HARTE GOLD CORP.

Interim Financial Statements (unaudited)

For the three months ended February 28, 2010

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim financial statements of Harte Gold Corp. were prepared by management in accordance with Canadian generally accepted accounting principles. The most significant of these accounting principles have been set out in the November 30, 2009 audited financial statements. Only changes in accounting policies have been disclosed in these unaudited interim financial statements. Management acknowledges responsibility for the preparation and presentation of the period end unaudited interim financial statements, including responsibility for significant accounting judgements and estimates and the choice of accounting principles and methods that are appropriate to the Corporation’s circumstances.

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

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

Harte Gold Corp.

(An Exploration Stage Company)

Balance Sheets (unaudited)

As at	**February 28, 2010**	November 30, 2009
Assets		
Current Assets		
Cash	**$ 620,852**	$ 29,166
GST recoverable	**1,672**	981
	622,524	30,147
Mineral properties *(note 3)*	**2,150,925**	2,109,768
	$ 2,773,449	$ 2,139,915
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	**$ 602,249**	$ 575,086
	602,249	575,086
Shareholder's Equity		
Capital stock (note 5)	**10,725,398**	10,161,956
Contributed surplus (note 6)	**1,050,892**	1,040,435
Deficit	**(9,605,090)**	(9,637,562)
	2,171,200	1,564,828
	$ 2,773,449	$ 2,139,915

Going Concern (note 1)

Contingencies (note 9)

Subsequent Events (note 11)

On behalf of the Board:

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

"H. Douglas Scharf"
H. Douglas Scharf
Director

The accompanying notes are an integral part of these financial statements

Harte Gold Corp.

(An Exploration Stage Company)

Statements of Operations and Comprehensive Loss and Deficit (unaudited)

For the three months ended February 28,

	2010	2009
Revenue		
Interest Income	**$ 86**	$ -
Expenses		
Management and consulting fees (note 4)	**42,500**	32,800
Directors fees	**-**	800
Promotion and travel	**3,553**	17,772
Office and general	**6,239**	42,120
Professional fees	**12,722**	78,600
Stock-based compensation (note 5)	**7,785**	256,410
Shareholders' information	**7,648**	185,915
	80,447	614,417
Loss and comprehensive loss before income taxes	**(80,361)**	(614,417)
Future income tax recovery	**112,833**	-
Net Income (Loss) and Comprehensive Income (Loss)	**$ 32,472**	$ (614,417)
Deficit beginning of year	**(9,637,562)**	(5,913,570)
Deficit end of year	**$ (9,605,090)**	$ (6,527,987)
Net Income (Loss) per share - basic and fully diluted	$ 0.001	$ (0.014)
Weighted average number of shares outstanding		
- Basic and fully diluted	**62,125,900**	45,019,231

The accompanying notes are an integral part of these financial statements

Harte Gold Corp.

(An Exploration Stage Company)

Statements of Cash Flow (unaudited)

For the three months ended February 28,

	2010	2009
Operations		
Net income (loss)	**$ 32,472**	$ (614,417)
Adjustments to reconcile net income (loss) to cash flow from operating activities:		
Future income tax recovery	**(112,833)**	-
Stock-based compensation	**7,785**	256,410
GST recoverable	**(691)**	(8,107)
Accounts payable and accrued liabilities	**27,163**	47,301
	(46,104)	(318,813)
Financing		
Cost of share issuances	**(22,387)**	(8,150)
Issuance of units	**701,334**	44,500
	678,947	36,350
Investing		
Additions to mineral properties	**(41,157)**	(9,347)
	(41,157)	(9,347)
Net increase (decrease) in cash	**591,686**	(67,520)
Cash beginning of period	**29,166**	78,449
Cash end of period	**$ 620,852**	$ 10,929

The accompanying notes are an integral part of these financial statements

1. *Nature of Operations and Going Concern*

Harte Gold Corp. (The "Company" or "Harte") 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. The Company was incorporated in Ontario on January 22, 1982 and is a reporting issuer in the Provinces of Ontario, Alberta and British Columbia. The common shares of the Company trade on the TSX Venture Exchange under the symbol "HRT" and on the Frankfurt Stock Exchange under the symbol "H4O".

The Company 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. On the basis of information to date, it has not yet been determined whether these mineral properties contain economically recoverable reserves. The amounts shown as mineral properties represent costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values.

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. The underlying value of the mineral properties is entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest, the ability of the Company to obtain the necessary financing to complete development and the expectation of future profitable production.

As at February 28, 2010, the Company had working capital of $20,275 and is dependent on financing to fund exploration programs and working capital. The Company expects to incur further losses in the development of its properties, all of which casts substantial doubt about Harte's ability to continue as a going concern. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern. Such adjustments could be material. Harte's ability to continue as a going concern is dependent upon its ability to fund its exploration and development programs. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future.

2. *Significant Accounting Policies*

The accompanying unaudited interim financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles applicable for interim reporting periods. These unaudited notes to the interim financial statements do not include all disclosures required in the annual financial statements and should be read in conjunction with the audited financial statements and notes for the year ended November 30, 2009.

These unaudited interim financial statements have been prepared following the same accounting policies and methods of computation as the annual financial statements for the year ended November 30, 2009 except as described under New Accounting Policies below. In the opinion of management, all adjustments required for a fair presentation are included in these unaudited interim financial statements in accordance with the accounting policies of the Company.

New Accounting Policies

<u>Credit Risk and the Fair Value of Financial Assets and Financial Liabilities</u>
In January 2009, CICA issued EIC 173 "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities". This guidance clarified that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. This guidance is applicable to fiscal periods ending on or after January 20, 2009. Application of EIC 173 had no impact on the Company's operating results or financial position.

<u>Mining Exploration Costs</u>
In March 2009, CICA issued EIC 174, "Mining Exploration Costs" which provides guidance on the accounting and impairment review of exploration costs. The Company immediately adopted the EIC with no impact on its operating results.

Section 3064 - Goodwill and Intangible Assets
Effective December 1, 2008, the Company adopted Section 3064 "Goodwill and Intangible Assets" which establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. Adoption of this new policy had no impact on the Company's financial statements.

Section 3862 – Financial Instruments – Disclosures
In June 2009, Section 3862 was amended to require disclosures about the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly;
Level 3 – Inputs that are not based in observable market data.

The Company immediately adopted this amended standard. The only financial instrument on the balance sheet measured at fair value is cash which is measured at level 1 of the fair value hierarchy.

Future Accounting Policies

Section 1582 - Business Combinations
In October 2008, the CICA issued Handbook Section 1582, "Business Combinations", which establishes new standards for accounting for business combinations. This is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Should the Company engage in a future business combination, it would consider early adoption to coincide with the adoption of IFRS.

Section 1602 - Non-Controlling Interests
Also in October 2008, the CICA issued Handbook Section 1602, "Non-controlling Interests", to provide guidance on accounting for non-controlling interests subsequent to a business combination. This is effective for fiscal years beginning on or after January 2011.

3. *Mineral Properties*

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

		February 28, 2010		November 30, 2009
Mineral properties				
Balance, beginning of the period	**$**	**127,702**	$	907,702
Acquisition costs		**-**		-
Mineral property impairment		**-**		(780,000)
	$	**127,702**	$	127,702
Deferred exploration expenditures				
Balance, beginning of period		**1,982,066**		3,522,592
Exploration costs		**41,157**		435,607
Mineral property impairment		**-**		(1,976,133)
		2,023,223		1,982,066
Balance, end of period	**$**	**2,150,925**	$	2,109,768

Sugar Zone Property, Hemlo Gold Area
The Sugar Zone Property consists of 326 unpatented, unsurveyed, contiguous claims within the Sault Ste. Marie Mining Division located in Ontario, approximately 60 km east of the Hemlo area gold mines, 25 km north of White River off the Trans-Canada Highway (#17). The Company presently owns a 49% interest in the Property while the remaining 51% is

owned by Corona Gold Corporation. The property is subject to a 3.5% net smelter royalty ("NSR") in favour of the original vendors of the property which can be reduced to 2% through the payment of $1.5 million.

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 view of the difficulties in raising equity for exploration projects, the Company has concluded that it should prioritize the Sugar Zone Property and will not be funding exploration on the Stoughton-Abitibi Property in the foreseeable future. Although the Company continues to evaluate alternative strategies for the Stoughton-Abitibi Property, there is no longer sufficient certainty that capitalized exploration costs can be recovered and the Company recorded an impairment provision for the full amount of this property at November 30, 2009.

4. *Related Party Transactions*

Certain corporate entities that are related to the Company as a result of having common officers and/or directors, provide consulting services to the Company. These expenditures, which have been recorded at the exchange amount, are in the normal course and relate to former and current officers and directors, are summarized as follows:

For the three months ended February 28,		**2010**		2009
Management, consulting and legal fees	**$**	**30,000**	$	36,000
Consulting fees included in mineral properties		**15,000**		-
Amounts included in accounts payable owing to officers		**45,000**		-

As at February 28,		**2010**		2009
Amounts included in accounts payable owing to officers	**$**	**135,000**	$	-

5. *Capital Stock*

(a) Share Capital
The Company is authorized to issue an unlimited number of common shares without par value. Issued and outstanding common shares consist of the following:

	No. of Shares		
Balance at November 30, 2008	44,961,104	$	9,667,716
Issuance of common shares for cash:			
Private placement December 18, 2008	890,000		44,500
Private placement April 21, 2009	2,916,666		350,000
Private placement April 30, 2009	500,000		60,000
Private placement April 30, 2009	2,100,000		210,000
Future tax liability pursuant to flow through shares			(128,905)
Issuance of common shares as commission	74,000		3,700
Issuance of common shares for debt	2,450,998		220,590
Share issuance costs – cash			(109,785)
Share issuance costs – common shares			(3,700)
Fair value assigned to broker warrants			(28,802)
Fair value assigned to warrants			(123,358)
Balance at November 30, 2009	**53,892,768**	**$**	**10,161,956**

Balance at November 30, 2009	**53,892,768**	**$ 10,161,956**
Issuance of common shares for cash:		
Private placement December 23, 2009	4,000,000	200,000
Private placement December 23, 2009	6,447,624	451,334
Private placement January 18, 2010	1,000,000	50,000
Future tax liability pursuant to flow through shares		(112,833)
Share issuance costs – cash		(22,387)
Fair value assigned to Finders warrants		(2,672)
Balance at February 28, 2010	**65,340,392**	**$ 10,725,398**

Private Placements

Details of private placements completed during the year ended November 30, 2009.

Date of issuance	18-Dec-08	21-Apr-09	30-Apr-09	30-Apr-09
Units issued	890,000	2,916,666	500,000	2,100,000
Price of issue	$ 0.05	$ 0.12	$ 0.12	$ 0.10
Gross proceeds of issue	$ 44,500	$ 350,000	$ 60,000	$ 210,000
Common shares issued	890,000	2,916,666	500,000	2,100,000
Related warrants issued	445,000	1,458,333	250,000	1,050,000
Common shares issued as Finders Fees	74,000	-	-	-
Warrants issued as Finders Fees	37,000	-	-	-
Broker warrants issued as Finders Fees	-	291,666 (2)	40,000	154,000
Exercise price per purchase warrant	$ 0.10	$ 0.20 (1)	$ 0.20 (1)	$ 0.20 (1)
Exercise price per broker / finders warrant	$ 0.10	$ 0.12	$ 0.12	$ 0.10
Expiry date of warrants	31-Dec-09	30-Apr-11	30-Apr-11	30-Apr-11
Expiry date of broker / finders warrants	31-Dec-09	30-Apr-11	30-Apr-11	30-Apr-11

1) Exercise price for the first 12 months is $0.20, the exercise price increases to $0.24 for the second 12 months.

2) Broker warrants are exerciseable into units. Each Unit consists of one common share and ½ warrant. Each full warrant is exerciseable into one common share for $0.20.

In addition to the above 2,450,998 common shares were issued at a price of $0.09 in lieu of payment of $220,590 for expenses incurred regarding the Special Shareholders' Meeting held January 30, 2009.

Details of private placements completed during the three months ended February 28, 2010.

Date of issuance	23-Dec-09	23-Dec-09	18-Jan-10
Units issued	4,000,000	6,447,624	1,000,000
Price of issue	$ 0.05	$ 0.07	$ 0.05
Gross proceeds of issue	$ 200,000	$ 451,334	$ 50,000
Common shares issued	4,000,000	6,447,624	1,000,000
Warrants issued as Finders Fees	50,000	34,405	10,000
Exercise price per Finders warrant	$ 0.10	$ 0.10	$ 0.10
Expiry date of Finders warrants	22-Jun-11	22-Jun-11	19-Jul-11

During the three months ended February 28, 2010, the Company completed private placements under which it raised gross proceeds of $701,334. The Company issued 5,000,000 common shares at a price of $0.05 each and 6,447,624 flow-through common shares at a price of $0.07 each under closings December 23, 2009 and January 18, 2010. In connection with the private placements, the Company paid Finder's Fees of $12,980 cash and issued 94,405 compensation warrants. Each compensation warrant entitles the holder to acquire a common share of the Company at $0.10 per common share until June 22nd (84,405) and July 19, 2011 (10,000).

(b) Stock Options

The Company has established a stock option plan to provide additional incentive to officers, directors, employees and consultants in their efforts on behalf of the Company in the conduct of its affairs. Under the terms of the plan, options vest immediately and expire on the fifth anniversary from the date of issue unless otherwise specified. As at February 28, 2010 a total of 4,850,000 options (2009 – 4,150,000) were outstanding under the stock option plan.

	2010			2009		
	Weighted Average Exercise Price		**Number of Options**	Weighted Average Exercise Price		Number of Options
Outstanding at December 1, 2009 and 2008	**$**	**0.15**	**4,700,000**	$	0.15	2,800,000
Transaction during the period:						
Granted	**$**	**0.15**	**150,000**	$	0.15	4,500,000
Forfeited			**-**	$	0.15	(2,600,000)
Outstanding at February 28, 2010 and November 30, 2009	**$**	**0.15**	**4,850,000**	$	0.15	4,700,000
Exercisable at February 28, 2010 and November 30, 2009	**$**	**0.15**	**4,850,000**	$	0.15	4,700,000

The following table provides additional information regarding stock options outstanding at February 28, 2010

No. of Options Outstanding	**Weighted Average Remaining Life (Years)**		**Weighted Average Exercise Price**	**No. of Options Currently Exercisable**		**Weighted Average Exercise Price – Exercisable Options**
4,850,000	4.10	$	0.15	4,850,000	$	0.15

Stock-based Compensation

The following table summarizes assumptions used with the Black-Scholes valuation model for the determination of stock-based compensation costs for stock options issued during the period ended February 28, 2010:

Grant date		**20-Feb-09**		**26-May-09**		**25-Jan-10**
Number of options		3,850,000		650,000		150,000
Exercise price	$	0.15	$	0.15	$	0.15
Expected life in years		5		5		2
Volatility		95.38%		100.01%		135.69%
Risk-free interest rate		2.09%		2.28%		1.22%
Dividend yield		0.00%		0.00%		0.00%
Fair value of options granted	$	0.07	$	0.04	$	0.05
Stock-based compensation expense	$	256,410	$	24,115	$	7,785

(c) Warrants

As at February 28, 2010 there were 3,338,404 warrants to purchase common shares outstanding as follows.

	Exercise Price		Number Issued	Expiry date
Balance at December 1, 2008			4,309,500	
Issued during the period			3,725,999	
Expired during the period			(4,012,000)	
Balance at November 30, 2009			4,023,499	
Expired during the period			(779,500)	December 31, 2009
Issued	$	0.10	84,405	June 22, 2011
Issued	$	0.10	10,000	July 19, 2011
Balance at February 28, 2010			**3,338,404**	

The following table summarizes 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 three months ended February 28, 2010:

Issue date		**23-Dec-09**		**18-Jan-10**
Number of warrants		84,405		10,000
Exercise price	$	0.10	$	0.10
Expected life in years		1.5		1.5
Volatility		146.76%		147.31%
Risk-free interest rate		1.37%		1.20%
Dividend yield		0%		0%
Fair value of warrants issued	$	0.025	$	0.055
Fair value assigned to warrants	$	2,118	$	554

6. Contributed Surplus

	2010	**2009**
Balance at December 1, 2009 and 2008	1,040,435	607,750
Stock-based compensation expense (Note 5(b))	7,785	280,525
Fair Value assigned to warrants granted (Note 5 (c))	2,672	152,160
Balance at February 28, 2010 and November 30, 2009	1,050,892	1,040,435

7. Management of Capital

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

The Company defines capital as the aggregate of its shareholders' equity which is comprised of capital stock, contributed surplus, warrants and deficit. The Company invests all capital that is surplus to its immediate operational needs in short term, liquid and highly rated financial instruments, such as cash, and short term guarantee deposits, all held with major Canadian financial institutions.

8. Financial Instruments and Risk Management

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

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

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

A) Credit Risk

The Company is not exposed to major credit risk attributable to customers. Additionally, the Company's cash and short term investments are held with a high rated Canadian financial institution in Canada. The Company periodically assesses the quality of its investments with this bank and is satisfied with the credit rating of the bank and the investment grade of its short term deposits certificates.

B) Market Risk

<u>Interest Rate Risk</u>
There is no debt, interest bearing or otherwise currently outstanding. The Company may invest cash surplus to its operational needs in investment-grade short term deposits certificates issued by the bank where it keeps its Canadian Bank accounts.

<u>Foreign Currency Risk</u>
As the Company's exploration and evaluation activities are denominated in Canadian dollars and the Company's funds are kept in Canadian dollars with a major Canadian financial Institution, the Company has no current foreign exchange risk.

<u>Business Risk</u>
The Company's current or future operations, including development activities, are subject to environmental regulations which may make operations not economically viable or prohibit them altogether. The success of the operations and activities of Harte is dependent to a significant extent on the efforts and abilities of its management, outside contractors, experts and other advisors. Investors must be willing to rely to a significant degree on management's discretion and judgment, as well as the expertise and competence of the outside contractors, experts and other advisors. Harte does not have a formal program in place for succession of management and training of management. The loss of one or more of the key employees or contractors, if not replaced on a timely basis, could adversely affect Harte's operations and financial performance.

Commodity Price Risk

The price of the common shares in the capital the Company, its financial results, and exploration and development activities are exposed to commodity price risk due to changes in the price of gold or other metals it may discover. Gold prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the actions of central banks, financial institutions, expectations of inflation or deflation, currency exchange rate 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 the mining and sale of gold or interests related thereto. The effect of these factors on the price of gold, and therefore the economic viability of any of the Company's exploration projects, cannot accurately be predicted.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at February 28, 2010 the Company had current assets of $622,524 and current liabilities of $602,249. All of the Company's financial liabilities and assets have contractual maturities of less than 90 days and are subject to normal trade terms. As described in Note 4, working capital includes $135,000 accrued fees payable to officers, which are not immediately due.

9. Contingencies

Further to the Meeting of Shareholders held January 30, 2009 pursuant to which the former Board of Directors was replaced and a new management team appointed, the Company initiated an internal audit to follow up on preliminary forensic audit work undertaken in 2008 in connection with historical cash disbursements and property acquisitions.

Subsequent to the Meeting, two former officers and directors of the Company filed claims against the Company in the aggregate amount of $610,000 relating to services allegedly provided but unpaid. Management is of the position 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 not determinable.

In conjunction with the above and pursuant to an audit by the Canada Revenue Agency ("CRA") of 2003 exploration expenses, current Management also 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 that will require the Company to file and/or re-file certain documents with CRA related to the issuance of flow-through common shares during the review period.

The Company estimates it may incur interest charges and penalties associated with the foregoing and may incur other costs. These financial statements contain a provision of $146,500 to reflect the interest charges and penalties that are likely under the Part XII.6 provisions in the Income Tax Act. In addition, the Company may be obligated to reimburse investors for an estimated amount of $283,300, which has been accrued, in tax liabilities and interest due to CRA re-assessments which re-assessments are a result of flow through funds not spent within prescribed time limits. The Company is approaching CRA with a proposal to minimize payments associated with the above.

The Company has determined that it will file a claim in an amount equal to or greater than penalties, interest and any re-assessment amounts levied by CRA, against the Directors and Officers (the "former management group") retained, employed or otherwise engaged by the Company during the relevant period.

10. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's financial statement presentation.

11. Subsequent Events

On March 5, 2010, the Company entered into a Letter Agreement with Corona Gold Corporation (“Corona”) for an option to acquire Corona’s 51% interest in the Sugar Zone Property providing for:

1) An initial payment of $10,000 and the issuance of that number of common shares equal to 9.9% of the issued and outstanding common shares of Harte as at the date of the Letter Agreement and after giving effect to the issuance of such shares.

2) A $2 million cash payment on the execution of a Comprehensive Agreement, which is to be completed no more than ninety (90) days from the date of the Letter Agreement, together with the issuance of such additional number of common shares as will result in Corona holding 9.9% of the issued and outstanding common shares of Harte as at the date of the Comprehensive Agreement and after giving effect to the issuance of such shares.

3) A $90,000 cash payment on or before each sixth month anniversary of the Comprehensive Agreement until payments total $2,500,000 on or before the second anniversary of the Comprehensive Agreement or $3,000,000 on or before the third anniversary of the Comprehensive Agreement.