



UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2017

Management's Comments on Unaudited Condensed Interim Consolidated Financial Statements

The accompanying unaudited condensed interim consolidated financial statements of Harte Gold Corp. (the "Company" or "Harte") for the three and six months ended June 30, 2017 have been prepared by management, reviewed by the Audit Committee and approved by the Board of Directors of the Company.

In accordance with National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators, the Company herewith discloses that the accompanying unaudited interim consolidated financial statements have not been reviewed by an auditor.

August 14, 2017

"Stephen G. Roman"

Stephen G. Roman
Chairman, President and CEO

"Rein A. Lehari"

Rein A. Lehari
Chief Financial Officer

Harte Gold Corp.
(An Exploration Stage Company)
Consolidated Statement of Financial Position as at
(Unaudited)

Canadian dollars	June 30, 2017	December 31, 2016
Assets		
Current Assets		
Cash and cash equivalents	\$ 12,825,659	\$ 27,232,409
Receivables (note 5)	1,501,488	2,777,498
Prepays	72,466	25,448
	14,399,613	30,035,355
Long Term Assets		
Restricted Cash (note 4)	1,718,836	1,537,588
Property and Equipment (note 6)	810,694	102,940
Exploration and Evaluation Expenditures (note 7)	62,537,089	44,170,665
	\$ 79,466,232	\$ 75,846,548
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (note 8)	\$ 10,342,369	\$ 10,384,552
Current portion of long-term debt (note 10)	2,371,532	-
Flow-through share premium (note 11)	-	4,680,385
	12,713,901	15,064,937
Long Term Liabilities		
Long-term debt (note 10)	130,000	2,203,254
Environmental Rehabilitation Provision (note 9)	1,718,836	1,370,807
Deferred Tax Liability	625,819	625,819
	15,188,556	19,264,817
Shareholders' Equity		
Capital stock and warrants (notes 12 & 14)	71,718,455	67,797,467
Other reserves	8,515,942	7,810,536
Deficit	(15,956,721)	(19,026,272)
	64,277,676	56,581,731
	\$ 79,466,232	\$ 75,846,548

The accompanying notes are an integral part of these financial statements

Harte Gold Corp.
(An Exploration Stage Company)
Condensed Statements of Operations and Comprehensive Loss and Deficit
For the Three and Six Months Ended
(unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Revenue				
Interest Income and other income	\$ 50,229	\$ 837	\$ 112,742	\$ 1,145
Expenses				
Management and consulting fees (note 17)	194,000	174,000	434,500	348,000
Promotion and travel	34,360	21,957	113,343	23,155
Office and general	117,318	75,632	196,764	140,843
Interest expense (note 10)	154,380	155,132	304,313	155,132
Professional fees	118,412	25,994	136,835	47,643
Stock-based compensation (note 13)	217,544	-	366,989	43,524
Shareholders' information	72,621	50,338	170,568	99,458
Amortization	132	148	264	296
Flow-through share premium (note 11)	-	-	(4,680,385)	(60,000)
	908,767	503,201	(2,956,809)	798,051
Net Income (Loss) and Comprehensive Loss	(858,538)	(502,364)	3,069,551	(796,906)
Net income per share - basic and fully diluted	\$ (0.002)	\$ (0.002)	\$ 0.007	\$ (0.003)
Weighted average number of shares outstanding				
Basic and fully diluted	452,269,283	320,062,646	444,515,977	313,278,012

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Harte Gold Corp.
(An Exploration Stage Company)
Condensed Statements of Cash Flow for the Three and Six Months Ended
(unaudited)

Canadian dollars	Three Months Ended		Six Months Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Cash provided by (used in):				
Operations				
Net Income (loss)	\$ (858,538)	\$ (502,364)	\$ 3,069,551	\$ (796,906)
Adjustments to reconcile net loss to cash flow from operating activities:				
Amortization	132	148	264	296
Stock-based compensation	217,544	-	366,989	43,524
Flow-through share premium	-	-	(4,680,385)	(60,000)
Accretion on Secured Note (note 10)	52,095	52,095	108,278	52,095
	(588,767)	(450,121)	(1,135,303)	(760,991)
Net changes in non-cash working capital items:				
Prepays	(45,068)	(9,271)	(47,018)	(9,883)
Subscription receivables	-	(11,250)	-	(50)
Receivables	1,802,333	(1,415,609)	1,276,010	(1,142,574)
Accounts payable and accrued liabilities	(14,754)	1,111,661	(1,046)	3,961,255
	1,153,744	(774,590)	92,643	2,047,757
Financing				
Long-term debt (note 10)	-	-	190,000	2,427,250
Cost of share issuances	-	(78,158)	-	(122,158)
Issuance of units	-	1,350,000	-	2,000,000
Options exercised	189,000	65,000	214,000	75,000
Warrants exercised	1,539,965	1,233,498	3,709,164	1,387,748
	1,728,965	2,570,340	4,113,164	5,767,840
Investing				
Property and equipment	(266,196)	(3,513)	(733,813)	(4,264)
Additions to exploration and evaluation expenditures	(16,531,642)	(3,468,947)	(27,883,462)	(7,664,594)
Bulk Sample cash receipts	1,888,280	-	10,004,718	-
	(14,909,558)	(3,472,460)	(18,612,557)	(7,668,858)
Net increase in cash and cash equivalents	(12,026,849)	(1,676,710)	(14,406,750)	146,739
Cash and cash equivalents, beginning of period	24,852,508	2,223,767	27,232,409	400,318
Cash and cash equivalents, end of period (note 4)	\$ 12,825,659	\$ 547,057	\$ 12,825,659	\$ 547,057
Cash and cash equivalents includes the following:				
Cash	\$ 2,767,371	\$ 547,057	\$ 2,767,371	\$ 547,057
Guaranteed investment certificates	10,058,288	-	10,058,288	-
	\$ 12,825,659	\$ 547,057	\$ 12,825,659	\$ 547,057
Supplemental cash flow information:				
Interest paid on Secured Note	\$ 93,750	\$ 102,996	\$ 187,500	\$ 102,996

The accompanying notes are an integral part of these financial statements

Harte Gold Corp.
(An Exploration Stage Company)
Condensed Statement of Changes in Shareholders' Equity
(unaudited)

Canadian dollars	Common Shares (Note 12)		Warrants (Note 14)		Subtotal	Shares to be Issued	Other Reserves	Deficit	Total Shareholders' Equity
	#	\$	#	\$					
December 31, 2015	306,354,364	36,608,398	44,404,663	807,444	37,415,842	215,049	5,423,923	(16,018,685)	27,036,129
Issued as a result of:									
Private placements (notes 12 and 14)	1,000,000	1,556,507	5,000,000	443,493	2,000,000				2,000,000
Secured notes			10,291,000	384,301	384,301				384,301
Shares to be issued (note 18)						687,561			687,561
Flow-through premium (note 11)		(65,000)			(65,000)				(65,000)
Share issuance costs		(185,020)	488,400	62,862	(122,158)				(122,158)
Stock options exercised	700,000	75,000			75,000				75,000
Warrants exercised (note 14)	9,830,919	1,540,021	(9,830,919)	(152,273)	1,387,748				1,387,748
Warrants expired (note 14)			(5,416,256)	(192,201)	(192,201)		192,201		-
Stock options granted (note 13)							140,692		140,692
Net loss for the period								(796,906)	(796,906)
June 30, 2016	317,885,283	39,529,906	44,936,888	1,353,626	40,883,532	902,610	5,756,816	(16,815,591)	30,727,367
Issued as a result of:									
Private placements (notes 12 and 14)	94,294,871	27,654,146	13,500,000	1,395,854	29,050,000				29,050,000
Shares issued to Technica (note 21)	4,249,600	1,487,360			1,487,360	(902,610)			584,750
Flow-through premium (note 11)		(4,615,385)			(4,615,385)				(4,615,385)
Share issuance costs		(1,427,307)	2,153,846	234,264	(1,193,043)				(1,193,043)
Warrants exercised (note 14)	14,334,150	2,497,817	(14,334,150)	(312,814)	2,185,003				2,185,003
Stock options granted (note 13)							2,053,720		2,053,720
Net loss for the year								(2,210,681)	(2,210,681)
December 31, 2016	430,763,904	65,126,537	46,256,584	2,670,930	67,797,467	-	7,810,536	(19,026,272)	56,581,731
Issued as a result of:									
Stock options exercised	1,130,000	214,000			214,000				214,000
Warrants exercised (note 14)	22,869,570	4,287,654	(22,869,570)	(578,490)	3,709,164				3,709,164
Warrants expired (note 14)			(122,161)	(2,176)	(2,176)		2,176		-
Stock options granted (note 13)							703,230		703,230
Net loss for the period								3,069,551	3,069,551
June 30, 2017	454,763,474	69,628,191	23,264,853	2,090,264	71,718,455	-	8,515,942	(15,956,721)	64,277,676

The accompanying notes are an integral part of these financial statements

Harte Gold Corp.
(An Exploration Stage Company)
Notes to the Condensed Financial Statements
For the Six Months Ended June 30, 2017
(unaudited)

1. NATURE OF OPERATIONS

Harte Gold Corp. (The “Company” or “Harte Gold”) 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 Toronto Stock Exchange under the symbol “HRT” and on the Frankfurt Stock Exchange under the symbol “H4O”. The head office and principal address of the Company is 8 King Street East, Suite 1700, Toronto, Ontario, M5C 1B5.

The Company is engaged in the acquisition, exploration and development of mineral resource properties with a focus on gold properties located in the Province of Ontario, Canada, and currently owns interests in two advanced exploration projects: the Sugar Zone Property, 60 km east of the Hemlo area gold mines, located on the north shore of Lake Superior and the Stoughton-Abitibi Property (formerly Stoughton-Porcupine), 110 km east of Timmins and 50 km north east of Kirkland Lake. Harte Gold has completed an Advanced Exploration and Bulk Sample program (“Bulk Sample”) on its Sugar Zone Property and has begun work under a 30,000 tonne Phase 1 Commercial Production Permit. The results of this work and additional studies that are underway will be used to determine the recoverability and economics of its resource. On the basis of information to date, the Company has not yet identified a mineral resource on its Stoughton-Abitibi Property.

2. BASIS OF PREPARATION

a) *Statement of Compliance*

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and IFRS Interpretations Committee (“IFRIC”) interpretations applicable to companies reporting under IFRS, including IAS 34, Interim Financial Reporting. Accordingly, certain information and disclosure normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed. These condensed interim financial statements should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2016, which were prepared in accordance with IFRS.

The management of Harte prepared these unaudited condensed interim financial statements, which were then reviewed by the Audit Committee and the Board of Directors. The unaudited condensed interim financial statements were authorized for issue by the Board of Directors on August 14, 2017.

b) *Continuance of Operations*

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of interests in mineral properties and the Company’s continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims and noncompliance with regulatory and environmental requirements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the Company’s financial statements for the year ended December 31, 2016.

Harte Gold Corp.
(An Exploration Stage Company)
Notes to the Condensed Financial Statements
For the Six Months Ended June 30, 2017
(unaudited)

4. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

Restricted cash of \$1,718,836 at June 30, 2017 (December 31, 2016 - \$1,537,588) is cash held by the Ontario Ministry of Northern Development and Mines ("MNDM") as assurance that the Company will complete its remediation obligations for all permitted work on the Sugar Zone Property.

5. RECEIVABLES

	June 30, 2017	December 31, 2016
GST/HST receivable	\$ 1,477,341	\$ 643,488
Bulk Sample Revenue receivable	-	2,093,683
Other	24,147	40,327
	\$ 1,501,488	\$ 2,777,498

6. PROPERTY AND EQUIPMENT

	Equipment and Furniture ⁽¹⁾			Site Vehicles ⁽¹⁾			TOTAL NBV
	Cost	Amortization	NBV	Cost	Amortization	NBV	
December 31, 2015	\$ 12,030	\$ 8,455	\$ 3,575	\$ 107,665	\$ 73,301	\$ 34,364	\$ 37,939
Additions	8,359	2,326	6,033	73,158	14,190	58,968	65,001
December 31, 2016	20,389	10,781	9,608	180,823	87,491	93,332	102,940
Additions	22,676	5,216	17,460	143,370	9,334	134,036	151,496
June 30, 2017	\$ 43,065	\$ 15,997	\$ 27,068	\$ 324,193	\$ 96,825	\$ 227,368	\$ 254,436

	Land			Buildings			TOTAL NBV
	Cost	Amortization	NBV	Cost	Amortization	NBV	
December 31, 2016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additions	115,089	-	115,089	452,678	11,508	441,170	556,259
June 30, 2017	\$ 115,089	\$ -	\$ 115,089	\$ 452,678	\$ 11,508	\$ 441,170	\$ 556,259

Grand Total	Cost	Amortization	NBV
	\$ 935,025	\$ 124,330	\$ 810,695

- 1) Amortization on property and equipment located at the exploration site is capitalized to exploration and evaluation expenditures. Amortization on head office property and equipment is expensed.

7. EXPLORATION AND EVALUATION EXPENDITURES

Sugar Zone Property, Hemlo Gold Area

The Sugar Zone Property consists of approximately 80,000 hectares within the Sault Ste. Marie Mining Division located in Ontario. The Sugar Zone Property includes 4 mining leases (1,467 hectares), with the remainder held in the form of unpatented mining claims. The Company holds a 100% interest in all of these.

Harte Gold Corp.
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Notes to the Condensed Financial Statements
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 (unaudited)

7. EXPLORATION AND EVALUATION EXPENDITURES cont'd

Certain of these claims and leases are subject to net smelter royalties ("NSR") ranging from 3.0% to 3.5% in favour of the original vendors of the properties which can be reduced by 1.5% upon payments of up to \$3.0 million.

The following costs have been capitalized to exploration and evaluation expenditures in respect of the Sugar Zone Property.

	June 30, 2017	December 31, 2016
Opening Balance	\$ 44,170,665	\$ 29,397,307
Expenditures incurred during the year		
Land costs	224,807	208,650
Environmental Rehabilitation Provision (note 9)	348,029	1,022,854
Mill Construction	2,186,534	-
Mining and Bulk Sample costs	15,023,336	27,277,405
Bulk Sample revenues	(10,004,718)	(17,707,193)
Exploration geophysics, drilling and assays	6,364,988	1,722,817
Site access	231,711	381
White River overhead costs	821,985	214,966
Engineering and Exploration consultants	1,725,132	191,383
Direct management/employees	1,081,334	1,164,865
Stock-based compensation (note 13)	336,242	659,519
Amortization of vehicles (note 6)	25,794	15,924
Other costs	1,250	1,787
Total for this period	18,366,424	14,773,358
Closing Balance end of period	\$ 62,537,089	\$ 44,170,665

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 and consists of a 90% interest in 9 claims and a 100% interest in 25 claims in the Larder Lake Mining Division of Ontario.

In 2009, the Company concluded that it should prioritize the Sugar Zone Property and recorded an impairment provision against the Stoughton-Abitibi Property. Minimal exploration activity has taken place since then, and any costs incurred have similarly been provided for as an additional impairment provision. In view of the current poor investment climate for mining exploration properties on which no indications of resources exist, management have concluded that it would be too speculative to estimate a recoverable amount for the Stoughton-Abitibi Property in excess of \$nil at June 30, 2017.

Harte Gold Corp.
 (An Exploration Stage Company)
Notes to the Condensed Financial Statements
For the Six Months Ended June 30, 2017
 (unaudited)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2017	December 31, 2016
Accounts Payable	\$ 9,663,133	\$ 6,843,721
Deferred Contract Mining Fee (note 17)	-	2,065,774
Accrued Liabilities	679,236	1,475,057
Total accounts payable and accrued liabilities	\$ 10,342,369	\$ 10,384,552

9. ENVIRONMENTAL REHABILITATION PROVISION

Pursuant to the Sugar Zone Mine Closure Plan, the Company is obligated to rehabilitate the Sugar Zone site. The cost of such rehabilitation work was estimated at an amount of \$1,370,807 in late 2016 and increased by \$348,029 in May 2017. On May 15, 2017, a Notice of Material Change was approved, permitting the Company to construct its mill. Accordingly, the additional rehabilitation liability was recorded to adjust the liability previously estimated in 2016.

Environmental Rehabilitation Provision at January 1, 2017	\$ 1,370,807
Rehabilitation liability arising during the period	348,029
Environmental Rehabilitation Provision at June 30, 2017	\$ 1,718,836

10. LONG-TERM DEBT

a) Secured Notes

In March 2016, the Company completed a non-brokered private placement of \$2,500,000 Secured Notes (the "Notes"). The Notes bear interest at a rate of 15% per annum, payable quarterly in arrears. Principal is repayable on the second anniversary (March 31, 2018), and can be prepaid after April 1, 2017 with payment of interest in full for the particular quarter. The Notes are secured by a charge on the mining leases and unpatented mining claims of the Sugar Zone Property. In connection with the Notes, the Company issued 4 warrants per \$1.00 principal amount of the Notes (10,000,000 warrants in total). Each warrant is exercisable into one common share of the Corporation on payment of \$0.15 on or before the date that is twenty-four (24) months from Closing, provided that should the closing price of the common shares of the Corporation on the Toronto Stock Exchange be equal to or greater than \$0.20 for a period of 10 consecutive trading days any time after the Closing Date, the Corporation may accelerate the Expiry Date of the Warrants by giving notice to the holders thereof through the issuance of a press release by the Corporation and in such case, the Warrants will expire on the 30th day after the date on which such notice is given by the Corporation. In connection with the placement of the Notes, the Company paid finders fees of \$72,750 cash and 291,000 warrants. Each finders warrant is exercisable for a period of 24 months from closing at a price of \$0.15 per common share.

The Notes have been accounted for as a compound financial instrument. The amount allocated to the liability component (\$2,042,949) was determined by estimating the fair value of the debt assuming no equity component, and the balance was allocated to the warrants (\$384,301). Subsequently, the liability amount is accreted with an effective interest rate of 27% so that the balance outstanding will be \$2,500,000 on maturity, March 31, 2018. Accretion results in additional non-cash interest expense recorded for the duration of the Notes.

Balance beginning of period	\$ 2,203,254
Loan Accretion	108,278
Balance end of period	\$ 2,311,532

Harte Gold Corp.
 (An Exploration Stage Company)
Notes to the Condensed Financial Statements
For the Six Months Ended June 30, 2017
 (unaudited)

10. LONG TERM DEBT cont'd

b) Mortgage Payable

On January 31, 2017, Harte Gold acquired land and buildings in White River at a cost of \$340,000 to be used as accommodation for its employees. The vendors took back a mortgage of \$190,000, repayable annually over 3 years and secured by the property. Principal and interest payments on each of February 1, 2018 through 2020. Interest accrues at a rate of 3.0% per annum. Future principal payments are as follows:

February 1, 2018	\$60,000
February 1, 2019	\$60,000
February 1, 2020	\$70,000

Long-term Debt

Secured notes	\$ 2,311,532
Mortgage payable	\$ 190,000
	<u>\$ 2,501,532</u>
Current portion of long-term debt	<u>\$ (2,371,532)</u>
Long-term portion of debt	<u>\$ 130,000</u>

11. FLOW-THROUGH LIABILITIES

Flow-through liabilities include the deferred premium portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through issues.

Balance on December 31, 2015	\$ 60,000
Settlement of liability through renouncement in Q1 2016	(60,000)
Liability incurred on flow-through shares issued March 31, 2016	65,000
December 14, 2016	4,615,385
Balance on December 31, 2016	\$ 4,680,385
Settlement of liability through renouncement in Q1 2017	(4,680,385)
Balance on June 30, 2017	\$ -

On April 29, 2016, Harte Gold completed its third and final closing of a non-brokered private placement financing of 10,000,000 flow-through units at a price of \$0.20 per unit for gross proceeds of \$2,000,000. Each unit consists of one flow-through common share and one-half common share purchase warrant. Each full warrant is exercisable at \$0.25 per common share for a period of 24 months from closing, subject to an acceleration clause on 30 days' notice should the Company's common shares trade at \$0.30 or higher for a period of 10 consecutive trading days. Terms and conditions were identical on each tranche. A flow-through share premium of \$65,000 was recorded on the financing. As of June 30, 2017, all funds had been spent.

On December 14, 2016, Harte Gold completed a bought deal offering of 38,461,538 flow-through common shares at a price of \$0.39 per share, for gross proceeds of \$15,000,000. A flow-through share premium of \$4,615,385 was recorded on this financing. As of June 30, 2017, all funds had been spent.

Harte Gold Corp.
(An Exploration Stage Company)
Notes to the Condensed Financial Statements
For the Six Months Ended June 30, 2017
(unaudited)

12. CAPITAL STOCK

The Company is authorized to issue an unlimited number of common shares without par value.

Number of shares issued and outstanding.

The issued and outstanding common shares are as follows:

	June 30,	December 31,
	2017	2016
Balance beginning of period	430,763,904	306,354,364
Private placement of units and shares	-	46,833,333
Private placement of flow-through units (note 11)	-	48,461,538
Shares issued to Technica (note 21)	-	4,249,600
Options exercised	1,130,000	700,000
Warrants exercised	22,869,570	24,165,069
Balance end of period	454,763,474	430,763,904

On July 20, 2016, Harte Gold completed a non-brokered private placement financing of 13,500,000 units at a price of \$0.30 per unit for gross proceeds of \$4,050,000. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable at \$0.35 per common share for a period of 24 months from closing.

On December 14, 2016, Harte Gold completed a brokered private placement financing of 33,333,333 common shares at a price of \$0.30 per share, for gross proceeds of \$10,000,000.

13. STOCK OPTION PLAN

The Company has established a stock option plan to provide additional incentives to officers, directors, employees and consultants in their efforts on behalf of the Company in the conduct of its affairs. The terms of the stock option plan provide that the directors have the right to grant options to acquire common shares of the Company at not less than the closing market price of the shares on the day preceding the grant. The number of shares reserved for issuance is not to exceed 10% of the issued and outstanding common shares from time-to-time. At June 30, 2017, the Company had 9,851,347 (December 31, 2016 – 8,456,390) common shares available for granting of future options.

Under the terms of the plan, options vest immediately unless otherwise determined by the Board, and expire on the fifth anniversary from the date of issue unless otherwise specified. As at June 30, 2017, a total of 35,625,000 (December 31, 2016, 34,620,000) options were outstanding under the stock option plan.

Harte Gold Corp.
(An Exploration Stage Company)
Notes to the Condensed Financial Statements
For the Six Months Ended June 30, 2017
(unaudited)

13. STOCK OPTION PLAN cont'd

	June 30, 2017		December 31, 2016	
	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options
Outstanding beginning of period	\$ 0.14	34,620,000	\$ 0.14	23,800,000
Transactions during the period:				
Granted	\$ 0.42	1,600,000	\$ 0.175	1,200,000
Granted	\$ 0.70	900,000	\$ 0.350	11,600,000
Granted	\$ 0.71	150,000		
Exercised	\$ 0.10	(650,000)	\$ (0.10)	(600,000)
Exercised	\$ 0.30	(380,000)	\$ (0.15)	(100,000)
Exercised	\$ 0.35	(100,000)		
Cancelled	\$ 0.10	(35,000)	\$ (0.10)	(150,000)
Cancelled	\$ 0.30	(55,000)	\$ (0.30)	(200,000)
Cancelled	\$ 0.35	(100,000)		
Cancelled	\$ 0.42	(125,000)		
Expired	\$ 0.30	(50,000)	\$ (0.50)	(150,000)
Expired	\$ 0.35	(150,000)	\$ (0.47)	(780,000)
Outstanding at end of period	\$ 0.23	35,625,000	\$ 0.20	34,620,000
Exercisable at end of period	\$ 0.21	33,525,000	\$ 0.20	33,695,000

The following table provides additional information regarding stock options outstanding at June 30, 2017.

Expiry Date	Exercise price	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
* July 7, 2017	\$0.30	0.02	2,250,000	2,250,000
April 25, 2019	\$0.10	1.82	6,040,000	6,040,000
May 9, 2019	\$0.15	1.86	50,000	50,000
July 31, 2019	\$0.30	2.08	5,000	5,000
October 14, 2020	\$0.10	3.29	11,455,000	11,455,000
November 9, 2020	\$0.10	3.36	600,000	600,000
March 22, 2021	\$0.175	3.73	1,200,000	950,000 ⁽¹⁾
December 14, 2021	\$0.35	4.46	11,500,000	11,075,000 ⁽⁵⁾
February 26, 2022	\$0.42	4.66	1,475,000	1,100,000 ⁽⁶⁾
May 1, 2022	\$0.70	4.84	900,000	325,000 ⁽²⁾
May 29, 2022	\$0.71	4.92	150,000	150,000
	\$0.23	3.33	35,625,000	33,525,000

* Notice of exercise was received on June 20, 2017 however exercise was delayed to July 7, 2017 due to black out provisions of the Corporation's Insider Trading Policy.

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13. STOCK OPTION PLAN cont'd

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 December 31, 2016 and the six months ended June 30, 2017:

Grant date	22-Mar-16	14-Dec-16	26-Feb-17	1-May-17	29-May-17
Number of options	1,200,000 ⁽¹⁾	11,600,000 ⁽⁵⁾	1,600,000 ⁽⁶⁾	900,000 ⁽²⁾	150,000
Share price	\$ 0.175	\$ 0.270	\$ 0.420	\$ 0.690	\$ 0.710
Exercise price	\$ 0.175	\$ 0.350	\$ 0.420	\$ 0.700	\$ 0.710
Expected life in years	5	5	5	5	5
Volatility ⁽³⁾	93.83%	93.62%	93.05%	93.83%	93.83%
Risk-free interest rate	0.65%	1.07%	1.33%	0.92%	0.86%
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Fair value per option ⁽⁴⁾	\$ 0.124	\$ 0.182	\$ 0.2989	\$ 0.4902	\$ 0.5056
Fair value assigned to options	\$ 149,226	\$ 2,109,741	\$ 478,223	\$ 441,214	\$ 75,845

¹ 330,000 options of these options vest over time based on the occurrence of certain future events. 500,000 of these options were issued as a result of an extension of non-vested options previously expired.

² 325,000 of these options were vested as of May 1, 2017; 75,000 of these options vest based on the occurrence of certain future events, and 500,000 of these options vest on its one year anniversary date.

³ Volatility is determined based on historical share prices

⁴ Where options have been granted in which vesting is conditional upon future events, the fair value has been estimated taking into account the probability and timing of meeting those future events, and the fair value is recognized based on these probabilities.

⁵ 300,000 of these options vest over time based on the occurrence of certain future events.

⁶ 250,000 of these options vest over time based on the occurrence of certain future events.

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14. WARRANTS

As at June 30, 2017, there were 23,264,853 (December 31, 2016 – 46,256,584) warrants to purchase common shares outstanding. Warrants expire as follows:

	Exercise Price	Warrants	Expiry date
Balance at December 31, 2015		44,404,663	
Expired		(5,416,256)	
Exercised		(24,165,069)	
Issued on secured notes	\$ 0.15	10,291,000	March 22, 2018
Issued	\$ 0.25	1,625,000	March 31, 2018
Issued for finder's fee	\$ 0.22	195,000	March 31, 2018
Issued	\$ 0.25	2,875,000	April 20, 2018
Issued for finder's fee	\$ 0.22	245,400	April 20, 2018
Issued	\$ 0.25	500,000	April 29, 2018
Issued for finder's fee	\$ 0.22	48,000	April 29, 2018
Issued	\$ 0.35	13,500,000	July 20, 2018
Issued for finder's fee	\$ 0.375	1,000,000	December 14, 2018
Issued for finder's fee	\$ 0.49	1,153,846	December 14, 2018
Balance at December 31, 2016		46,256,584	
Expired		(122,161)	
Exercised		(22,869,570)	
Balance at June 30, 2017		23,264,853	

The weighted average share price on the date of exercise was \$0.54 (2016 - \$0.21).

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14. WARRANTS cont'd

The following tables summarize assumptions used with the Black-Scholes valuation model for the determination of the value allocated to the warrants issued as part of the unit financings during the years ended December 31, 2016 and the six months ended June 30, 2017:

Issue date	22-Mar-16	31-Mar-16	31-Mar-16	20-Apr-16	20-Apr-16
Number of warrants	10,291,000	1,625,000	195,000 ¹	2,875,000	245,400 ¹
Share price	\$ 0.175	\$ 0.18	\$ 0.18	\$ 0.24	\$ 0.24
Exercise price	\$ 0.15	\$ 0.25	\$ 0.22	\$ 0.25	\$ 0.22
Expected life in years	2.0	2.0	2.0	2.0	2.0
Volatility ⁽²⁾	117.92%	117.92%	117.92%	117.82%	117.82%
Risk-free interest rate	0.54%	0.54%	0.54%	0.62%	0.62%
Dividend yield	0%	0%	0%	0%	0%
Fair value per warrant	\$ 0.1100	\$ 0.0954	\$ 0.1002	\$ 0.1415	\$ 0.1476
Fair value of warrants issued	\$ 1,132,010	\$ 155,024	\$ 19,540	\$ 406,736	\$ 36,232
Relative fair value assigned to warrants	\$ 384,301	\$ 136,165	\$ -	\$ 261,788	\$ -

Issue date	29-Apr-16	29-Apr-16	20-Jul-16	14-Dec-16	14-Dec-16
Number of warrants	500,000	48,000 ¹	13,500,000	1,000,000 ¹	1,153,846 ¹
Share price	\$ 0.24	\$ 0.24	\$ 0.28	\$ 0.27	\$ 0.27
Exercise price	\$ 0.25	\$ 0.22	\$ 0.35	\$ 0.375	\$ 0.490
Expected life in years	2.0	2.0	2.0	2.0	2.0
Volatility ⁽²⁾	117.82%	117.82%	112.03%	98.49%	98.49%
Risk-free interest rate	0.67%	0.67%	0.59%	0.79%	0.79%
Dividend yield	0%	0%	0%	0%	0%
Fair value per warrant	\$ 0.1415	\$ 0.1477	\$ 0.1473	\$ 0.1181	\$ 0.1007
Fair value of warrants issued	\$ 70,761	\$ 7,089	\$ 1,987,956	\$ 118,101	\$ 116,164
Relative fair value assigned to warrants	\$ 45,540	\$ -	\$ 1,395,854	\$ -	\$ -

¹ In the absence of a reliable measure of the services received, the services have been measured at the fair value of the finder's warrants issued.

² Volatility is determined based on historical share prices.

The expiry dates of warrants outstanding as of June 30, 2017 are as follows:

Expiry date	Number of warrants outstanding	Exercise price	Weighted average remaining contractual life (years)
December 17, 2017	50,000	\$ 0.15	0.47
March 22, 2018	5,811,000	\$ 0.15	0.73
April 20, 2018	1,712,562	\$ 0.25	0.81
April 20, 2018	134,445	\$ 0.22	0.81
April 29, 2018	400,000	\$ 0.25	0.83
April 29, 2018	3,000	\$ 0.22	0.83
July 20, 2018	13,000,000	\$ 0.35	1.05
December 14, 2018	1,000,000	\$ 0.38	1.46
December 14, 2018	1,153,846	\$ 0.49	1.46
	23,264,853	\$ 0.30	0.99

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15. INCOME (LOSS) PER SHARE

The calculation of the basic earnings per share for the six months ended June 30, 2017 was based on the income (loss) attributable to common shareholders of \$3,069,551 (loss for the six months ended June 30, 2016 - \$796,906) and a weighted average number of common shares outstanding of 444,515,977 (June 30, 2016 – 313,278,012).

There have been no significant capital transactions from the reporting date to the date of this filing which have had a material impact on earnings per share.

Income (loss) for the six months ended June 30, 2017 divided by weighted average number of common shares outstanding is equal to \$0.007 per share.

Numerator	\$3,069,551
Denominator	444,515,977
Earnings per share	\$ 0.007

16. RELATED PARTY TRANSACTIONS

Balances and transactions with related parties as at and in the six months ended June 30, 2017 were as follows:

For period ended June 30, 2017	Amount charged	Due (to) from
Silvermet Inc.	\$ 51,064	\$ 10,412
Global Atomic Fuels Corporation	105,000	30,000

Amounts due to or from related parties are unsecured, non-interest bearing and due on demand. These are settled on a regular basis. These companies are related parties since one or more directors, officers and consultant are associated with these companies in the same capacity. The related party payments to Silvermet relate to reimbursement for Harte Gold's share of the office lease and are expensed. The related party payments to Global Atomic Fuels Corporation reimburse for Harte Gold's share of office supplies expenses, and are expensed as incurred. Transactions with related parties were in the normal course of operations and were measured at the same value as if the transactions had occurred with non-related parties.

For the period ended June 30, 2017, the Company paid key management personnel, including officers, directors or their related entities for consulting services and/or management services, as follows:

	June 30, 2017	December 31, 2016
Management and consulting fees	\$ 348,000	\$ 906,000
Consulting fees included in exploration and evaluation expenditures	200,100	470,200
Stock based compensation		
- expensed to the Statement of Operations and Comprehensive Loss	149,445	1,498,519
- capitalized to exploration and evaluation expenditures	-	428,696
	\$ 697,545	\$ 3,303,415

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17. COMMITMENTS

During 2015, the Company entered into a contract with Technica Group Inc. ("Technica") to complete the Bulk Sample work on a contract basis. The contractor fee was deferred and settled in part on December 30, 2016 with the issuance of 4,249,600 shares to Technica at a price of \$0.35 per share. The balance was settled in cash in June 2017, with some final amounts to be closed out. Harte Gold entered into a new contract with Technica Group Inc. on March 26, 2017 for additional ramp, sill and vent raise development to be completed under the new production permit, at a cost of \$12 million.

An engineering, procurement and construction management contract in the amount of \$2.3 million was entered into with Halyard Inc. on March 23, 2017 for construction of a mill. Since then, commitments of \$9.2 million had been entered as of June 30, 2017 for various mill components, of which, \$1.5 million had been paid by June 30, 2017.

In accordance with a 2010 agreement, the Company has acquired a 100% interest in 3 claims known as the Halverson claims, which are subject to a 3% net smelter royalty. The Company must make 5 annual royalty prepayments of \$20,000 for the 5 years ended June 28, 2019. If an economically viable deposit is found within that period, these payments (\$100,000 cumulatively) are deemed to be a prepayment of royalties. Otherwise, the royalty obligation is cancelled on completion of the 5 payments.

The Company also has a commitment under a site access agreement to pay \$20,000 per annum during exploration and \$70,000 per annum upon commercial production, subject to a cumulative maximum of \$500,000.

In connection with the issuance of flow-through shares and the related renunciation of exploration expenditures, the Company commits to spend such funds on eligible exploration expenditures (see note 11).

18. SUBSEQUENT EVENTS

On July 5, 2017, Harte Gold completed a brokered private placement financing of 40,323,500 common shares at a price of \$0.62 per share for gross proceeds of \$25,000,570 and costs of \$1,003,376 for net proceeds of \$23,997,154.