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Harte Gold Announces US\$82.5 Million Financing and 800 TPD Permits

Toronto – May 6, 2019 - HARTE GOLD CORP. (“Harte Gold” or the “Company”) (TSX: HRT / OTC: HRTFF / Frankfurt: H4O) is pleased to announce a total refinancing of its existing debt and receipt of approval to increase operational throughput from 540 tonnes per day (“tpd”) to 800 tpd.

Highlights

- **Senior debt financing package for US\$72.5 million provided by BNP Paribas (“BNP”)**
 - US\$52.5 million 6-year Term Loan and US\$20.0 million 3-year Revolving Credit Facility
 - Interest rate at LIBOR plus 2.875% to 3.875% based on credit ratios
 - Debt repayment starts March 31, 2020 when the Company is producing at full capacity
- **Equity investment of US\$10.0 million provided by Appian Natural Resources Fund (“Appian”)**
 - Investment is at \$0.27 per Common Share
 - Consideration in the form of Special Shares convertible into Common Shares upon shareholder approval
 - Investment represents continued validation and support from the Company’s largest shareholder
- **Proceeds will be used to repay all existing debt and strengthen the Company’s net working capital position**
 - The existing Sprott Facility and the Appian Bridge Facility will be repaid and terminated
 - The financing package will provide improved liquidity and working capital while increasing to 800 tpd
- **The refinancing provides the following significant benefits for shareholders**
 - Removes balance sheet overhang and refinancing risks, allowing the Company to focus on optimizing operations and successfully increasing production to 800 tpd
 - Partnership with a leading global financial institution who supports the continued growth of the Company
 - Revolving Credit Facility provides flexibility whereby the Company may draw on or repay at its option
 - Term Loan provides a flexible repayment schedule
 - Significantly lowers interest payments – Harte Gold was previously paying double the interest margin (LIBOR + 7.5%) under existing facilities
 - Removal of any production-linked payments, significantly decreasing the overall cost of debt
- **Approval received to increase mine production to 800 tpd**
 - On May 3rd, the Ministry of Energy, Northern Development and Mines and the Ministry of Environment, Conservation and Parks, issued permits authorizing an increase in mine production to 800 tpd
 - This provides the Company the capacity to increase gold production at minimal cost from 41,000 ounces to 65,000 ounces per year
 - Earlier than anticipated receipt of these permits will accelerate the process to achieve these production targets



Stephen G. Roman, President and CEO of Harte Gold, commented “Management and the Board have been working hard to deliver a financial restructuring which puts the Company on a sound financial footing and unlocks the significant value inherent to the Sugar Zone mine and surrounding property package. With a lower cost of debt and flexible repayment schedule, the Company can focus on reinvesting free cash flow generated from the mine into property-wide exploration and development.”

Mr. Roman added “The permitting to 800 tpd is a major achievement. We have accelerated the permitting timeline by two quarters, allowing Harte Gold to move to full scale production sooner than the conservative forecast in the Feasibility Study. This increase in production provides the Company with added cash flow and allows the mill to operate at maximum efficiency.”

Appian Transaction

- US\$10 million in Special Shares of the Company
- Provides immediate liquidity and ensures adequate cash balance to facilitate funding of BNP Debt Financing
- Special Shares are convertible into Common Shares of the Company at a fixed price of \$0.27 per Common Share
- A customary standstill agreement limits Appian’s ownership to 30% for a period of 18 months
- In addition, a standby commitment will provide an additional US\$7.5 million in non-equity financing, available at Harte Gold’s option
- Appian has also agreed to extend the due date on the outstanding bridge loan facility to coincide with closing of the BNP Debt Financing, subject to internal approvals as required
- The Company has issued to Appian 5,000,000 Common Share purchase warrants that are exercisable at \$0.27 per Common Share for a period of five years

The Appian transaction described herein is a “related party transaction” as defined in Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“MI 61-101”). Prior to closing of the transactions, the Company is exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with the transaction in reliance on sections 5.5(a) and 5.7(a), respectively, of MI 61-101, as the fair market value of the transaction with Appian does not exceed 25% of the Company’s market capitalization calculated in accordance with MI 61-101. The material change report is being filed less than 21 days before the closing of the transaction as the Company requires the consideration it will receive in connection with the equity investment immediately in order to secure the BNP Debt Financing.

The Appian transaction was considered and approved by the board of directors of the Company not affiliated with Appian (the “Independent Board Members”). The Board members affiliated with Appian recused themselves from voting. The Independent Board Members voted unanimously to approve the transaction.

The Equity Investment is subject to TSX approval and finalization of definitive documents.

About Appian Natural Resources Fund

Appian Natural Resources Fund is a metals and mining private equity fund providing long-term capital to both private and public mining companies. The advisor to Appian Natural Resources Fund, Appian Capital Advisory LLP, is a leading investment advisor in the metals and mining industry, with worldwide experience across South America, North America and Africa and a track record of successfully supporting companies achieve their development targets.

Qualified Persons and NI 43-101 Disclosure

Robert Kusins, P. Geo., Harte Gold’s Senior Mineral Resource geologist, is the Company’s Qualified Person and has prepared, supervised the preparation, or approved the scientific and technical disclosure in this news release.



About Harte Gold Corp.

Harte Gold is Ontario's newest gold producer through its wholly owned Sugar Zone Mine in White River Ontario. Using a 3 g/t gold cut-off, the NI 43-101 compliant Mineral Resource Estimate dated February 19, 2019 contains an Indicated Mineral Resource of 4,243,000 tonnes grading 8.12 g/t Au with 1,108,000 ounces contained gold and an Inferred Mineral Resource of 2,954,000 tonnes, grading 5.88 g/t Au with 558,000 ounces contained gold. Exploration continues on the Sugar Zone Property, which encompasses 79,335 hectares covering a significant greenstone belt.

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The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.