the north and south of the existing Sugar Zone resource area. The SZEC also includes the area where the winter 2009 diamond drill program is believed to have intersected the same geological structure as contains the resource previously identified on the property.

For the period ended May 31, 2009 the Company's cash and cash equivalent position decreased by $381,202 to $198,631 from $579,833 at May 31, 2008. This decrease is principally due to a reduction in the amount of funds raised by the Company during the current reporting period in comparison to the year earlier period as well as property payments, exploration expenditures and corporate expenses incurred by the Company during the balance of fiscal 2008.

Results of Operations

Financial	Three Months ended		Six months ended	
	May 31, 2009	May 31, 2008	**May 31, 2009**	May 31, 2008
Income / (Loss) before taxes	**$ (137,171)**	$ (108,647)	**$ (724,638)**	$ (355,558)
Net Income / (Loss)	**(8,266)**	(108,647)	**(595,734)**	(355,558)
Income / (Loss) per weighted average share – basic and fully diluted	**$ (0.00)**	$ (0.00)	**$ (0.01)**	$ (0.00)
Total Assets	**4,908,163**	4,791,516	**4,908,163**	4,791,516

Mineral Properties	**May 31, 2009**	May 31, 2008	**May 31, 2009**	May 31, 2008
Capitalized mineral properties and deferred expenditures	**$ 4,693,312**	$ 4,192,023	**$ 4,693,312**	$ 4,192,023
Corporate expenses	**137,856**	116,139	**725,323**	365,567

Corporate Expenses	**May 31, 2009**	May 31, 2008	**May 31, 2009**	May 31, 2008
Stock-based compensation	**$ 16,575**	$ -	**$ 246,035**	$ -
Office and general	**2,726**	15,137	**44,846**	92,683
Management and consulting	**58,250**	27,182	**91,050**	86,409
Directors fees	**-**	-	**800**	10,967
Professional fees	**31,712**	39,225	**110,312**	67,537
Promotion and travel	**-**	-	**17,772**	-
Shareholder information	**28,593**	27,735	**214,508**	45,011

Comparison of the three month period ended May 31, 2009 and May 31, 2008

The Company incurred a net loss before taxes of $137,171 per share for the three months ended May 31, 2009, compared with a net loss of $108,647 share for the same period in 2008 which increase is primarily attributable to stock-based compensation.

The Company incurred a net loss of $8,266 for the three months ended May 31, 2009, compared with a net loss of $108,647 for the same period in 2008 which decrease is attributable to provisions for income tax recovery OF $128,905 associated with flow-through share financings completed during the current period.

The Company incurred $16,575 in stock-based compensation expense for the three months ended May 31, 2009 compared to Nil reported for the same period in 2008. Please see "Factors Effecting Comparability of Quarters" below.

Management and consulting fees increased in the three months ended May 31, 2009, by $31,068 to $58,250 from $27,182 in the same period in 2008 which increase is attributable to additional management personnel compared to the year earlier period.

Professional fees decreased in the three months ended May 31, 2009, by $7,513 to $31,712 from $39,225 in the same period in 2008 which decrease is net of the reversal of fees in the amount of $13,720 and reflects costs associated with the shareholder meeting held during the period as well as financings completed during the period.

Shareholder information costs in the three months ended May 31, 2009 were largely unchanged at $28,593 compared to $27,735 in the same period in 2008.

Promotion and travel expenses were Nil in the three months ended May 31, 2009 compared to $6,860 in the same period in 2008 which decrease represents new management's focus on cost containment.

Harte incurred $253,671 in deferred exploration costs during the three months ended May 31, 2009 compared to $389,298 in the same period in 2009 (see discussion under "Exploration Activities").

Comparison of the six month period ended May 31, 2009 and May 31, 2008

The Company incurred a net loss before taxes of $724,638 share for the six months ended May 31, 2009, compared with a net loss of $355,558 for the same period in 2008 which increase is primarily attributable to stock-based compensation, expenses incurred in connection with the Special Shareholders Meeting held January 30, 2009 and professional fees related thereto.

The Company incurred a net loss of $595,734 for the six months ended May 31, 2009, compared with a net loss of $355,558 for the same period in 2008. Results for the six months ended May 31, 2009 include provisions for income tax recovery OF $128,905 associated with flow-through share financings completed during the current period.

The Company incurred $246,035 in stock-based compensation expense for the six months ended May 31, 2009 compared to Nil reported for the same period in 2008. Please see "Factors Effecting Comparability of Quarters" below.

Management and consulting fees increased in the six months ended May 31, 2009, by $4,641 to $91,050 from $86,409 in the same period in 2008 which increase is attributable to additional management personnel compared to the year earlier period.

Professional fees increased in the six months ended May 31, 2009, by $42,775 to $110,312 from $67,537 in the same period in 2008 which increase is net of the reversal of fees in the amount of $13,720 and reflects costs associated with two meetings of shareholders held during the period and costs related to financings completed during the period.

Shareholder information costs increased in the six months ended May 31, 2009 by $169,497 to $214,508 from $45,011 in the same period in 2008 which increase is attributable to costs associated with the Meeting held January 30, 2009 and the Annual Meeting of Shareholders held May 26, 2009.

Summary of Quarterly Results

	2009		2008				2007	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Total Revenue	$ 685	$ -	$ -	$ 1,150	$ 7,492	$ 2,516	$ 12,867	$ -
Net Income / (Loss)	(8,266)	(587,467)	4,081	(89,262)	(221,487)	(118,993)	(133,837)	(83,840)
Income / (Loss) per Share - basic and fully diluted	(0.00)	(0.01)	0.004	(0.002)	(0.005)	(0.003)	(0.002)	(0.003)

Quarterly results as previously reported have been adjusted for the re-statements as discussed in *Factors effecting Comparability of Quarters* below.

Factors Effecting Comparability of Quarters

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 nature of activity, and the number of personnel required to advance each project. In addition, the granting of stock options in a particular quarter gives rise to stock-based compensation expense and similarly, flow-through share financings generate a future income tax recovery amount.

The Company's net loss of $8,266 for three months ended May 31, 2009 includes future income tax recovery in the amount of $128,905 pursuant to flow through financings completed during the period. During the three months ended February 28, 2009 the Company incurred stock compensation expense and shareholder information expenses in the amount of $460,543 compared to $45,011 in the year earlier period. During the quarter ended November 30, 2008 expenses in the amount of approximately $400,000 due to related parties were reversed after a related shares for debt transaction was disallowed by the TSX Venture Exchange. Stock based compensation expense of $112,840 incurred but not recorded in the three months ended February 28, 2008 has been applied to the second quarter of 2008. Also in the three month period ended February 28, 2008 a future income tax recovery amount of $127,918 was incurred but not recorded, and has been shown in the three month period ended February 28, 2008 in the table above.

Exploration Activities

Mineral properties		**Sugar Zone**		**Stoughton-Abitibi**		**Total**
Balance, beginning of the period	$	127,702	$	780,000	$	907,702
Acquisition		-		-		
		127,702		780,000		908,180
Deferred exploration expenditures						
Balance, beginning of the period		1,548,559		1,974,033		3,522,592
Exploration costs		260,918		2,100		263,018
		1,809,477		1,976,133		3,785,610
Balance May 31, 2009	**$**	**1,937,179**	**$**	**2,756,133**	**$**	**4,693,312**

Sugar Zone Property, Hemlo Gold Area

The Sugar Zone Property (the "Property") is located in Ontario, approximately 60 kilometres east of the Hemlo area gold mines, 25 kilometres north of White River off the Trans-Canada Highway (#17). The Property is held under a Joint Venture in which the Company owns a 49% interest and the remaining 51% is owned by Corona Gold Corporation ("Corona") and is subject to a 3.5% net smelter royalty ("NSR") in favour of the original Vendors which can be reduced to 2% through the payment of $1.5 million. Harte and Corona have a right of first refusal on the balance of the NSR. Corona is the operator of the Joint Venture.

The Sugar Zone contains an NI-43-101 compliant resource of approximately 300,000 ounces of gold grading 10 grammes/tonne. The exploration and geological report dated January 7, 2005 on the Sugar Zone property was prepared by David S. Hunt, P. Geo. and reviewed by Matthew Blecha, PhD., P. Eng., both of whom are qualified persons within the meaning of National Instrument 43-101.

In the first quarter of 2008 a DIGHEM airborne geophysical survey was flown over the entire Sugar Zone Property by Fugro Airborne Surveys Corp. The survey consisted of 1,917 km of survey coverage. Interpretation of the survey results highlighted 1,067 electromagnetic (EM) anomalies, of which 180 distinct anomalies warranted additional evaluation. In addition 887 conductive "apparent resistivity" anomalies were defined. Interpretation of the survey results in conjunction with previous exploration work completed in the area has highlighted five zones that warrant drill testing.

The five zones are adjacent to or along strike from the current Sugar Zone resource and are considered to have the potential to host additional gold mineralization and extend the strike length of gold mineralization. All zones have geochemical signatures similar to that of the Sugar Zone and have co-incident gold mineralization detected in surface sampling.

The 2009 ten hole NQ size diamond core drill program at the Sugar Zone Property was designed to test near surface targets along 3.5 km of strike length away from the main zone, as well as sub-parallel zones defined in the 2008 airborne magnetics/E.M. survey and previous IP surveys conducted over the zone. The program was successful in intersecting significant mineralization within the same structural package that hosts the Sugar Zone's NI-43-101 compliant inferred resource of 904,400 tonnes at 9.75 grams per tonne of gold for 283,500 ounces of contained gold. The new "south" zone lies roughly 1.5 kilometers south of the existing Sugar Zone.

As of the date hereof, the summer 2009 field program is underway and consists of reconnaissance mapping and sampling across known anomalies at the Sugar Zone property. An area of particular focus is the Sugar Zone Extension Corridor (SZEC) which extends to the north and south of the existing Sugar Zone resource area as was identified in the most recent drill campaign completed in the spring of 2009. The SZEC also includes the area where the 2009 diamond drill program is believed to have intersected the same geological structure as contains the resource previously identified on the property. Harte expects the current field program to generate further targets for a subsequent drill program envisioned for this fall and winter.

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 kilometres east of the Timmins, 50 kilometres north-east of Kirkland Lake, Ontario and 10 kilometres due east of the Holloway-Holt gold mine and mill. The property covers a 4 km strike length of the Destor-Porcupine Fault with an overall length of more than 11 kilometres along the upper portions of the property, lying adjacent to and along strike with the Holloway-Holt gold mine, a 2.5 million oz. gold producer.

During the year ended November 30, 2008 the Company increased its interest in certain claims and acquired additional claims. The property currently consists of a 90% interest in nine claims and a 100% in 26 claims in the Larder Lake Mining Division, Ontario and a 100% interest in 86 claims in the Province of Quebec. Certain of the claims in the Larder Lake Mining Division are subject to NSR's up to 3.5%. Three of the mining claims are subject to a 3% NSR which can be reduced to 1% through the payment of $2 million and, a charge of $10 per ounce of gold up to a maximum of $2 million is applicable to certain other mining claims. To maintain the Quebec claims the Company must incur approximately $107,500 in exploration expenditures prior to January 22, 2010.

The Company initiated a drill program in early spring 2008 that consisted of ten drill holes over a 2.5 kilometre west to east strike length. Originally announced as a 4,200 meter program, the Company completed 2,800 meters under the 2008 program. Assay results did not include any significant zones of mineralization. However, the mineralization that was encountered was located towards the western end of the strike length and associated with quartz/carbonate veining and fine-grained disseminated sulphides within a breciated mafic flow similar to neighboring gold mines.

Management is currently in the process of evaluating available data associated with the Stoughton-Abitibi property in order to assess the scope of future exploration programs.

Liquidity and Capital Resources

The Company had working capital of $159,934 at May 31, 2009 (2008 – $358,628). The Company utilized $221,990 in cash for operations during the six months ended May 31, 2009 (2008 - $265,825) to cover overhead costs and working capital changes and incurred $263,018 in connection with deferred exploration expenditures (2008 - $478,878).

In December 2008 the Company realized gross proceeds of $44,500 under a flow-through unit private placement. Flow through units were priced at $0.05 and consisted of one common share and one-half common share purchase warrant exercisable at $0.10 for 12 months from closing.

In April, 2009, the Company realized gross proceeds of $410,000 and $210,000 under flow-through unit and unit private placements respectively. Flow through units were priced at $0.12 and consisted of one common share and one-half common share purchase warrant exercisable at $0.20 for 12 months from closing and at $0.24 for the second 12 months from closing. Units were priced at $0.10 and consisted of one common share and one-half common share purchase warrant exercisable at $0.20 for 12 months from closing and at $0.24 for the second 12 months from closing. Proceeds realized under the financings referenced above were allocated to fund further exploration of the Company's properties, corporate expenses and working capital purposes.

The Company will require substantial additional funds to further explore and, if warranted, develop one or more of its exploration properties. 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.

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of any such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and property development. The terms of any additional financing obtained by the Company could result in substantial dilution to the shareholders of the Company. Various factors including the Company's exploration results could cause significant fluctuations in the price and volume of trading in the common shares of the Company.

Related-Party Transactions

Certain corporate entities that are related to the Company's current and/or former officers and directors provided consulting services to Harte. These expenditures are summarized as follows:

For the six months ended	**May 31, 2009**	May 31, 2008
Management and consulting fees	**$58,250**	$59,227

Previous management has indicated 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.

Outstanding Share Data - as of July 28, 2009

Issued and outstanding common shares	53,892,768
Share purchase warrants	4,023,499
Options	4,700,000
Fully diluted shares	62,616,267

Contingencies

Further to the Meeting held January 30, 2009 pursuant to which the former Board of Directors was replaced and a new management team appointed, the Company is following 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. Two former officers and directors of the Company have filed claims against the Company in the aggregate amount of $610,000 relating to services allegedly provided but unpaid. Management is of the opinion that the claims are without merit and has advised the claimants accordingly. Management intends to defend its position vigorously should the need arise. No amounts have been accrued in these financial statements for these claims because settlement amounts, if any, are undeterminable.

Management is currently reviewing the Company's transactions and filings with respect to private placements of flow-through shares prior to the Meeting and has identified issues that require the Company to file and/or re-file certain documents with CRA. The Company will incur interest charges and penalties associated with the filing or re-filing of forms and may incur other costs that are not determinable at this time. These financial statements contain a provision of $13,500 to reflect the interest charges and penalties that are likely and quantifiable at this time.

Accounting Policies and Critical Accounting Estimates

The Company prepares its consolidated financial statements in conformity with generally accepted accounting principles in Canada. The preparation of the Company's consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. The Company lists its significant accounting policies in Note 2 of its interim financial statements for the six months ended May 31, 2008.

Handbook Section 3862 and 3863 replaces Handbook 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.

All financial instruments are classified into one of the following five categories: held-for-trading assets or liabilities, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. Held-for-trading financial instruments are measured at fair value and all gains and losses are included in net income in the period in which they arise. Available-for-sale financial instruments are measured at fair value with revaluation gains and losses included in accumulated other comprehensive income until the instruments are derecognized or impaired. Loans and receivables, investments held-to-maturity and other financial liabilities are measured at amortized cost using the effective interest method.

The Company has made the following classifications:

Cash	Held for trading
Marketable securities	Held for trading
GST receivable	Other 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. The Company has included the disclosures recommended by the new Handbook Sections in Note 3 to the financial statements.

Future Accounting Changes

International Financial Reporting Standards ("IFRS")

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 in 2011 for publicly accountable profit-oriented enterprises. IFRS will replace Canada's current GAAP for those enterprises. These include listed companies and other profit-oriented enterprises that are responsible to large or diverse groups of shareholders. 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.

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.

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 within Canada.

The Company manages its capital structure in a manner that provides sufficient funding for operational activities. 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 manages its capital to ensure that it will be able to continue as a going concern while attempting to maximize the return to shareholders through the optimization of a reasonable debt and equity balance commensurate with current operating requirements. The current capital structure consists of cash and shareholders' equity excluding accumulated other comprehensive income (loss). The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure.

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 guaranteed deposits, all held with major Canadian financial institutions.

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 has no control.

Business Risk

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

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

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

Commodity Price Risk

The price of the common shares 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 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.

Management's Responsibility for Financial Information

Management is responsible for all information contained in this report. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include amounts based on management's informed judgments and estimates. The financial and operating information included in this report is consistent with that contained in the audited financial statements in all material aspects. Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Audit Committee has reviewed the audited financial statements and this management discussion and analysis with management. The Board of Directors has approved the audited financial statements on the recommendation of the Audit Committee.

July 28, 2009

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