

**HARTE GOLD CORP.**  
**Management's Discussion and Analysis of Financial Condition and Results of Operations**  
**for the 9 months ended September 30, 2014**

The following discussion of the results of operations and financial condition of Harte Gold Corp. ("Harte Gold" or "the Company") prepared as of November 7, 2014 summarizes management's review of the factors that affected the Company's financial and operating performance for the nine months ended September 30, 2014, 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 nine months ended September 30, 2014 ("Unaudited Interim Financial Statements") and the notes thereto, which were prepared in accordance with International Financial Reporting Standards ("IFRS").

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 2013 Audited Financial Statements and the Company's Annual Information Form are available at [www.sedar.com](http://www.sedar.com) and at the Company's website [www.hartegold.com](http://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 gold exploration projects: the 100% owned Sugar Zone Property, located 60 km east of the Hemlo area gold mines and northeast of the town of White River as well as the Stoughton-Abitibi Property (formerly Stoughton-Porcupine), located 110 km east of Timmins and held 100% for the majority of the claims and 90% for the remaining claims.

The Company's exploration and mine development activities are focused on the Sugar Zone Property which consists of 414 contiguous claims (comprising 1,844 contiguous claim units) and covers approximately 29,300 hectares. The Property covers an entire greenstone belt which includes the Sugar Zone Deposit within a surrounding buffer zone of claims. The Property contains an NI 43-101 compliant Indicated Resource of 980,900 tonnes, grading 10.13 g/t for 319,280 ounces of contained gold (uncapped) and an Inferred Resource of 580,500 tonnes, grading 8.36 g/t for 155,960 ounces of contained gold (uncapped).

Exploration work on the Stoughton-Abitibi Property has been limited in recent years as the Company focuses on the Sugar Zone mine development and regional exploration. An airborne survey completed in Q4 2013 identified structural controls and potential drill targets on Stoughton-Abitibi which will be followed up in the near future.

## **SUGAR ZONE PROPERTY - DEVELOPMENT UPDATE**

Preparations for the 70,000 tonne bulk sample have continued. Completion of the site access road was undertaken after ground conditions had dried sufficiently and the road is now complete. A decision was made to relocate the portal, which resulted in some minor changes to the site infrastructure configuration. Harte Gold is awaiting final approval of these changes to its bulk sample permits, which is expected shortly.

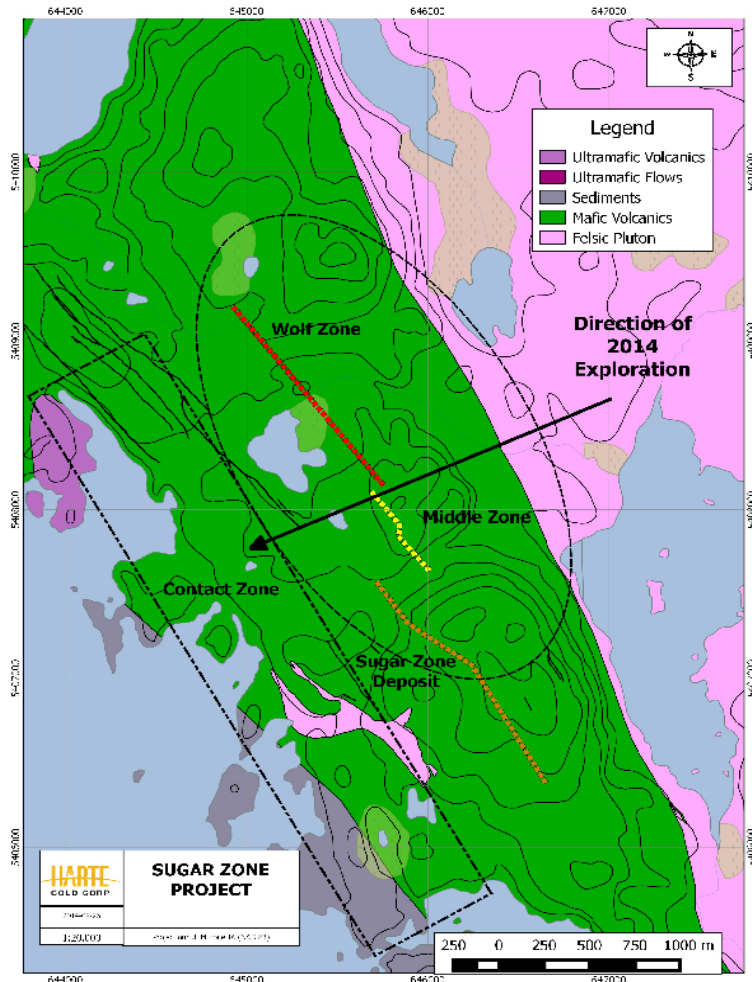
Discussions are underway with various contract miners for the bulk sample, and a selection is expected by year end. Harte Gold is also negotiating final terms for custom milling of the bulk sample ore. The economics of the bulk sample are being updated for these items and mining is now scheduled to begin in May, 2015, contingent on gold pricing and financing.

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**SUGAR ZONE PROPERTY - EXPLORATION UPDATE**

Harte Gold has completed significant exploration work on the Sugar Zone Property in the current year. Key initiatives included the following:

- A winter lake bottom sediment sampling and analysis program “up ice” and east of the high grade Peacock boulder (87 grams per tonne).
- A Phase 1 Induced Polarization and Magnetic (“IP/Mag”) survey in the spring, to the east of the Wolf and Sugar Zones, designed to find the source of the Peacock boulder.
- A Phase 2 extension of the IP/Mag survey to the north and south of the Phase 1 survey to assist in identifying the geological structural controls in the survey area, which led to extensions of both the Sugar and Wolf Zones.
- 5,000 + meter (45 hole) drill program was completed during August and September.
- Drilling has confirmed that the Wolf Zone was the source of the Peacock boulder.
- Drilling resulted in extensions of the identified Wolf Zone mineralization. Further drilling on this target area needs to be completed in order to generate a resource for the Wolf Zone.
- Geological and structural analysis was completed in the area surrounding the Sugar and Wolf Zones, and further drilling will test new targets west of the Sugar Zone, where the Sedimentary horizon meets the Volcanics, referred to as the “Contact Zone”.



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An IP/Mag survey is currently under way on the Contact Zone, which will help identify drill targets. A 2,000 metre drill program is scheduled during the winter to test the Contact Zone area.

**RESULTS OF OPERATIONS**

The Unaudited Interim Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and its interpretations adopted by the International Accounting Standards Board ("IASB").

	<b>3 Months Ended September 30, 2014</b>	3 Months Ended September 30, 2013	<b>9 Months Ended September 30, 2014</b>	9 Months Ended September 30, 2013
<b>Results of Operations</b>				
Net Income (Loss)	\$ (240,073)	\$ (132,743)	\$ (560,429)	\$ (20,279)
Income / (Loss) per weighted average share	(0.001)	(0.001)	(0.003)	-
<b>Balance Sheet</b>	<b>September 30, 2014</b>	December 31, 2013		
Total Assets	\$ 25,205,644	\$ 22,296,997		
Cash and cash equivalents	2,009,655	824,189		
Exploration and evaluation expenditures	22,618,553	20,959,732		

During the 9 months ended September 30, 2014, the Company recorded a loss of \$560,429 compared to a net loss of \$29,279 for the 9 months ended September 30, 2013. The major differences relate to recognition of flow-through share premiums, which were significantly higher in Q1 2013 compared with Q1 2014 and the expenses related to stock-based compensation in Q2 & Q3 2014 (\$nil in 2013). For the 3 months ended September 30, 2014, the Company incurred a loss of \$240,073 compared to a loss of \$132,743 for the 3 months ended September 30, 2013.

Excluding income recognized from the flow-through share premiums and expenses related to stock-based compensation, corporate costs were \$410,821 for the 9 months ended September 30, 2014 compared to \$405,242 for the 9 months ended September 30, 2013 (\$123,181 for the 3 months ended September 30, 2014 compared to \$132,743 for the 3 months ended September 30, 2013).

For the 9 month period ended September 30, 2014, the Company's cash and cash equivalent position increased to \$2,009,655 from \$824,189 at December 31, 2013. Cash was used to fund exploration and general corporate expenses.

**Financing**

The Company has completed \$3,205,126 in private placements in the 9 months to September 30, 2014 (\$1,450,100 of which were flow-through) compared to \$1,885,700 for all of 2013 (\$1,383,620 of which was flow-through). Of these amounts, \$1,675,126 was raised in private placements during Q3 2014, compared to \$1,292,080 during the same period in 2013. No funds were raised during Q2 2013.

Additionally, proceeds of \$343,020 were received from warrants exercised in 2014 (\$180,733 in Q3 and \$162,287 in Q2) No warrants were exercised in 2013.

**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.

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The following summarizes the major components of corporate expenses:

<b>Expenses</b>	<b>3 Months Ended September 30, 2014</b>	<b>3 Months Ended September 30, 2013</b>	<b>9 Months Ended September 30, 2014</b>	<b>9 Months Ended September 30, 2013</b>
Stock-based compensation	\$ 118,936	\$ -	\$ 387,584	\$ -
Office and general	32,515	35,601	94,917	90,307
Management and consulting	60,000	60,000	180,000	180,000
Professional fees	10,030	13,575	35,079	47,062
Shareholder information	19,135	21,426	95,619	82,886
Flow-through share premium	-	-	(234,278)	(370,771)

- The stock-based compensation expense reflects the granting of 8,640,000 options in the 9 months ended September 30, 2014, of which 5,300,000 were included as expense and 3,340,000 were included as part of exploration and evaluation expenditures. Of these, 750,000 options were granted in the 3 months ended September 30, 2014, of which, 550,000 were included as expense and 200,000 were included as part of exploration and evaluation expenditures. Additionally, the exploration and evaluation expenditures include a cost for the vesting of certain stock options that were granted in 2011. No stock options were granted during the 9 months ended September 30, 2013.
- In Q1 2014, the Company renounced the expenses related to the 2013 flow-through share issues, resulting in an income amount of \$234,278. \$370,771 was recognized in Q1 2013 and as a result of renouncing expenses related to the June, July and December 2012 flow-through share issues.

**SUMMARY OF QUARTERLY RESULTS**

	<b>2014</b>			<b>2013</b>			<b>2012</b>	
	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>
Total Revenue	\$ 2,044	\$ 716	\$ 937	\$ 6,336	\$ -	\$ 1,260	\$ 3,932	\$ 2,342
Net Income / (Loss)	(240,073)	(418,840)	98,484	(742,191)	(132,743)	(116,415)	219,878	(171,946)
Income / (Loss) per Share - basic and fully diluted	(0.001)	(0.002)	-	(0.003)	(0.001)	(0.001)	0.001	(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. No stock option expenses were recorded in Q1 2014, all of 2013 and Q3 and Q4 of 2012. In Q2 2014, the Company recorded stock option expense of \$268,648. Q3 2014, stock option expense was \$118,936.

Income from flow-through share issuance premiums of \$234,278 was recognized in Q1 2014 compared to \$370,771 in Q1 2013.

**LIQUIDITY AND CAPITAL RESOURCES**

The Company had a working capital surplus of \$2,072,625 at September 30, 2014 (working capital surplus of \$510,263 at December 31, 2013) excluding the liabilities for contingency provisions and flow-through share premiums.

During the 9 months ended September 30, 2014, \$1,427,319 was spent on exploration and evaluation costs for the Sugar Zone Property, excluding non-cash items (\$895,262 during the 3 months ended September 30, 2014).

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The Company expects to issue additional common shares to finance exploration and evaluation programs as warranted.

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.

The Company made application to the Ministry of Northern Development and Mines ("MNDM") in Q4 2012 for a 70,000 tonne Advanced Exploration and Bulk Sample at the Sugar Zone deposit. The application included the submission of a Closure Plan, in connection with which Harte Gold provided funds to be held in trust by the MNDM to satisfy such Closure Plan requirements (\$351,119 at September 30, 2014). The MNDM approved the Closure Plan in February 2013 and all permits required to conduct the bulk sample have been received. The Company will require additional funding to proceed with the bulk sample.

#### **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**

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 subsequently filed the required documents with CRA related to the issuance of flow-through common shares during this period. During the year ended December 31, 2013, the Company paid a CRA assessment notice in respect of the Part XII.6 interest and penalties and reimbursed investors for a total expenditure of \$323,608. The Company estimates that the remaining provision of \$103,817 is sufficient for any additional reimbursements that may be required.

The Company has filed a claim against former directors and officers of the Company that were retained, employed or otherwise engaged by the Company during the relevant period, for damages of \$750,000 relating to CRA liabilities and indemnity of \$750,000 for any amounts that may need to be reimbursed to investors. As any recovery by the Company is uncertain, no amount has been included in the financial statements for any such potential recovery.

#### **FINANCIAL INSTRUMENTS**

As at September 30, 2014, 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 has no debt instruments.

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**RISKS AND UNCERTAINTIES**

The exploration and development of mineral properties involves a high degree of risk, and the successful achievement of a profitable operation cannot be assured. 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. Costs of finding and evaluating an ore body are substantial, and may take several years to complete. The Company must overcome many risks associated with an early stage exploration property. Outstanding items to be completed include, but are not limited to, identification and quantification of a commercially viable ore body, confirmation of the Company's interest in the underlying claims and leases, completion of a feasibility study, funding of all costs to a commercial operating venture, completion of the permitting process, detailed engineering and procurement of a processing plant, and constructing a facility to support the mining activity. Construction and operational risks including, but not limited to, equipment and plant performance, metallurgical, environmental, cost estimation accuracy, and workforce performance and dependability will all affect the profitability of an operating property.

External financing, primarily through the issuance of common shares, will be required to fund the Company's activities. There can be no assurance that the Company will be able to raise the requisite financing in the future.

**OUTSTANDING SHARE DATA AS OF November 7, 2014**

Issued and outstanding common shares	<b>235,465,867</b>
Share purchase warrants	<b>29,433,398</b>
Options	<b>21,450,000</b>
Fully Diluted shares	<b>286,349,265</b>

**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. There have been no material changes in the Company's internal control over financial reporting during the nine months ended September 30, 2014 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

**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

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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.

November 7, 2014

"Stephen G. Roman"

Stephen G. Roman  
Chairman, President and CEO

"Rein A. Lehari"

Rein A. Lehari, CPA, CA  
Chief Financial Officer