HARTE GOLD CORP.

ANNUAL INFORMATION FORM

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2019

MARCH 25, 2020

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ADDENDA

ITEM 1: INTRODUCTORY NOTE

1.1 DATE OF INFORMATION

In this Annual Information Form (“Annual Information Form”), Harte Gold Corp. is referred to as, “Harte Gold” or the “Company”. All information contained in this Annual Information Form is as at December 31, 2019, unless otherwise stated, being the date of our most recently completed financial year, and the use of the present tense and of the words “is”, “are”, “current”, “currently”, “presently”, “now” and similar expressions in this Annual Information Form is to be construed as referring to information given as of that date. Readers are also encouraged to review our annual financial statements and management’s discussion and analysis of the Company for the year ended December 31, 2019.

1.2 CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Information Form contains “forward-looking information” under Canadian securities legislation. Forward-looking information may include, but is not limited to, statements with respect to the future financial or operating performance of the Company and its projects, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability, insurrection or war; the potential impact of epidemics, pandemics or other public health crises, and related responses of government and the public to the crises; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; reliance on a preliminary economic assessment to determine potential economic viability of mineral resources at the Sugar Zone Property (as defined below), as well as those factors discussed in the sections entitled “General Development of the Business”, “Narrative Description of the Business” and “Risk Factors” in this Annual Information Form. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this Annual Information Form and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by law. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

This Annual Information Form uses the terms “measured”, “indicated” and “inferred” mineral resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. “Inferred mineral resources” have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or other economic studies, except in limited circumstances. United States investors are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be converted into mineral reserves. United States investors are also cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable.

1.3 CURRENCY INFORMATION

In this Annual Information Form, unless otherwise indicated, all references to “$”, “CAD$” or “dollars” refer to Canadian dollars and all references to “US$” refer to United States dollars.

1.4 TECHNICAL INFORMATION

The disclosure in this Annual Information Form of a scientific or technical nature, including, among other things, disclosure of mineral reserves and mineral resources regarding the Company’s Sugar Zone Property is derived from the technical report entitled “Technical Report and Feasibility Study on the Sugar Zone Gold Operation Sault Ste. Marie Mining Division, Ontario, UTM Zone 16U NAD83 646,140 m E, 5,406,900 m N” prepared by P&E Mining Consultants Inc. (“P&E”) with an effective date of February 14, 2019 (the “Feasibility Study”) in accordance with National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* (“NI 43-101”). The Feasibility Study has been filed on the System for Electronic Document Analysis and Retrieval (“SEDAR”) and may be accessed electronically at www.sedar.com. Actual recoveries of mineral products may differ from reported mineral reserves and mineral resources due to inherent uncertainties in acceptable estimating techniques. In particular, inferred mineral resources have a significant amount of uncertainty as to their existence, economic and legal feasibility. It cannot be assumed that all or any part of an ‘‘inferred’’ mineral resource will ever be upgraded to a higher category of resource. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Investors are cautioned not to assume that all or any part of the mineral deposits in these categories will ever be converted into proven and probable reserves. For further information on any scientific or technical disclosure included in this Annual Information Form relating to the Sugar Zone Property, please refer to the Feasibility Study.

ITEM 2: CORPORATE STRUCTURE

The Company was incorporated under the Business Corporations Act (Ontario) (“OBCA”) on January 22, 1982 under the name “Harte Resources Company”. By Articles of Amendment dated December 31, 2003, the Company changed its name to its current name “Harte Gold Corp.”. The Company’s registered office and principal business office is located at 161 Bay Street, Suite 2400, Toronto, Ontario M5J 2S1.

The Company is a reporting issuer in the Provinces of Ontario, New Brunswick, Saskatchewan, Alberta, and British Columbia and its outstanding common shares (the “Common Shares”) are listed on the

Toronto Stock Exchange ("TSX") under the symbol "HRT", the Frankfurt Stock Exchange under the symbol "H4O", and the OTC under the symbol "HRTFF".

ITEM 3: GENERAL DEVELOPMENT OF THE BUSINESS

3.1 OVERVIEW

The Company has acquired and explored various gold properties located in the Provinces of Ontario and Quebec. In recent years, exploration has occurred on two properties in Ontario: (i) a property located approximately 30 km north of the Town of White River (either the "Sugar Zone Property" or the "Property") located in the north-south trending Dayohessarah greenstone belt, and includes the "Sugar Zone Property"; and (ii) a property located on the Destor - Porcupine Fault Zone in close proximity to the Holloway - Holt Gold Mine in the Timmins Porcupine gold camp (the "Stoughton-Abitibi Property"). The Company has conducted various diamond drill and other exploration programs on these two properties as well as advanced exploration bulk sample and commenced commercial mining operations at the Sugar Zone Property. The Company received commercial permits in September 2018 for its Sugar Zone Property and declared commercial production effective January 1, 2019. The Sugar Zone Property is the Company's material property.

3.2 THREE YEAR HISTORY

2017

During the year the Company raised an aggregate of $50 million under bought deal private placements and received $5,063,163 from the exercise of investor and finders warrants and stock options. Funds were used at the Sugar Zone Property to complete the Company's 70,000 tonne Advanced Exploration Bulk Sample, underground development work associated with the Company's 30,000 tonne Phase I Commercial Permit, mill construction and general corporate purposes.

Harte Gold completed the 70,000 tonne Advanced Exploration Bulk Sample in March 2017 under which it shipped a total of 67,425 dry tonnes at an average grade of 8.28 grams / tonne to Barrick Inc.'s nearby Hemlo Mill for processing. Harte Gold realized approximately $27 million from the Advanced Exploration Bulk Sample, which funds were re-invested in the Sugar Zone Property.

Harte Gold received a 30,000 tonne Phase I Commercial Permit in January 2017. The Phase I program is situated towards the south end of the Sugar Zone Deposit and required the development of a ramp from the Advanced Exploration Bulk Sample at the north end of the said deposit to provide access. Harte Gold established five mining levels and excavated 30,000 tonnes of development ore. The development ore was stockpiled on surface and served as the initial feed for the on-site Mill under the Phase II Commercial Permits.

In February 2017, Harte Gold submitted a Notice of Material Change ("NOMC") to the Ontario Ministry of Northern Development and Mines ("MNDM"), and subsequently received approval to build the Mill Building and install the crusher, ball mill, gravity concentrator, float concentrate circuit, paste back-fill plant, effluent treatment plant and other ancillary items associated with on-site milling process.

Harte Gold received location approval for its tailings management facility ("TMF") and commenced pre-construction clearing and completed the installation of the West Dam. Harte Gold sought and received confirmation from the Canadian Environmental Assessment Agency that no federal environmental assessment is applicable to the project.

Harte Gold submitted a Draft Closure Plan Amendment ("CPA") to the MNDM which CPA provides for full commercial production, on-site milling and the operation of the TMF.

Harte Gold was also very active with its exploration programs. Harte Gold completed approximately 80,000 meters of drilling during the year. Drill programs focused on:

- moving that portion of the Sugar Zone Deposit between surface and 500m from the inferred resource category to the indicated category;
- increasing the number of contained ounces within the newly discovered Middle Zone; and
- testing for Wolf Zone extensions at depth and other targets along strike.

A regional airborne geophysical survey was also undertaken which resulted in the definition of new exploration targets within and outside the Sugar Zone Property. As a result of this survey Harte Gold staked additional ground to cover a greenstone belt and other targets, to bring the total property package to 79,335 hectares.

2018

During the year the Company raised an aggregate of $15,960,930 under private placements and received $3,496,751 from the exercise of investor and finders warrants and stock options. The Company entered into a credit facility with ANR Investments B.V. ("Appian") in the amount of US$20 million and a credit facility with Sprott Private Resource Lending (Collector) LP ("Sprott") in the amount of US$50 million. Of the total US$70 million in credit facilities, US$50 million had been drawn as of December 31, 2108. Funds were used to complete the construction and start - up of the Sugar Zone Property including the Mill Building and Mill components, the Tailings Management Facility, underground development related to the previously received 30,000 tonne Phase I Commercial Permit as well as drill programs focused on the near mine area and selected exploration targets on the Sugar Zone Property.

Harte Gold released an updated NI 43-101 Preliminary Economic Assessment ("PEA") dated March 31, 2018. The PEA included an updated mineral resource consisting of an Indicated Resource of 2,607,000 tonnes grading 8.52 g/t for 714,200 ounces Au and an Inferred Resource of 3,590,000 tonnes grading 6.59 g/t for 760,800 ounces Au. This resource update is almost triple the previous NI 43-101 resource estimate released in 2016.

In April 2018, Harte Gold entered into an Impact Benefits Agreement ("IBA") with Netmizaaggamig Nishnaabek (Pic Mobert) First Nation in whose traditional territory the Sugar Zone Property is located. The IBA applies to all mines that may be developed on the Sugar Zone Property and provides a framework within which Harte Gold and PMFN will continue to work together during the production phase of the Sugar Zone Property. Key IBA terms include a 4% net profits interest based on the World Gold Council definition of "all-in sustaining cost" metrics and stock options to purchase 500,000 Common Shares at $0.40 for a period of five years.

In August 2018, Harte Gold entered into a Memorandum of Understanding ("MOU") with Biigtigong Nishnaabeg (Pic River) First Nation, the key terms of which concern on-going environmental reporting and project updates.

Harte Gold received its Phase II Commercial Permits from the Ontario Government in September 2018 which authorize underground mining at the Sugar Zone Property at the rate of 540tpd and 575 tpd mill throughput, subsequent to which Harte Gold completed the construction of project infrastructure and began gold mining operations.

2019

Harte Gold declared commercial production of the Sugar Zone Property effective January 1, 2019 and received permit approval on May 3, 2019 to increase underground mine production from 540 tonnes per day to 800 tonnes per day.

On May 2, 2019, the Company filed the Feasibility Study, which outlined a probable mineral reserve estimate of 3,879,000 tonnes, grading 7.1 grams/tonne for a total of 890,000 ounces produced over a 14 year mine life. The Company also announced its expectation to produce 39,200 ounces of gold for the full year of 2019.

On June 12, 2019, the Company closed a private placement investment with Appian for the purchase of 10,000,000 series "A" Special Shares (the "Special Shares") of the Company pursuant to a subscription agreement between Appian and the Company ("Appian Subscription Agreement"). The Special Shares were convertible into Common Shares at a price of $0.27 per Common Share. At the time, given that Appian would own in excess of 20% of the Common Shares upon conversion, approval of the shareholders of the Company was required prior to such conversion. The shareholders of the Company approved the conversion on July 4, 2019 and the Special Shares were converted to 49,177,777 Common Shares on July 25, 2019.

Pursuant to the Appian Subscription Agreement, and as consideration for a standby commitment from Appian to provide up to an additional US$7.5 million in non-equity financing, available at the Company's option (the "Standby Commitment"), and the extension of the due date on the outstanding bridge loan facility with Appian to coincide with the closing of the BNP Paribas (Canada) Securities Inc. ("BNP Paribas") debt financing (described below), the Company also 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 from closing, being June 12, 2024.

On June 14, 2019, the Company entered into a US$72.5 million credit facility with BNP Paribas (Canada) Securities Inc. ("BNP Paribas") consisting of a US$52.5 million term loan and US$20 million revolving credit facility. Funds received from BNP Paribas were used to re-pay the Appian and Sprott loans described above and provide support for the completion of the ramp up of mining operations at the Sugar Zone Property. On August 28, 2019, the BNP Paribas debt facilities were amended to clarify certain defined terms and on November 19, 2019, further amendments were made to revise the mining and processing production tonnage covenants. The BNP debt facilities were fully drawn down at December 31, 2019.

On August 28, 2019, the Company entered into an agreement with its largest shareholder, Appian, and each of the directors of the Company being, Stephen Roman, Richard Faucher, Fergus Kerr, Richard Sutcliffe, Michael Scherb and Geoffrey Cohen (the "Settlement Agreement"), which would govern and accelerate the Company's previously announced plans to bolster management and update corporate governance practices to facilitate the Company's transition from an exploration company to an operating gold mining company. Pursuant to the terms of the agreement, Mr. Stephen Roman agreed to step down as President and Chief Executive Officer of the Company and to serve as Interim Chief Executive Officer pending the appointment of a permanent replacement while continuing to serve as a director of the

Company. In addition, Messrs. Fergus Kerr and Richard Faucher agreed to resign from the Board of Directors of the Company to make room for the appointment of two new independent directors. Additionally, Appian and Mr. Roman agreed to broad standstill provisions that will remain in place, subject to certain conditions, until December 31, 2020. Under the terms of the Settlement Agreement and pursuant to Appian's participation rights in respect of certain prior option issuances, the Company issued to Appian 3,950,000 warrants to purchase Common Shares at an exercise price of $0.35 per Common Share, expiring on August 28, 2022.

On October 2, 2019, the Company closed an underwritten bought deal for an aggregate of 23,000,000 Common Shares that qualify as "flow-through shares" within the meaning of subsection 66(15) of the Income Tax Act (Canada), including 3,000,000 flow-through shares issued upon the exercise of the over-allotment option in full by the sole underwriter Echelon Wealth Partners Inc. ("Echelon"), at a price of $0.30 per flow-through share for aggregate gross proceeds to the Company of $6,900,000.

Effective November 4, 2019, the Company appointed Sam Coetzer as its new President and Chief Executive Officer and director as well as Dr. Martin Raffield as Executive Vice President and Chief Operating Officer.

In November 2019, full year 2019 production guidance was adjusted to 24,000 to 26,000 ounces due to underperformance of mine development and limited stope production flexibility.

Key Developments Subsequent to December 31, 2019

On January 9, 2020, the Company appointed Karen Walsh as Vice President, People and Organizational Development.

On January 28, 2020, the Company appointed Dan Gagnon as General Manager of the Sugar Zone Property.

On February 12, 2020, the Company announced the appointment Graham du Preez as Executive Vice President and Chief Financial Officer, effective March 2, 2020, as a replacement of Rein A. Lehari.

On March 19, 2020, the Company announced the final closing of an overnight marketed brokered private placement of flow-through common shares of the Company. The Company issued 168,750,000 flow-through shares at a price of $0.16 per flow-through share in two tranches, the first tranche closing on March 11, 2020 for gross proceeds of $19.35 million and the second tranche closing on March 19, 2020 for gross proceeds of $7.65 million for aggregate gross proceeds of $27 million. In connection with the private placement, certain directors and officers of the Company entered into lock-up agreements, pursuant to which such parties agreed, subject to customary carve-outs and exceptions, not to sell any Common Shares owned by such directors and officers or any securities issuable in exchange therefor, for a period expiring on July 9, 2020.

On March 25, 2019, the Company instituted a coronavirus disease ("COVID-19") readiness plan (the "Plan"), which includes enhanced hygiene, monitoring and response protocols at the mine and camp sites and corporate offices.

Currently, operations remain normal with no reported impact from COVID-19. However, the Company's risk profile has increased significantly, including but not limited to the following:

- potential loss of contractor manpower to site or overall reduction of workforce productivity;
- availability of industry experts and personnel;
- potential of an employee of the Company falling ill and causing a disruption to site;
- ability to procure and transport critical supplies and parts to site;
- cancellation of domestic flights causing mobility issues for site staff rotations;
- possible restrictions to the Company's drill program and/or the timing to process drill and other metallurgical testing; and
- ability to continue operating a remote camp while managing self-isolation policies.

If any of these events were triggered, the result could be a complete shutdown of the Company's properties for an undetermined period. To minimize this risk, the following actions have been taken:

- a policy has been instituted supporting employees to work from home where practical;
- preliminary screenings at site;
- any employees or contractors showing potential signs of COVID-19 shall be placed into self-isolation;
- special arrangements at the camp have been implemented to maximize social distancing; and
- tracking of employee travel is under constant review.

The Company continues to monitor the situation very closely and will provide further disclosure as required. For additional information, please see "Risk Factors" below.

ITEM 4: NARRATIVE DESCRIPTION OF THE BUSINESS

SUGAR ZONE PROPERTY

On April 8, 2019, Harte Gold released the results of the Feasibility Study for the Sugar Zone Property, which is the Company's material property. The "qualified persons" responsible for the Feasibility Study are as follows: Eugene Puritch, P.Eng., FEC, CET; Jarita Barry, P.Geo.; Andrew Bradfield, P.Eng.; Grant Feasby, P.Eng.; Yungang Wu, P.Geo.; Antoine Yassa, P.Geo.; Kathy Kalenchuk, P.Eng.; Raymond Walton, P.Eng.; and Justin Taylor, P.Eng., each of P&E.

Except as where stated otherwise, the information below is stated as of the Feasibility Study effective date. The information contained in this section has been derived from the Feasibility Study, is subject to certain assumptions, qualifications and procedures described in the Feasibility Study and is qualified in its entirety by the full text of the Feasibility Study, which is incorporated herein. Reference should be made to the full text of the Feasibility Study.

4.1 Property Description and Location

The Sugar Zone Gold Mine Operation (the "Operation") is located approximately 715 km northwest of Toronto and 68 km east of the Hemlo Gold Camp, Ontario at UTM Zone 16U NAD83 646,140 m E, 5,406,900 m N or 48° 47'53" North latitude and 85° 00' 36" West longitude.

The Property comprises 69 boundary cell claims, 43 single cell claims, 197 multi-cell claims and four mining leases (1,467.26 ha) that are 100% owned by Harte Gold Corp. The Operation declared commercial production as of January 1, 2019 and was significantly de-risked through the successful completion of a 70,000 t underground bulk sample that was processed at Barrick Gold's Hemlo operation in 2016/2017.

In January 2017, Harte Gold received government regulatory approvals required to expand its mining operation with a Phase 1 Commercial Production Program for an additional 30,000 t. In May 2017, the Company obtained approvals to construct an on-site processing facility and process plant commissioning was completed in early November 2018. The Property is situated in a well-established mining region.

The Property is located in northern Ontario, approximately 68 km east of the Hemlo area gold mines, 30 km north of White River which is on the Trans-Canada Highway 17. The Property location map is presented below.

LOCATION MAP OF THE SUGAR ZONE GOLD MINE PROPERTY

4.2 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Property is road accessible and is accessed from Highway 631, a secondary paved highway, extending north from White River that passes approximately 10 km east of the Sugar Zone Property. A Hydro One electrical transmission line and the Canadian Pacific transcontinental main rail line pass through White River.

The Property benefits significantly from proximity to the Hemlo Gold Camp and several mining operations in the Wawa area. A number of businesses in the area provide services to the exploration and mining sector and a long history of mining in the region contributes to a highly skilled work force.

The Property is located in the Great Lakes watershed. The topography of the area is typical of the Canadian Shield and consists of a peneplained surface with local relief consisting of low rocky ridges separated by poorly drained ground. The area around the Property has local relief varying from 394 m asl at Dayohessarah Lake to 480 m on higher ridges and is characterized by a northern boreal climate, with short, hot summers and cold, snowy winters. Snow cover occurs from late October through April. Exploration and mining activities are generally carried out year-round.

4.3 History

The Sugar Zone Property has a history of significant exploration that has been undertaken intermittently since 1969. The majority of the exploration work has been done in the vicinity of Dayohessarah Lake and the Sugar Zone area and follows the discovery of the Hemlo Gold Deposit in 1981. Hemlo Gold Mines Inc. discovered the Sugar Zone Deposit by surface prospecting in 1991, followed by trenching and diamond drilling between 1991 and 1994. The Property was explored by the Corona Gold Corporation/Harte Gold Corp. Joint Venture between 1998 and 2009 and subsequently by Harte Gold after 2010. To date there have been 995 holes drilled for a total of 349,721 m on the Property.

Harte Gold completed a 70,000 t underground bulk sampling program on the Sugar Zone in 2017. The program included approximately 960 m of ramp development and 634 m of horizontal drifting in mineralization on five levels at a 15 m vertical spacing, to provide drilling access for long hole mining. A total of 15 stopes were mined from development work completed on the 375, 360, 345, 330 and 315 metres above sea level ("masl") Levels. An extensive sampling and grade control program was completed which included chip, miner rock, crusher rock and truck rock sampling. Toll processing of the bulk sample was completed at Barrick's Williams Mine process plant located in the Hemlo camp. Overall, the combined development and production mineralization from the block model was estimated by Harte Gold at a gold grade of 7.25 g/t Au compared to a processed and stockpile grade of 7.55 g/t Au, resulting in an underestimation of the Mineral Resource gold grade by Harte Gold of 0.30 g/t Au or 4.1%.

All commercial production permits were issued in September 2018. Process plant construction and transition to electric grid power were completed in September 2018, with the first gold bar poured in October 2018. Process plant commissioning was completed in early November 2018. An official mine opening was attended by the Premier of Ontario and Minister of Energy, Northern Development and Mines on October 24, 2018. The first production blast was completed in the mine in early November 2018.

The Company bought down the royalty on the Sugar Zone Property from 3.5% to 2.0% effective October 31, 2018.

4.4 Geological Setting and Mineralization

The Sugar Zone Property is located in the Dayohessarah Greenstone Belt of late Archean (ca. 2.7 Ga) age that is part of the Abitibi-Wawa Subprovince of the Superior Province. The belt is approximately 36 km in length and varies in width from 1.5 to 5.5 km. Principal lithologies in the belt are moderately to highly deformed metamorphosed volcanics, volcanoclastics and sediments that have been enclosed and intruded by tonalitic to granodioritic quartz-porphyry plutons.

In the Sugar Zone Gold Deposit ("Sugar Zone" or "Deposit"), gold mineralization occurs in quartz veins, quartz stringers and quartz flooded zones predominantly associated with narrow porphyry sills, porphyry contact zones, hydrothermally altered mafic metavolcanics and, rarely in weakly altered mafic metavolcanics. The mineralization occurs in three parallel zones, the Upper, Lower and Footwall Subzones, that range in thickness from 1.5 to 10 m, strike at 140° and dip between -65° and -75° to the west. The three subzones are separated by 20 to 30 m of non-mineralized metavolcanics. The Sugar Deformation Zone is a high strain deformation zone associated with the mineralization with a northwest trend and dips west at 65o to 75o. The mineralization has been defined for over 1.5 km strike length and to a vertical depth of over 1,200 m and remains open along strike and at depth. Fine to coarse-grained specks and blebs of visible gold are common in the Sugar Zone quartz veins, usually occurring within marginal, laminated or refractured portions of the veins. Quartz veins and silicified rocks also contain varying amounts of pyrrhotite, pyrite, chalcopyrite, galena, sphalerite, molybdenite and arsenopyrite.

4.5 Deposit Type

The Sugar Zone Deposit is interpreted as an orogenic, mesothermal gold deposit located in a zone of high strain within the Dayohessarah Greenstone Belt. The Deposit is hosted in medium-metamorphic grade (amphibolite) rocks that exhibit ductile deformation and have been intruded by felsite and porphyry sills. The gold is associated with silica-sulphide-potassic alteration. These characteristics are shared with the Hemlo Deposit, located 68 km to the west.

4.6 Exploration

Geophysical surveys were carried out in 2010 and 2011, along with sampling and trenching. Further geophysical surveys, including airborne surveys, sampling and trenching programs were done in 2012 to 2018, along with drilling at the Sugar Zone.

Harte Gold completed a 70,000 t bulk sampling program on the Sugar Zone between 2015 and 2017 as described above in Section 1.3.

4.7 Drilling

A total of 995 drill holes and 349,721 m of drilling have been completed on the Property since 1969. Hemlo Gold Mines initiated the first significant drill program on the Sugar Zone in 1993. The current Mineral Resource Estimate is based on 683 drill holes for a total of 258,605 m that have been drilled since 1993.

In 2012, the Company completed 7,569 m of diamond drilling in 16 drill holes. In 2013, 2,798 m of drilling was completed in 25 drill holes. In 2014, the Company completed two drill programs totaling 7,171 m in 16 drill holes of in-fill at the bulk sample area and 45 drill holes exploration at the Wolf Zone. In 2015, the Company completed 57 drill holes for a total of 5,733 m.

In 2016, the Company completed 53 drill holes for a total of 19,917 m. The program initially focused on expanding the Sugar Zone at depth and along strike. The 2017 drilling program was the largest undertaken on the Property with a total of 289 drill holes totaling 146,043 m. 2018 drilling consisted of 273 drill holes totaling 113,699 m.

4.8 Sample Preparation, Analyses and Security

Harte Gold drill core sample intervals were sent for analysis to Actlabs, in Ancaster, Ontario for all assay work during the 2009 program and all subsequent programs. All samples were assayed for gold using a 30 g fire assay using lead collection and an AAS finish. The detection limit is 5 ppb Au. If sample assays returned a value greater than 3,000 ppb Au, they were re-assayed using a metallic screen method. Actlabs is accredited by the Standards Council of Canada ("SCC") for International Standards Organization (ISO/IEC) 17025, Mineral Analysis/geological tests (CAN-P-1579).

For Corona and Harte Gold's 2009 to 2018 programs, field-inserted Certified Reference Standards and Blanks supplemented Actlabs internal Quality Assurance/Quality Control ("QA/QC") programs on Blanks and Standards. For the 2012 to 2018 programs, a total of 28,272 samples were sent for analysis including 1,243 blanks and 1,255 reference standards. It is P&E's opinion that sample preparation, security, and analytical procedures for the Sugar Zone Operation drill and chip sampling programs were adequate for the purposes of the current Mineral Resource Estimate.

4.9 Data Verification

The Sugar Zone Property was visited by Mr. Antoine Yassa, P.Geo., of P&E, on January 8 to 9, 2018, and on January 21, 2019, for the purposes of completing due diligence verification sampling. During the site visits, Mr. Yassa viewed access to the Property, drill hole collar locations, geology and topography, and took several GPS readings to confirm the location of the baseline grid intersections and locate several drill hole collars.

In 2018 Mr. Yassa collected 16 core samples from seven drill holes from the Sugar Zone Deposit. In January 2019, Mr. Yassa collected 12 core samples from four drill holes from the Deposit. The due diligence verification samples from the Project drill holes were collected by ¼ cutting the half split core for each sample interval selected by Mr. Yassa. These samples were bagged and shipped directly by courier by Mr. Yassa to AGAT Labs ("AGAT") in Mississauga, Ontario for analysis. Samples at AGAT were analyzed for gold by fire assay method with an AAS or gravimetric finish. All samples were initially analyzed by wet immersion at AGAT to determine core bulk density. AGAT is an independent lab that has developed and implemented at each of its locations a Quality Management System ("QMS") designed to ensure the production of consistently reliable data. The system covers all laboratory activities and takes into consideration the requirements of ISO standards. P&E considers there to be good correlation between P&E's independent verification samples analyzed by AGAT and the original analyses in the Sugar Zone database. Based upon the evaluation of the QA/QC program undertaken by Harte Gold and P&E's due diligence sampling, it is P&E's opinion that the results are acceptable for use in the current Mineral Resource Estimate.

4.10 Mineral Processing and Metallurgical Testing

Five metallurgical testwork programs were carried out by SGS Canada Inc. ("SGS") between 2010 and 2019 on surface samples, drill core and process plant material. The testwork focused on determining metallurgical response and variability, by location, and also by gold and sulphide grades within the Sugar Zone Deposit. It is considered that the testwork metallurgically characterizes the Deposit well.

A large number of samples from across the Deposit were received for the test programs which included metallurgical, comminution and environmental testing. Various composites were prepared from these samples and grade variability testing was included in the final program. The gold head grades for individual samples ranged from 1.6 g/t up to 40 g/t Au. The silver head grades ranged from 0.8 g/t to 7.8 g/t Ag and sulphur grades ranged from 0.3% to 0.9% S. Sulphur was present predominantly as the sulphide mineral, pyrrhotite.

The Crusher Work Index fell in the moderately hard range of the SGS database. The Bond Ball Mill Work Index values were classified as medium hardness. The Abrasion Index values fell in the high end of the range of abrasiveness.

The gravity gold recovery was high for almost all the samples, ranging from the mid-50% to over 90%. These results indicated that a gravity circuit should be considered in the overall process flowsheet. Gold recoveries in the high 90% range were obtained from whole plant feed cyanidation at moderate grinds, and also by flotation of a rougher concentrate, at an approximate 4% to 5% mass pull. High gold recoveries were also obtained by cyanidation of the flotation concentrate.

Cleaner flotation test results, and process plant operating data, indicated that flotation concentrate gold grades of greater than 100 g/t Au could be achieved at lower mass pulls of ~1-2%. Re-grinding the rougher concentrate prior to cleaning also improved the concentrate gold grade and recovery.

Various process flowsheets have been considered and tested during the four metallurgical test programs. The process recoveries obtained by gravity and flotation only, compare well with whole plant feed cyanidation, with and without gravity separation.

In 2018, samples from Harte Gold's operating process plant were received by SGS in Lakefield, Ontario, for additional metallurgical testwork. The main objective of the program was to determine the response of the four new variability samples to gravity separation, rougher flotation, and cyanide leaching. Alongside the variability testwork, two flotation concentrate plant samples were received for select tests that investigated cleaner flotation, cyanide leaching, cyanide destruction and solid/liquid separation testwork.

The gravity gold recovery values for the variability samples were high and ranged from 50.3% to 81.3%, averaging 69.4%. The average gold and sulphur flotation recoveries from the gravity tailings were ~82% and ~90%, at an average mass pull of 3.1%. The average rougher tailing assays were 0.26 g/t Au and 0.12% S. The overall gravity + flotation gold recoveries were high and averaged ~95%.

The variability and plant flotation concentrates responded well to cyanidation and after 48 hours of leaching the gold extractions were ~96-99%. Regrinding the concentrate increased the overall gold extraction and also increased the cyanide and lime consumption. The overall (gravity/flotation/ cyanidation) variability sample gold recoveries were 94.0% (without re-grinding the flotation concentration) and 94.4% (with re-grinding).

In general, the results from the variability samples were comparable to the previous Sugar and Middle Zone test results. The gravity gold recoveries averaged ~69%, which compared well to previous results that averaged ~60-70%. The overall gravity + flotation test results (~95% average) were in line with past test results which were ~92-97%. The flotation concentrate cyanidation test results compared well to the Sugar Zone gold extraction results since all tests have been in the ~96-99% range.

Cyanide destruction testwork was conducted using a leached flotation concentrate plant sample to evaluate the use of SO2/air for oxidation of cyanide and detoxification of the cyanidation pulp. The objective of the testwork was to produce treated effluent containing 1 mg/L total cyanide.

Two process plant flowsheets were considered:

- Gravity Concentration followed by Rougher Flotation and sale of concentrate.
- Gravity Concentration followed by Rougher Flotation and leaching of the re-ground concentrate.

Following a trade-off study, the selected flowsheet was Gravity Concentration followed by Rougher Flotation and sale of a concentrate grading over 100 g/t Au. At the design process plant feed grade, and at this concentrate grade, an overall process recovery of 95.5% is estimated. The estimated split between gravity and flotation recovery is 61% and 34.5%. Based on these criteria, it is recommended that apart from optimizing concentrate grade, the process plant should continue to be operated in a similar manner as constructed, with little or no change to the design criteria.

4.11 Mineral Resource Estimate

All drilling and assay data for the current Mineral Resource Estimate were provided in the form of Excel data files by Harte Gold. The database for this Mineral Resource Estimate, compiled by Harte Gold and reviewed/verified by P&E, consisted of 995 drill holes totaling 349,721 m, of which 683 drill holes totaling 258,605 m were utilized for the Mineral Resource Estimate. In addition to the drill holes, the Mineral Resource Estimate is utilizing 1,064 chip sample strings totaling 3,857 individual samples. P&E validated the Mineral Resource database by checking for inconsistencies in analytical units, duplicate entries, interval, length or distance values less than or equal to zero, blank or zero-value assay results, out-of-sequence intervals, intervals or distances greater than the reported drill hole length, inappropriate collar locations, survey and missing interval and coordinate fields. P&E believes that the supplied database is suitable for Mineral Resource estimation.

Ten mineralization wireframes provided by Harte Gold were reviewed by P&E. The wireframes were created from successive interpretations on NW-facing vertical cross-sections with 12.5 m spacing. At the Sugar Zone, the contact between mineralized and non-mineralized material is very sharp and a strict assay cut-off is not generally used for the domain interpretations. A nominal 1.5 m minimum horizontal mining width was utilized for the construction of the wireframes. In some cases, low-grade mineralization was included for the purpose of maintaining zonal continuity and the minimum constraining width. The resulting wireframes were used as constraining boundaries during the Mineral Resource estimation process for block coding, statistical analysis and compositing limits. The topography surface was created by Harte Gold from LIDAR survey data. Underground mine infrastructure (ramps and levels) were surveyed using a Leica TS12 total station. Stopes were surveyed using an underground Cavity Monitoring System ("CMS") utilizing a Leica P20 high definition scanner.

A compositing length of 1.0 m was selected for Mineral Resource estimation. Outlier analysis and grade capping were investigated on the assays and 1.0 m composite values in the database within the constraining domains to ensure that the possible influence of erratic high values did not bias the estimation. The Middle Zone was capped at 75 g/t Au whereas the Upper, Footwall Subzones and Lower Zone were capped at 45 g/t Au, 65 g/t Au and 90 g/t Au, respectively. The Wolf Zone was capped at 40 g/t Au.

A uniform bulk density of 2.73 t/m3 was utilized for all domains for the Mineral Resource Estimate. The Sugar Zone Mineral Resource model was divided into a block model framework with blocks extending 2.0 m in the X direction, 2.0 m in the Y direction and 1.0 m in the Z direction. The Au grade blocks were interpolated using Indicator Modified Ordinary Kriging. The indicator discriminator was 2 g/t Au in the Lower Zone, Footwall Zone and Middle Subzone and 0.7 g/t Au in the Upper Subzone.

In P&E's opinion, the drilling, assaying and exploration work on the Sugar Zone Deposit supports this Mineral Resource Estimate and are sufficient to indicate a reasonable potential for economic extraction and thus qualify it as a Mineral Resource Estimate under the CIM definition standards. The Mineral Resource Estimate was classified as Indicated and Inferred based on the geological interpretation, semi-variogram performance and drill hole spacing.

The Mineral Resource Estimate was derived from applying Au grade cut-off values to the block model and reporting the resulting tonnes and grade for potentially underground mineable areas. Based on a gold price of US$1,250/oz, Au process recovery of 96%, an exchange rate of US$0.80=CAD$1.00, and estimated mining, processing, G&A and sustaining capex costs of CAD$129/tonne, a 3.0 g/t Au cut-off grade was utilized.

The resulting Mineral Resource Estimate is tabulated in Table 1.1. P&E considers the mineralization at the Sugar Zone Deposit, including the Wolf Zone, to be potentially amenable to underground extraction.

Mineral Resource Estimate at 3.0 g/t Au Cut-off Grade (1-5)				
Classification	**Zone**	**Tonnes**	**Au (g/t)**	**Au (oz)**
Indicated	Sugar, Middle, Wolf	4,243,000	8.12	1,108,000
Inferred	Sugar, Middle, Wolf	2,954,000	5.88	558,000

1) *Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability.*
2) *The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.*
3) *The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.*
4) *The Mineral Resources in this report were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council.*
5) *Advanced exploration bulk sample and commercial production mined-out areas were depleted from the Mineral Resource model.*

P&E considers that the Sugar Zone Property contains a significant gold Mineral Resource that is associated with a well-defined mineralized system.

P&E further considers that the Property has potential for delineation of additional Mineral Resources both in the vicinity of the current Mineral Resource model and along the mineralized trend. Further exploration is warranted to increase the size and confidence of the Mineral Resource Estimate.

4.12 Mineral Reserve Estimate

The Probable Mineral Reserve Estimate is comprised of 3.88 Mt at a gold grade of 7.1 g/t Au and containing 890 koz of gold, summarized in Table 1.2.

Probable Mineral Reserve Estimate At 4.4 g/t Au Cut-off Grade(1-3)				
Zone	**Classification**	**Tonnes**	**Au (g/t)**	**Au (oz)**
Sugar Zone	Probable	2,437,000	7.4	583,000
Middle and Wolf Zone	Probable	1,442,000	6.6	307,000
Total	**Probable**	**3,879,000**	**7.1**	**890,000**

1) The Mineral Reserve Estimate is based on a gold price of US$1,300/oz, with 94.4% process recovery, an initial cut-*off grade of 3.5 g/t Au to define stopes, then a cut-off grade of approximately 4.4 g/t Au that includes capital development costs.*
2) *The Mineral Reserves in the Feasibility Study were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council.*
3) *Bulk sample and commercial* production mined-out areas were depleted from the Mineral Reserve.

Datamine Mineable Shape Optimizer (“MSO”) was used to generate stopes from the Mineral Resource Estimate block model. MSO was set to optimize stopes using a strike length of 10 m, to ensure close conformity to the mineralization, and the MSO stopes were then aggregated into stopes of up to 40 m in strike length for Sugar Zone and 25 m in strike length for Middle Zone. A cut-off grade of 3.5 g/t Au was used to determine individual stopes. Further cost analysis, incorporating the mine capital development costs, was applied to ensure that each aggregated mining level or mining block was economic. The approximate gold cut-off grade incorporating the capital development costs was 4.4 g/t Au.

The cut-off grade of 4.4 g/t Au was determined for a mining rate of 800 tpd at estimated costs of $98/t for mining, $40/t processed, $34.5/t G&A and $2/t sustaining services, plus $46/t capital development costs, and a foreign exchange rate of US$0.77 = CAD$1.00.

Longitudinal longhole retreat stopes with paste backfill were planned at 15 m vertical sublevel spacing in Sugar Zone, and at 20 m vertical sublevel spacing for Middle Zone.

A mining recovery of 95% was used to allow for under-break and incomplete stope clean-out losses. Sill pillars were assumed to have a mining recovery of 90% with cemented paste backfill permitting uphole retreat extraction directly beneath the previously placed paste backfill with a low risk of dilution.

Total dilution for the narrower Sugar Zone averages approximately 45%, while the wider Middle Zone averages approximately 28% dilution, where dilution percentages are expressed as a percentage of diluted tonnes divided by the Mineral Resource tonnes within the stopes. The average dilution for all mining areas combined was calculated at 38%.

4.13 Mining Methods

The initial mine production rate is limited to 540 tpd mining and 575 tpd processing given the current process plant permitting limits. Harte Gold is currently amending the existing permits to achieve 800 tpd. The nameplate capacity of the current process plant is 800 tpd in anticipation of the amended permit. The permitting amendment to 800 tpd is anticipated to occur in 2019, and an increase to 800 tpd mining and processing rate has been scheduled from the commencement of Q4 2019.

The Sugar Zone and Middle Zone mineralization typically comprises tabular, narrow veins, approximately 1.5 m to 3 m thick, and dipping at approximately 70° to the southwest. Excessive dilution is potentially a major risk to operating success in narrow mineralization. Longitudinal longhole retreat stoping was selected as an appropriate mining method for this Deposit based on the favourable geometry, current geotechnical knowledge and success of the Bulk Sample trial mining. Both the ore and the host rock are sufficiently competent to facilitate the void sizes required for effective longhole stoping. Paste backfill will be the primary fill type.

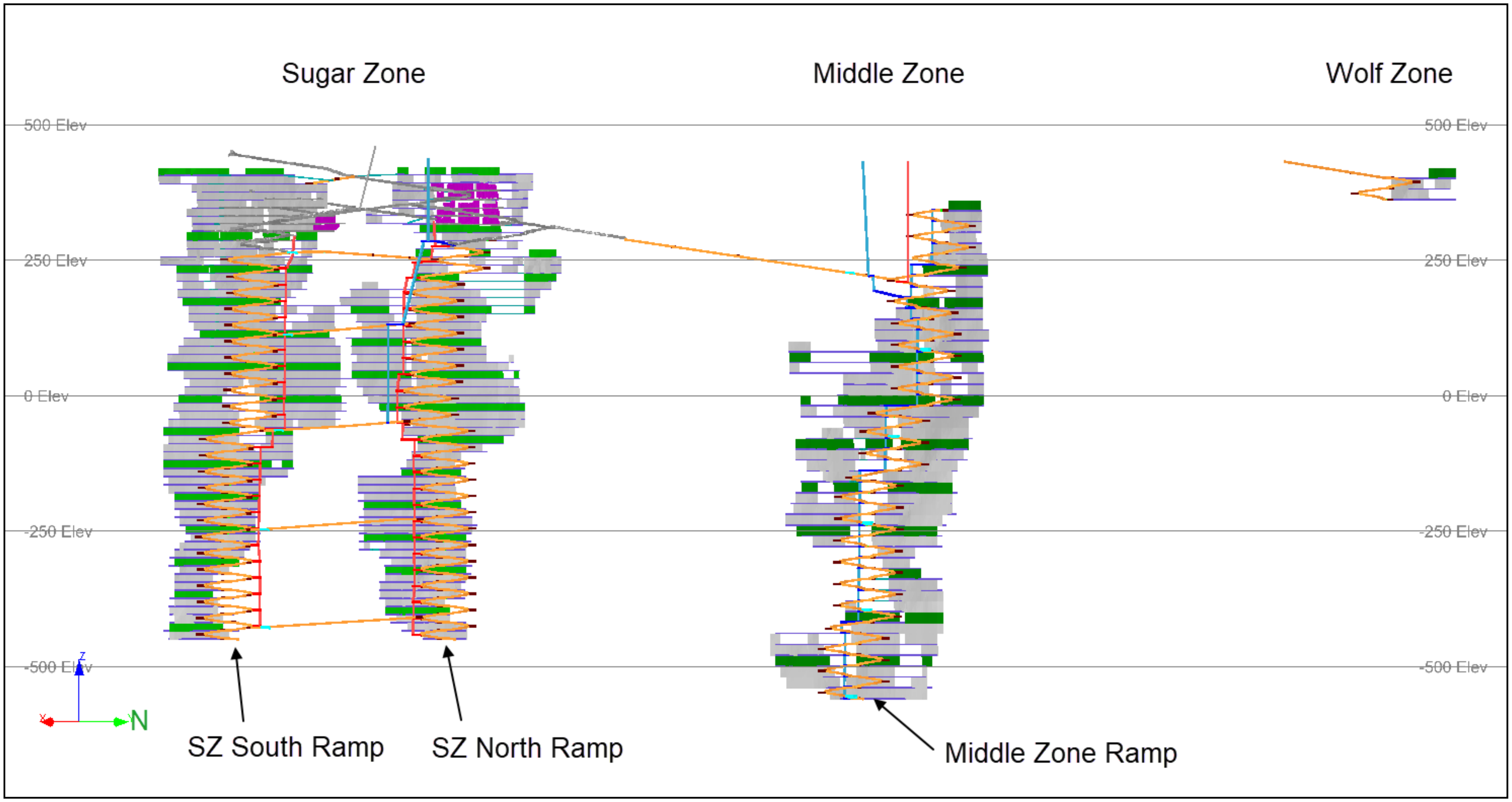
Typically, four sublevels will be combined to form a number of mining blocks. Within each mining block a bottom-up stoping sequence will be used, with mining commencing on the lowest sublevel of the block and progressing upward, sublevel by sublevel. Blind uphole retreat stoping will be used to extract the upper-most sublevel of each mining block (that will usually be directly underneath a previously mined-out and backfilled mining block above). Increased binder content in the paste backfill in the sublevel immediately above will ensure full recovery of ore using blind uphole retreat without the need for a rock sill pillar.

Subdivision of the mine into mining blocks increases the number of mining faces available, thereby increasing reliability and flexibility of production. It will also maximize the production rate that can be achieved. Continued ramp pre-production development will provide access to new mining blocks as upper mining blocks are depleted. The rate of ramp pre-production development will be critical in achieving and sustaining the production rate.

Minimum design mining widths of 1.4 m and 1.6 m were used for the Sugar Zone and Middle Zone, respectively. The average stope design width is approximately 1.8 m (1.5 m to 3.5 m range) for Sugar Zone, and 2.8 m (1.6 m to 6.7 m range) for Middle Zone. Sublevel intervals, floor to floor, were designed at 15 m in the Sugar Zone and 20 m in the Middle Zone. Development sizes are 4.3 m wide by 4.5 m high ramps and sublevel accesses, and 2.6 m by 2.8 m sill drifts in the Sugar Zone with 3.0 m by 3.0 m sill drifts in the Middle Zone.

The mine layout is based on ramp development from surface to access the mine workings and production levels. Ramp development will extend down from both the existing Sugar Zone North Ramp and the Sugar Zone South Ramp. Sugar Zone requires two ramps for access due to the large strike extent (up to 650 m), while a single ramp access is sufficient for mining the Middle Zone. The mine layout is presented in Figure 1.2. Approximately 2.3 Mt of development waste will be mined during the Life of Mine ("LOM").

MINE LAYOUT LONGITUDINAL PROJECTION SOUTH-NORTH



Note: *Grey = Longitudinal longhole retreat stopes. Green = Sill pillars.*

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The estimated mine life is 14 years, The underground mine will operate continuously 7 days per week, 24 hours a day, utilizing a nominal 12-hour shift and a total of three crews including one crew always on days-off.

Mining equipment will consist of one-boom and two-boom electric-hydraulic drill jumbos, longhole drills, 30 t diesel trucks, 1.8, 2.5 and 4.5 m3 LHDs, rockbolter, scissorlifts, grader and ancillary equipment. High voltage site power will be reduced to 600 V for underground mine usage.

A pull, or exhaust system, is planned for the mine ventilation. The main access ramps will act as the primary air intakes and the exhaust vent raises will extend vertically between the mine levels and be developed concurrently with each ramp. A propane gas-fired air heating system is used during the winter months to heat the mine intake air. Emergency-exit ladder ways will be installed in ventilation airways. Over the LOM two 750 kW primary fan installations will be set up on surface.

During the early production and development phase of the mine, approximately 145 mining personnel are required in total, comprising approximately 38 technical and supervision staff, 22 maintenance personnel and 85 mine operating personnel. In 2022, the capital development requirement reduces to a steady rate and the manpower numbers decrease to approximately 131 mining personnel.

4.14 Process Plant

The existing process plant currently produces both a gold doré bar and a bagged gold concentrate through gravity concentration and flotation circuits, respectively. The process plant was originally commissioned at 575 tpd and has a maximum throughput capacity of 800 tpd.

The major process steps in the existing process plant are as follows:

- Primary jaw crusher and secondary cone crushing
- Fine feed storage (12 hour live covered stockpile)
- Grinding (800 kW ball mill)
- Gravity concentration (Falcon SB1350 gravity concentrators)
- Flotation (TC10 Outotec flotation cells)
- Concentrate thickening and filtration
- Tailings thickening
- Reagent mixing
- Process water, clean water, and fire water
- Paste backfill.

The paste backfill plant has been constructed to meet the mining needs of the Operation for backfill requirements and to provide tailings dewatering and distribution to the tailings management facility. Each paste backfill batch is loaded into a ready-mix delivery truck and brought to the paste portal. The trucks are emptied into a portal hopper. The paste backfill is subsequently fed to the underground mine via gravity in a borehole.

4.15 Site Infrastructure

The Sugar Zone Gold Mine site is accessible via the all-weather road network of the White River Forest Sustainable Forest License (“SFL”) area that connects to Highway 631 as well as Highway 17. Civil works for the process plant began in Q2 2017 as well as site preparation of the tailings management facility ("TMF"). On-site administration offices are fully operational. A microwave tower provides a communication link to White River as well as local cell phone coverage.

Electric power is provided by a 45 km long, 25 kV wooden pole line that extends along existing road corridors from the mine site to the White River water treatment area beside Highway 631, north of the town of White River. Electricity is distributed from a central substation at the mine site with step-down transformers. A back-up generator is used to supply electricity for critical process plant operations in an emergency.

Tailings will be sent underground as paste backfill to the extent practical. Tailings will not be classified to remove fines prior to use as backfill. Tailings that cannot be accommodated in the mine workings will be deposited in the TMF. The initial TMF, designated the North TMF, was designed in the valley immediately north of the mine site in 2016 by Amec Foster Wheeler, now John Wood Group PLC, in accordance with appropriate design criteria. The North TMF will have adequate Factors of Safety at all times against failure modes, therefore no remedial work is required at closure. Other North TMF aspects are:

- Tailings from the process plant are thickened prior to deposition in the TMF, allowing improved recovery of process water (including reagents and heat) within the process plant building and also increasing the dry settled density of tailings solids in the TMF. This practice will reduce the size of the reclaim pond, reduce liquid-solids separation following deposition in the TMF, improve the physical stability of the TMF and reduce both the risk and consequences associated with a potential failure of a perimeter embankment.
- TMF embankments are constructed using locally-sourced aggregate, and waste rock from underground was used in the construction of the downstream slope of the dam.
- Upstream embankments are covered with a bituminous liner that is sealed to competent bedrock. The bedrock in the floor of the TMF has been tested and is confirmed to be low-permeability. The exposed bedrock at the bituminous liner tie-in to the bedrock was thoroughly cleaned and curtain grouted along the entire length of the dam. As bedrock is exposed, it is inspected by the Engineer of Record and treated as may be necessary (grouting) to prevent seepage through fractures beneath the embankments.
- The TMF supernatant pond combined with the effluent treatment plant are designed to manage a 30 day duration, 1 in 100 year rain on snow Environmental Design Flood event without an unplanned release.
- The TMF has an engineered spillway to prevent a potential dam failure due to overtopping during a Probable Maximum Precipitation event.
- The Stage 1 TMF has been constructed to crest elevation of 405 m. Stage 2 has been designed for a crest elevation of 410 m.
- Tailings delivery pipelines and reclaim water pipelines are located within the mine site watershed or the TMF watershed. Any potential spillage from the pipelines would drain by gravity to the TMF or to the Operation site.

Additional tailings storage is required in year 2030 beyond what can be accommodated in the North TMF location. A valley south of Gagegenha Lake has been assessed and cleared of potential biological, archaeological or cultural value issues, facilitating its development as an additional future TMF (designated the South TMF). A provincial class environmental assessment process was completed in 2013 to consider this valley to be used as a tailings impoundment. A starter dam has been designed by SLR Consulting (Canada) Ltd. to hold the remaining LOM tailings, with provision for future expansion.

Storm water reports to either the mine site Containment Pond or to the reclaim pond of the TMF. Surplus water from the Containment Pond is pumped to the TMF and/or to the overland flow-path north of the mine site that drains to the TMF to attenuate any ammonia (from mine explosives) found in mine water. No untreated storm water discharge from the Operation is anticipated.

Ground water is drawn from a well at the mine site and treated in a containerized potable water treatment plant prior to use.

Domestic sewage is collected and treated in a containerized Waterloo Biofilter sewage disposal system located at the mine site. Treated water from the Waterloo Biofilter is pumped to the TMF for inclusion in water recycled to the process plant.

Ancillary buildings are generally portable and/or modular structures, and consist of a gatehouse, core shack and core storage, assay lab, maintenance shop, warehouse, ventilation fan buildings, modular office and dry, and electrical infrastructure. Explosives are delivered to underground storage areas on an as-needed basis, and no storage magazines on surface are required.

4.16 Market Studies and Contracts

The gold price used in the Feasibility Study was based on a compilation of industry analyst consensus long term pricing of US$1,300/oz, as summarized by CIBC, and a Canadian to US dollar exchange rate of $0.77. Both the gold price and exchange rate are subject to spot market conditions. There are no streaming or hedging agreements in place.

Harte Gold presently produces gold in both doré bars and gold concentrates. The Company expects to transition to 100% doré bar production once a cyanide circuit has been permitted and constructed.

Gold doré bars are presently sent to Asahi Refining Canada Ltd. (“Asahi”) located in Brampton, Ontario for refining. Brinks Global Services Canada Ltd. has been contracted to pick up doré bars at the mine site and deliver these to Asahi in Brampton. For doré bars, Harte Gold has off-take agreements for a portion of the resultant ounces. 50% of the ounces are credited to Orion Mine Finance (“Orion”) up to a cumulative total of 375,000 ounces and 11.5% are credited to Appian up to a cumulative total of 86,250 ounces. Each of Orion and Appian then pay Harte Gold for such ounces based on the lowest gold price during the quotational period.

Harte Gold entered into a contract with Glencore Canada Corporation (“Glencore”) to sell gold concentrates to Glencore’s Horne Smelter in Rouyn, Quebec. Glencore purchases the gold concentrates on arrival at the Horne Smelter at the market gold price less treatment and refining charges. William Day Construction Limited has been contracted to provide concentrate haulage services to the Horne Smelter.

Harte Gold entered into a contract with Redpath Canada Ltd. to perform underground mine ramp and level access development, sill development and hauling of waste and ore. The contract is for a period of 25 months ending in June 2020. Harte Gold will be evaluating whether to continue contract mining or transition to owner mining.

Harte Gold entered into a contract with Foraco Canada Ltd. to perform longhole drilling and blasting services for the stopes over a two year period ending August 2020.

Harte Gold constructed a power line to connect the mine site with electrical power supplied by Hydro One Networks, Inc. at their power line located in White River, Ontario. Harte Gold entered into a customer service contract to permit its connection to the Hydro One distribution system and in connection with this, also entered into a capital cost recovery agreement.

Harte Gold has entered into an Impact Benefits Agreement ("IBA") with Pic Mobert First Nation ("Pic Mobert" or "PMFN"), the proximal First Nation, in connection with the Company's Sugar Zone Property. The IBA applies to all mines that may be developed on the 80,000 Ha Sugar Zone Property and provides the framework within which Harte Gold and PMFN will continue to work together during the production phase of the Operation. The key IBA financial terms include a 4% Net Profits Interest ("NPI"), based on the World Gold Council definition of "all-in sustaining cost" metrics, and stock options to purchase 500,000 Common Shares at a price of $0.40 for a period of five years.

4.17 Environmental Studies, Permits and Social or Community Impact

The Sugar Zone Gold Property is located in an area of northern Ontario which has hosted mineral exploration and mining projects for more than 50 years. The Property has a history of gold exploration being carried out since 1969. Previous exploration activities on the Property have comprised surface drilling, geophysical surveys, geological mapping and exploration development. No environmental liabilities exist related to previous exploration activities.

Harte Gold received confirmation that the Operation (540 tpd and 575 tpd process plant) is not subject to a Federal Environmental Assessment ("EA") under the Canadian Environmental Assessment Act CEAA 2012. Future potential expansions to the mine production rate are not expected to trigger a Federal EA as per Section 17 of the Regulation Designating Physical Projects.

Harte Gold has completed provincial class EAs for Resource Stewardship and Facility Development, in accordance with MNR (2003), to support work completed to date and planned under the Draft Closure Plan Amendment including a low voltage (115 kV) power line along existing roads that connects to the Hydro One grid north of the town of White River, and for 5 MW Cumulative Capacity of Diesel Generators, in accordance with Ontario Regulation 116/01.

In Q4 2016, a Form 1 Notice of Project Status was submitted to the MNDM to move the Project from Advanced Exploration status to Production status in accordance with Section 141 of Ontario's Mining Act. Harte Gold has necessary permits in force for a 540 tpd mine and a 575 tpd process plant. Permit amendments are currently in progress related to a production rate increase to an average of 800 tpd. The Ministry of Natural Resources and Forestry ("MNRF") and the Ministry of Energy, Northern Development and Mines ("MENDM") have indicated that no further Lakes and Rivers Improvement Act ("LRIA") approval is required for the existing tailings facility. Harte Gold will consult MNRF and MENDM about the requirement for LRIA approval for the South TMF.

Harte Gold has completed a closure plan incorporating baseline environmental monitoring. The Company has also developed an environmental management system for the Operation.

Wood (2016) characterizes the Operation as generally having a low risk of acid generation and metal leaching based on static testing.

Water discharge is minimized by recycling water to the extent practical. Surplus water from the TMF that is not needed for the process plant is treated and discharged to an underwater diffuser in Gagegenha Lake that has been engineered for efficient mixing.

For possible future expansion, Harte Gold is considering a cyanide leach circuit to treat the flotation concentrate and produce doré bars on-site rather than trucking the flotation concentrate to an off-site location for smelting and refining. Cyanide destruction in tailings would be accomplished using a method that is tested and proven such as SO2-air, hydrogen peroxide, Caro's acid, etc.

Harte Gold has undertaken consultation with First Nations on behalf of the Crown and as directed by MNDM regarding exploration and development activities on the Property since June 2010.

Consultation as of the date of the Feasibility Study with First Nations had not identified the presence of cultural heritage values that would be affected by the Operation.

The Crown delegated procedural aspects of consultation related to Biigtigong Nishnaabeg (Ojibways of Pic River Heron Bay) First Nation ("PRFN") to Harte Gold in July 2017. Harte Gold has entered into a Memorandum of Understanding ("MOU") with PRFN which is focused on environmental and downstream effects specific to the Operation. Harte Gold continues to engage PRFN regarding the Operation and has a formal agreement in place to establish a framework for working together.

4.18 Operating Costs

The operating cost estimates include the costs to mine, process ore, produce doré and concentrate, and general and administrative expenses ("G&A"). Operating costs are based on the following methodologies and assumptions:

- first principles development based on contracted mining rates, known electricity and diesel prices, salaries and wages, and process plant consumable prices;
- LOM production schedule developed by Harte Gold and reviewed by P&E for the years 2019 through 2032;
- mining equipment requirements as established by Harte Gold and reviewed by P&E;
- contract miners for underground mining over LOM;
- P&E reviewed the contract mining terms and validated that they are accurately reflected in the financial model; and
- P&E reviewed the contract terms for concentrate freight, smelter treatment and refining costs and validated that the terms are accurately reflected in the financial model.

Estimated operating cash costs and all-in sustaining costs are summarized below. Contracted terms for mining costs are for both ore production and waste development. For purposes of the financial model, costs allocated to ore production are expensed and waste development is capitalized.

OPERATING COST SUMMARY			
Item	**LOM ($M)**	**Cost ($/t)**	**Cost (US$/oz)**
Operating Cost Items			
Mining - Stope Production	386.6	100	350
Process Plant	130.3	34	118
G&A	127.1	33	115
Royalties/Transport/Treatment	65.9	17	60
Operating Cash Cost	**709.8**	**183**	**643**
Sustaining Capital Items			
Mining – Development	204.8	53	186
Other Sustaining Costs	17.9	5	16
Sustaining Capital Cost	**222.7**	**58**	**202**
AISC	**932.5**	**240**	**845**

4.19 Mining Costs

Mining services are based on contracted rates with Redpath and Foraco for the following:

- Redpath: Underground mine ramp and access development, sill development and haulage of waste and ore to surface; and
- Foraco: Longhole drilling and blasting.

Other mining costs not included in contracted services include:

- paste backfill costs, including operation of paste backfill plant, distribution of paste backfill and cost of paste backfill binder consumables;
- underground heating based on propane at a cost of $0.50 per litre;
- hydro to power underground equipment at a unit cost of $0.127 per kWh;
- diesel consumption at a cost of $0.93 per litre; and
- other general mine construction including ventilation and mine infrastructure.

The table below presents a summary of estimated underground mine operating costs. A portion of fixed contractor and mining costs are capitalized based on the representational amount of underground development completed over the same period.

MINING OPERATING COST SUMMARY		
Item	**LOM ($M)**	**Cost ($/t)**
Contractor Mining Charges	451.9	117
Power, Heating, Diesel	55.7	14
Paste Backfill	39.3	10
Other	44.5	12
Total	**591.3**	**153**

4.20 Process Plant Costs

Processing plant costs include operation of the process plant, water treatment plant, tailings deposition and related surface facilities incorporating the following:

- labour for operation of the process plant (Harte Gold employees, no contractors used);
- electrical power consumption;
- consumables include grinding media, process reagents and mechanical parts/ accessories; and
- other costs including operation of the assay lab, electrical, millwright and instrumentation shops.

The table below presents summary of estimated process plant operating costs.

PROCESS PLANT OPERATING COST SUMMARY		
Item	**LOM ($M)**	**Cost ($/t)**
Labour	53.3	14
Power	28.9	7
Consumables / Reagents	22.1	6
Other	19.1	5
Tailings / Water treatment	6.9	2
Total	**130.3**	**34**

4.21 Site General and Administrative Costs

G&A costs include other site costs not allocated to mining and processing activities, including:

- site management;
- bunkhouse and camp services located in White River; and

- other site services including accounting, information technology, purchasing, security, site maintenance, insurance and consulting fees.

The table below presents a summary of estimated G&A operating costs.

SITE G&A OPERATING COSTS		
Item	**LOM ($M)**	**Cost ($/t)**
Site Management	37.9	10
Bunkhouse / Camp	44.0	11
Other	45.2	12
Total	**127.1**	**33**

4.22 Capital Costs

As of May 2, 2019, all development capital for process plant construction and related surface infrastructure has been spent. The remaining costs are considered sustaining capital items.

The largest sustaining capital item is contracted mining costs allocated for underground development, including blasting and hauling waste rock, and underground mine infrastructure. Mining costs allocated as sustaining capital are calculated based on contracted rates.

Other mine infrastructure costs include additional surface ventilation fans installed in 2019 and 2020 to support ongoing underground development. The cost of these fans is approximately $3 M.

The TMF will be expanded in two stages:

- In 2021, a Phase II expansion of the current tailings facility (North TMF) is planned. The cost is estimated at $4.5 M and will support tailings deposition to 2029.
- In 2029, Phase I construction of the South TMF will begin. A starter dam is estimated at $4.8 M for construction, pipelines and access road. Phase I of the South TMF is enough to support the remaining mine life.

Other sustaining costs include $3.7 M for process plant items and site maintenance over the LOM, and $1.8 M for closure bond payments. Table 1.7 presents a summary of estimated sustaining capital costs over the LOM.

SUSTAINING CAPITAL COSTS OVER LOM	
Item	**Cost ($M)**
Mine Development	204.8
Tailings Expansion	9.3
Other Mine Infrastructure	3.1
Other	5.5

Total	222.7

4.23 Financial Evaluation

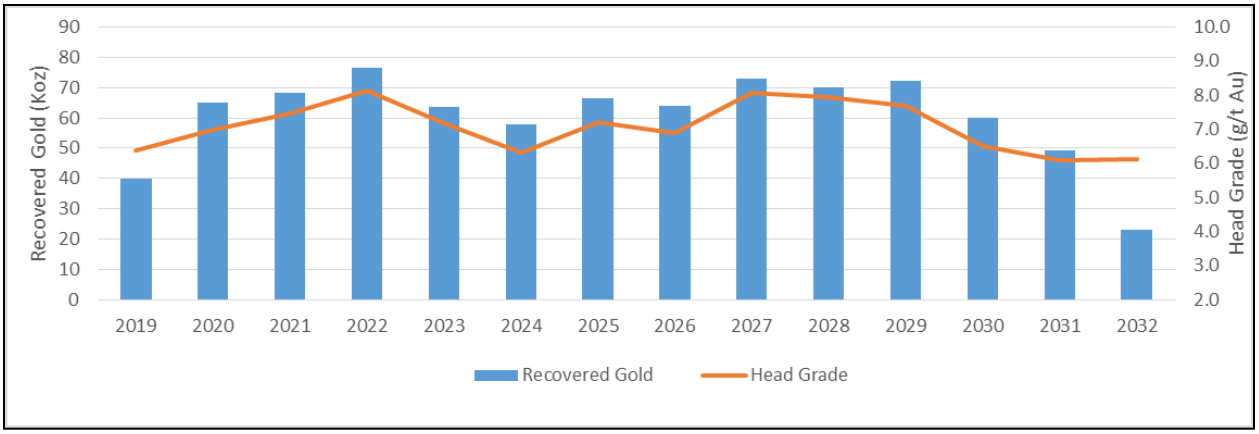
An economic model was developed to estimate the Sugar Zone Property LOM plan comprised of mining the Probable Mineral Reserve of the Sugar, Middle and Wolf Zones. The LOM plan covers a 14 year period beginning January 1, 2019. The table below presents a summary of the LOM financial parameters and valuation.

LOM Financial Valuation and Parameters		
Item	**Unit**	**Value**
Commodity Price and FX		
Gold Price	US$/oz	1,300
CAD:US	CAD$:US$	0.77
Mine Plan Summary		
Mine Life	Years	14
Mineral Reserve Mined	Kt	3,879
Diluted Grade	g/t Au	7.1
Processing Rate	Tpd	800
Processing Recovery		
Gravity Recovery (Doré)	%	61.0
Flotation Recovery (Concentrate)	%	34.5
Overall Recovery	%	95.5
Gold Recovered (Life of Mine)	Koz	849
Annual Production	koz/yr	62
LOM Operating Cost		
Mining	$/t mined	153
Processing	$/t processed	34
G&A	$/t processed	33
Cash Operating Cost	US$/oz	643
AISC Cost	US$/oz	845
Taxes / Royalties		
Property NSR	%	2
Corporate / Ontario Mining Tax	%	25 / 10
First Nations NPI	%	4
Free Cash Flow To Service Debt		
Annual	$	28
LOM Cumulative	$	375

LOM FINANCIAL VALUATION AND PARAMETERS		
Item	**Unit**	**Value**
NPV Results		
Pre-Tax $NPV_{5\%}$	$	314
Post-Tax $NPV_{5\%}$	$	267

A total of 849,000 ounces is recovered over the LOM at an average diluted head grade of 7.1 g/t Au. LOM gold production and head grade are summarized in the figure below.

LOM RECOVERED GOLD



Other economic factors include the following:

- discount rate of 5%;
- figures in nominal 2019 dollars; and
- all cash flows are calculated for the period in which they are incurred and are not adjusted for incoming and outgoing payments.

Key economic assumptions were examined by running sensitivity analysis on the following:

- gold price;
- CAD$:US$ exchange rate;
- operating costs; and
- capital costs.

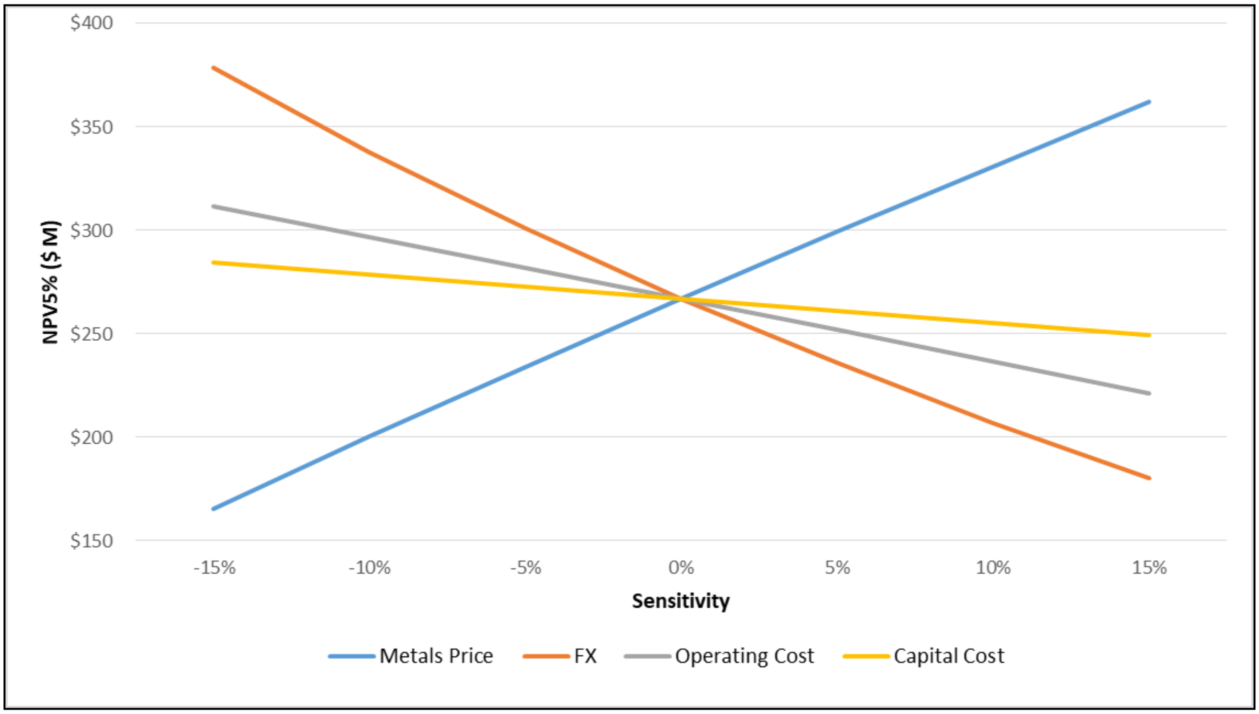
The cash flow and NPV5% at various gold prices are summarized in the table below.

FINANCIAL VALUATION AT VARIOUS GOLD PRICES			
Gold Price (US$/oz)	**$1,200**	**$1,300**	**$1,400**
Operating Cash Flow After Tax ($M)			
Annual	40	**47**	53

LOM Cumulative	564	**656**	747
Net Free Cash Flow ($M)			
Annual	23	**28**	33
LOM Cumulative	307	**375**	442
NPV Results ($M)			
Pre-Tax $NPV_{5\%}$	241	**314**	387
Post-Tax $NPV_{5\%}$	216	**267**	316

The figure below presents a sensitivity analysis on gold price, exchange rate, operating costs and capital costs.

SENSITIVITY ANALYSES



4.24 Risks and Opportunities

The risk evaluation identified six moderate-ranked risks, following mitigation. These were for low gold prices, the effect of an equipment fire near the top of underground ramp spirals, slow ramp development, lower process plant recoveries than planned, not able to achieve 800 tpd production, and nearby forest fire.

Four significant opportunities were noted:

- In-fill drilling in the Sugar, Middle and Wolf Zones could potentially convert a significant amount of the Inferred Mineral Resource to Indicated Mineral Resource. It has been noted over the past two years that the gold grade of the Inferred Mineral Resource increases as it becomes classified as an Indicated Mineral Resource. Additionally, all three Zones remain open at depth and on strike. This has the potential to not only extend the LOM, but at a higher process plant throughput, which could potentially reduce cash costs through benefits of scale.

- Sublevel spacing is considered conservative in an effort to minimize mining dilution. Further mine optimization could increase stope dimensions and/or sublevel interval, providing a cost and productivity benefit.
- The mine plan is based on a diesel equipment fleet. Future implementation of battery-powered mining equipment would provide opportunity to reduce ventilation and operating costs.
- Another opportunity involves finding a lower cost proximal source of fill for TMF embankment construction. There may also be opportunity to use waste rock from the underground mine once more geochemical testwork has been carried out.

4.25 Higher Process Plant Throughput Upside Case

The Feasibility Study production rate was limited to the current processing capacity of 800 tpd. Investigations were also performed to determine the upper mining production limits that could be sustained by the Mineral Reserve. Production scheduling indicated that an expanded production rate of approximately 1,200 tpd can be achieved by 2022, assuming permitting approval and expansion of processing facilities from 800 tpd to 1,200 tpd is achieved by July 2021. The expanded production rate of 1,200 tpd can be sustained from 2022 to 2025, followed by 1,100 tpd from 2026 to 2027, and 1,000 tpd in 2028. The 1,200 tpd production schedule was achieved using the same mine layout, Mineral Reserves and productivities as the 800 tpd scenario.

At 1,200 tpd throughput, annual production would average 95,000 recovered gold ounces from 2022 onwards. Given the history of drilling results on the Property, it is reasonable to expect that additional conversion of Inferred Mineral Resources to Indicated Mineral Resources and subsequently to Probable Mineral Reserves will help maintain 1,200 tpd from 2022 onwards.

The process plant can be expanded from 800 tpd to 1,200 tpd. Additional processes and equipment would include the following:

- additional cone crusher to increase capacity of the crushing circuit;
- modifications to the tail end of the existing mill feed conveyor;
- parallel grinding and gravity circuits complete with identical ball mill, cyclones and gravity concentrators;
- extension to the north end of the pre-engineered building to enclose the parallel circuits;
- two additional flotation cells (rougher flotation function);
- concentrate re-grind mill within the existing building;
- Merrill-Crowe circuit;
- expanded gold room and associated equipment;
- new electrical room, complete with motor control centre, transformer and enclosure;
- leach circuit complete with detoxification circuit;
- new reagent room including cyanide make-up; and
- additional ancillary equipment such as a new water tank, air compressors, and HVAC system.

The existing paste backfill facilities have additional capacity and therefore need no modification.

The South TMF could be expanded for many years after the starter dam is constructed for the 800 tpd plan.

An economic assessment of an expansion to 1,200 tpd was outside the scope of the Feasibility Study; however, approximately 40% of current mining costs are fixed, which presents the opportunity to reduce cash costs per ounce. Operation cash costs could potentially be reduced through benefits of scale.

4.26 Interpretations and Conclusions

The Sugar Zone Operation is a large property covering 794 km2 located in northern Ontario, approximately 715 km northwest of Toronto, 68 km east of the Hemlo Gold Camp, and 30 km north of the town of White River, Ontario. The Property is accessed from Highway 631, a secondary paved highway, extending north from Trans-Canada Highway 17 at White River and passing approximately 10 km east of the Sugar Zone. The Operation benefits significantly from proximity to the Hemlo Gold Camp, several mining operations in the Wawa area, and infrastructure associated with the Trans-Canada highway and rail corridor.

The Operation is currently in production. Commercial production was declared as of January 1, 2019. It was significantly de-risked through Harte Gold's successful completion of a 70,000 t underground bulk sample that was processed at Barrick's Williams Mine in 2016/2017. Current permits allow the process plant to operate at 575 tpd. Harte Gold is currently amending the existing permits to achieve 800 tpd. The nameplate capacity of the current process plant is 800 tpd in anticipation of the amended permit. The permitting amendment to 800 tpd is anticipated to occur in Q2 2019, and an increase to 800 tpd mining and processing rate has been scheduled from the commencement of Q4 2019.

P&E considers the mineralization at the Sugar Zone to be amenable to underground extraction. At a 3.0 g/t Au cut-off grade, the Sugar Zone Deposit is estimated to contain an Indicated Mineral Resource of 4,243,000 t at a grade of 8.12 g/t Au for 1,108,000 oz Au plus an Inferred Mineral Resource estimated at 2,954,000 t at a grade of 5.88 g/t Au for 558,000 oz Au.

The Feasibility Study plans a phased development approach with a goal of achieving near-term cash flow while minimizing initial underground development work. The Feasibility Study was based on a gold price of US$1,300/oz and a CAD/US$ exchange rate of 0.77. At an average annual throughput of 300,000 tpa, a total of 3,879,000 tonnes mined at a diluted head grade of 7.1 g/t Au and 95.5% gold recovery, the Feasibility Study projects a total of 849,000 oz recovered, average annual production of 61,000 oz, and peak annual production (2022) of 76,500 oz.

All development capital for process plant construction and related surface infrastructure has been spent. The remaining costs are considered sustaining capital items. The FS projects a C1 cash cost of US$643/oz and AISC of US$845/oz over a 14 year mine life. Using the Feasibility Study's gold pricing, the Operation has an estimated pre-tax NPV at a 5% discount of $ 314 M, and a post-tax NPV of $ 267 M.

The Feasibility Study has highlighted several opportunities to increase economics and reduce identified risks. These include exploration opportunities to improve the quantity and quality of Mineral Resources and Mineral Reserves, and opportunities to optimize the mine plan and scheduling to reduce mining costs.

4.27 Recommendations

Given the economic potential identified in the Feasibility Study, P&E recommends that the Operation proceed as currently constructed and planned.

P&E considers that the Sugar Zone Operation contains a significant Indicated and Inferred Mineral Resource that is associated with a well-defined gold mineralized trend and model. The Feasibility Study has shown that the Sugar Zone Deposit can be mined by underground longhole stoping at an initial rate of 540 tpd at the Sugar Zone, increasing to 800 tpd. The process plant produces both a doré bar and a gold concentrate through gravity concentration and flotation circuits. The Feasibility Study estimates that over the 14 year LOM a total of 849,000 oz of gold will be recovered at an average diluted grade of 7.1 g/t Au.

P&E considers that Property has significant potential for delineation of additional Mineral Resources and that further exploration is warranted. In-fill drilling to upgrade Inferred to Indicated Mineral Resources can potentially extend the estimated mine life. During previous updates of the Mineral Resource Estimate, in-fill drilling has led to improved average grades in the Indicated classification. This trend is likely to continue.

The Property has significant potential for discovery of mineralization along the Sugar Zone Trend in areas that are not currently part of the Mineral Resource Estimate. Geophysics, trenching, geological mapping and drilling have identified targets at the Wolf, Lynx and Fisher Zones and more recently at the Marten and Moose Zones that warrant additional exploration. Further geophysical surveying, mapping and prospecting over prospective areas and trends on the underexplored portion of the Property is warranted.

Harte Gold management has identified a number of opportunities, outside the scope of the mine plan studied in the Feasibility Study, which could further improve the mine plan and economics of the Operation. These opportunities are currently underway. Mine optimization with further geotechnical analysis and data is likely to provide opportunities to increase stope dimensions and/or level interval, providing a cost and productivity benefit. Sublevel spacing is considered conservative in an effort to minimize dilution. Sill drift dimensions are expected to be optimized as drill and blast practices and equipment are honed as mine production continues. Any modification to the sill development drift profile has the potential to increase the grade mined from the sills. Optimization of the mining sequence within each mining block has the potential to reduce the amount of remote loading and thereby provide productivity and cost benefits. The mine plan incorporates a sublevel-by-sublevel, bottom-up mining sequence for each mining block (typically four levels), which simplifies planning and logistics, however, stopes that span multiple sublevels, dimensioned according to local geotechnical limits, have the potential to improve productivity.

Analysis has indicated that the underground mine production rate can be expanded to support approximately 1,200 tpd from 2022 to 2025, with annual production averaging 95,000 recovered gold ounces. Given the history of drilling results on the Property, it is reasonable to expect that additional conversion of Inferred Mineral Resources to Indicated Mineral Resources and subsequently to Probable Mineral Reserves will help maintain 1,200 tpd from 2022 onwards. The process plant can be expanded from 800 tpd to 1,200 tpd, and installation of a leach circuit to process flotation concentrate on-site could reduce costs and increase payable gold ounces. The South TMF could be expanded for many years after the starter dam is constructed for the 800 tpd plan. Operation cash costs could potentially be reduced through benefits of scale. P&E recommends that an expanded production case be studied in the future.

At the Feasibility Study's gold price of US$1,300/oz Au and a CAD/US$ exchange rate of 0.77 the Feasibility Study demonstrates attractive economic returns with an estimated post-tax NPV (5% discount rate) of $267 M.

SPECIAL SKILLS AND KNOWLEDGE

Various aspects of Harte Gold's business require specialized skills and knowledge, certain of which are in high demand and in limited supply. Such skills and knowledge include the areas of permitting, engineering, geology, metallurgy, logistical planning, implementation of exploration programs, mine construction and development, mine operation, as well as legal compliance, finance and accounting. Harte Gold has an active recruitment program, highly qualified management personnel and staff, and believes that persons having the necessary skills are generally available. Harte Gold management has found that it can locate and retain competent employees and consultants in such fields as well as maintain a high retention rate of highly skilled employees and it anticipates that it will not have significant difficulty in recruiting other personnel as needed.

COMPETITIVE CONDITIONS

The gold exploration, development, and mining business is a competitive business. Harte Gold competes with numerous other companies and individuals in the search for and the acquisition of quality gold properties, mineral claims, permits, concessions and other mineral interests, as well as recruiting and retaining qualified employees. Harte Gold's ability to acquire gold properties in the future will depend not only on its ability to develop present properties, but also on its ability to select and acquire suitable producing properties or prospects for development or mineral exploration.

CYCLES

The mineral exploration and development business is subject to mineral and commodity price cycles. The marketability of minerals is also affected by worldwide economic cycles.

EMPLOYEES

As at December 31, 2019, the Company had 92 full-time employees.

ITEM 5: RISK FACTORS

An investment in the securities of the Company is speculative and involves significant risks which should be carefully considered by prospective investors before purchasing such securities. In addition to the other information set forth elsewhere in this Annual Information Form, the following risk factors should be carefully reviewed by prospective investors:

Dependency on the Sugar Zone Property for substantially all of the Company's operating revenue and cash flows

The Company is dependent on the Sugar Zone Property for substantially all of its operating revenue and cash flows. While the Company may invest in additional mining and exploration projects in the future, the Sugar Zone Property is currently its only producing mining project, thereby providing substantially all of the Company's operating revenue and cash flows. Consequently, a delay or difficulty encountered in the operations of the Sugar Zone Property would materially -and adversely affect the Company's financial condition and financial sustainability including, among other things, our ability to fund the development of the Stoughton-Abitibi Property. Any adverse changes or developments affecting the Sugar Zone Property, such as, but not limited to, our inability to successfully complete any of the development projects, work programs or expansions, obtain financing on commercially suitable terms, or hire suitable personnel and mining contractors, may have a material adverse effect on the Company's financial performance, results of operations and liquidity. In addition, the Company's business and results of operations could be materially and adversely affected by any events which cause the Sugar Zone Property to operate at less than optimal capacity, including among other things, shortages of contractor manpower, power outages, equipment failure or shortages of spares, consumables and reagents, adverse weather, serious environmental and safety issues, any permitting or licensing issues and any failure to produce expected amounts of gold.

History of losses

The Company's operating expenses and capital expenditures exceed its revenues and there is no assurance the Sugar Zone Property will result in profitable operations or that significant additional losses will not occur in the future. The Company's operating expenses and capital expenditures may increase in future years with advancing exploration, development and production from the Sugar Zone Property or any additional properties. The Company expects to incur losses until such time as the Sugar Zone Property generates sufficient revenue to fund continuing operations. There is also no assurance that new capital will become available, and if it is not, the Company may be forced to substantially curtail or cease operations.

Exploration, development and operations

The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors, including the Company's ability to extend the permitted term of exploration granted by the underlying concession contracts. Substantial expenditures are required to establish reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that any such deposit will be commercially viable or that the funds required for development can be obtained on a timely basis.

Risks inherent in the nature of mineral exploration and development

Mineral exploration and development involves several risks which experience, knowledge and careful evaluation may not be sufficient to overcome. Large capital expenditures are required in advance of anticipated revenues from operations. Many exploration programs do not result in the discovery of mineralization; moreover, mineralization discovered may not be of sufficient quantity or quality to be profitably mined. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in the conduct of exploration programs and the operation of mines. The commercial viability of exploiting any precious metal deposit is dependent on a number of factors including infrastructure and governmental regulations, in particular those respecting the environment, price, taxes, and royalties. No assurance can be given that minerals of sufficient quantity, quality, size and grade will be discovered on any of the Company's properties to justify commercial operation.

All phases of the mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Mining and exploration activities are also subject to various laws and regulations relating to the protection of the environment. Although the Company believes that its exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that would limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company. In the context of environmental permitting, including the approval of reclamation plans, the Company must comply with known standards, existing laws and regulations which may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. The Company is not aware of any material environmental constraint affecting any of its development properties that would preclude the economic development or operation of any specific property.

Uncertainty of reserve and resource estimates

The mining and exploration business relies upon the accuracy of determinations as to whether a given deposit has significant mineral reserves and resources. This reliance is important in that reported mineral reserves and resources are only estimates and do not represent with certainty that estimated mineral reserves and resources will be recovered or that they will be recovered at the rates estimated. Mineral reserve and resource estimates are based on limited sampling, and inherently carry the uncertainty that samples may not be representative of actual results.

Impact of COVID-19 and other communicable diseases

The Company is currently facing risks related to health epidemics and other outbreaks of communicable diseases, which could significantly disrupt its operations and may materially and adversely affect its business and financial conditions. The Company's business could be adversely impacted by the effects of the coronavirus or other epidemics. In December 2019, a novel strain of the coronavirus emerged in China and the virus has now spread to several other countries, including Canada, and infections have been reported globally. The extent to which the coronavirus impacts the Company's business, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the coronavirus outbreak. In particular, the continued spread of the coronavirus globally could materially and adversely impact the Company's business including without limitation, employee health, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, restrictions to its project development, restrictions to its drill program and/or the timing to process drill and other metallurgical testing, and other factors that will depend on future developments beyond the Company's control, which may have a material and adverse effect on the its business, financial condition and results of operations. There can be no assurance that the Company's personnel will not be impacted by these pandemic diseases and ultimately see its workforce productivity reduced or incur increased medical costs / insurance premiums as a result of these health risks. In addition, a significant outbreak of coronavirus could result in a widespread global health crisis that could adversely affect global economies and financial markets resulting in an economic downturn that could have an adverse effect on the demand for precious metals and our future prospects.

Global financial conditions

Current domestic and global financial conditions have been subject to increased volatility, and access to public financing, particularly for junior resource companies, has been negatively impacted. These factors may impact the ability of the Company to obtain equity or debt financing in the future and, if obtained, such financing may not be on terms favourable to the Company. If increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the value and price of the Common Shares could be adversely affected.

Potential volatility of material price of Common Shares

The TSX has, from time to time, experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the market price of the Company's Common Shares. In addition, price of the Common Shares is likely to be highly volatile. Factors such as the price of gold, and other minerals, announcements by competitors, changes in stock market analyst recommendations regarding the Company, and general market conditions and attitudes affecting other exploration and mining companies may have a significant effect on the market price of the Common Shares. Moreover, it is likely that during the future quarterly periods, the Company's results and exploration activities may fluctuate significantly or may fail to meet the expectations of stock market analysts and investors and, in such event, the market price of the Common Shares could be materially adversely affected.

Commodity price risk

The price of the Common Shares, its financial results, exploration and development activities have been, or may in the future be, adversely affected by declines in the price of gold and/or other metals. Gold prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of commodities by various central banks, financial institutions, expectations of inflation or deflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, international supply and demand, speculative activities and increased production due to new mine developments, improved mining and production methods and international economic and political trends. The Company's revenues, if any, are expected to be in large part derived from mining and sale of precious and base metals or interests related thereto. The effect of these factors on the price of precious and base metals, and therefore the economic viability of any of the Company's exploration projects, cannot accurately be predicted.

Funding risk

There can be no assurance that any funding required by the Company will become available, and if so, that it will be offered on reasonable terms, or that the Company will be able to secure such funding through third party financing or cost sharing arrangements. Furthermore, there is no assurance that the Company will be able to secure new mineral properties or projects, or that they can be secured on competitive terms. Depending upon if and when commercial quantities of ore are found, the Company may or may not have the financial resources at that time to bring a mine into production. The only sources of funding which might be available to the Company at such time may be limited to the sale of equity capital, mineral properties, royalty interests or the entering into of joint ventures, there being no assurances that any of the foregoing forms of funding will be available to the Company.

Additional capital

The exploration activities of the Company may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and development of any of the Company's properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financings will be favourable to the Company. In addition, low commodity prices may affect the Company's ability to obtain financing.

Business risk

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

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

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

Political risk

The properties are located in Canada. Accordingly, the Company is subject to risks normally associated with exploration for and development of mineral properties in this country.

The Company's ability to conduct future exploration and development activities is subject to changes in government regulations and shifts in political attitudes over which Harte Gold has no control.

Environmental and permitting

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations, among other things, mandate the maintenance of air and water quality standards, land reclamation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner which will require increased consultation with First Nations, stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Title matters

Once acquired, title to, and the area of, mineral properties may be disputed. There is no guarantee that title to one or more claims or concessions at the Company's projects will not be challenged or impugned. There may be challenges to any of the Company's titles which, if successful, could result in the loss or reduction of the Company's interest in such titles. The Company's properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties. The failure to comply with all applicable laws and regulations, including a failure to pay taxes or to carry out and file assessment work, can lead to the unilateral termination of concessions by mining authorities or other governmental entities.

Acquisition

The Company uses its best judgment to acquire mining properties for exploration and development. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions and development, or integrate such opportunity and their personnel with the Company. The Company cannot assure that it can complete any acquisition that it pursues or is currently pursuing, on favourable terms, or that any acquisition completed will ultimately benefit the Company.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospectus for mineral exploration in the future.

Outstanding Common Shares could be subject to dilution

In the event the Company seeks to procure additional financing through the sale and issuance of its securities, or in the event that holders of stock options, warrants, or additional securities convertible into Common Shares exercise their rights under such securities in the future, the then shareholders of the Company may suffer immediate and substantive dilution in their percentage ownership of the issued and outstanding Common Shares.

Absence of dividends

The Company has no earnings or dividend record and since it intends to employ available funds for mineral exploration and development it does not intend to pay any dividends in the immediate or foreseeable future. The future dividend policy will be determined by the Company's Board of Directors.

ITEM 6: DIVIDENDS

The Company has not declared or paid any dividends on its Common Shares since the date of its formation. The Company intends to retain its earnings, if any, to finance the growth and development of its business and has no present intention of paying dividends or making any other distributions in the foreseeable future.

ITEM 7: DESCRIPTION OF CAPITAL STRUCTURE

COMMON SHARES

The Company is authorized to issue an unlimited number of Common Shares. As of the date hereof, 846,207,227 Common Shares are issued and outstanding as fully paid and non-assessable Common Shares.

The holders of the Common Shares are entitled to dividends, if, as and when declared by the Company's Board of Directors, to notice of and to one vote per share at meetings of the shareholders of the Company and, upon liquidation, to receive such assets of the Company as are distributable to the holders of the Common Shares. All of the Common Shares outstanding are fully paid and non-assessable.

The Company's stock option plan permits the Company's Board to grant to directors, officers, consultants and employees of the Company stock options to purchase from the Company a designated number of authorized but unissued Common Shares up to but not exceeding 10% of the issued and outstanding Common Shares, less any Common Shares reserved for issuance under stock options granted under share compensation arrangements other than the stock option plan, at any point in time. In 2019, the Company also established a Deferred Share Unit plan ("DSU") for directors and a Restricted Share Unit plan ("RSU") for officers and employees. The DSU and RSU are subject to shareholder approval at the Company's Annual General Meeting to be held on or about June 2020. No Common Shares shall be issued to DSU and RSU holders until the Company receives shareholder approval of the RSU and DSU Plans. As of the date hereof, there were 51,274,605 stock options to acquire Common Shares, 3,750,000 RSUs and 5,000,000 DSUs outstanding. The number of Common Shares reserved for issuance under the Company's stock option, DSU and RSU plans in aggregate is not to exceed 10% of the issued and outstanding Common Shares from time-to-time. Notwithstanding the foregoing, in its 2016 subscription agreement with Appian, the Company agreed to limit the number of new stock based compensation grants in any 1 year period to 3% and in any 3 year period to 6% of the issued and outstanding Common Shares at the beginning of such periods.

PREFERENCE SHARES

The Company is authorized to issue 2,000,000 Preference Shares of which none are issued and outstanding as of the date hereof.

WARRANTS

As of the date hereof, 26,581,707 warrants to acquire Common Shares are outstanding.

ITEM 8: MARKET FOR SECURITIES

8.1 Trading Price and Volume

The Common Shares trade on the TSX under the symbol "HRT". The following table sets forth the high, low and trading volume of the Common Shares on the TSX for 2019 on a monthly basis:

Period	High ($)	Low ($)	Volume
January 2019	0.44	0.375	11,924,970
February 2019	0.41	0.32	21,683,309
March 2019	0.40	0.34	19,488,510
April 2019	0.365	0.25	35,477,196
May- 2019	0.31	0.21	19,195,592

June 2019	0.28	0.24	16,009,901
July 2019	0.27	0.225	20,337,215
August 2019	0.35	0.225	25,088,676
September 2019	0.325	0.23	11,259,682
October 2019	0.28	0.225	11,170,495
November 2019	0.24	0.085	69,228,550
December 2019	0.20	0.115	74,330,597
January 2020	0.185	0.14	25,278,336
February 2020	0.175	0.095	25,634,052
March 1 – 25, 2020	0.135	0.075	22,096,170

Note: The trading price and volume data in the table above is from the TSX.

8.2 Prior Sales

The following table contains details of the prior sales of securities of the Company during the previous fiscal year and to the date of this Annual Information Form:

Date of Issue	Securities	Number of Securities	Issue/Exercise ($)	Expiry Date
March 14, 2019	Common Shares	500,000	0.10	
April 12, 2019	Common Shares	150,000	0.10	
April 23, 2019	Common Shares	240,000	0.10	
April 25, 2019	Common Shares	3,900,000	0.10	
May 9, 2019	Common Shares	50,000	0.15	
June 8, 2019	Common Share Purchase Warrants (1)	5,000,000	0.27	June 8, 2024
July 18, 2019	Common Shares	49,177,777	0.27	
August 28, 2019	Common Share Purchase Warrants (2)	3,500,000	0.35	August 28, 2022
September 5, 2019	Common Shares (3)	100,000	0.31	
October 2, 2019	Common Shares	23,000,000	0.30	
October 2, 2019	Common Share Purchase Warrants (4)	1,130,334	0.30	April 2, 2021
October 2, 2019	Common Share Purchase Warrants (5)	383,054	0.35	April 2, 2021
December 3, 2019	Common Shares	100,000	0.10	
January 24, 2020	Common Shares	500,000	0.10	
March 11, 2020	Common Shares	120,937,495	0.16	
March 19, 2020	Common Shares	47,812,505	0.16	

1) Issued in connection with Appian Special Shares and Standby Facility. See *"General Development of the Business – Three Year History – 2019"*.
2) Issued in connection with Appian Settlement Agreement. See *"General Development of the Business – Three Year History – 2019"*.
3) Issued in connection with a property option payment.
4) Finder's warrants issued in connection with the flow through offering closed October 2, 2019.
5) Issued in connection with Appian participation rights.

ITEM 9: DIRECTORS AND OFFICERS

9.1 Name, Position with Company, Principal Occupation and Security Holdings

The following table sets forth the name and residence of each director and executive officer of the Company, as well as such individual's position with the Company, period of service as a director (if applicable), and principal occupation(s) within the five preceding years. The current directors of the Company will hold office until the earlier of their resignation and the Company's next annual meeting of shareholders at which directors are elected or until such directors cease to hold office pursuant to the provisions of the OBCA.

DIRECTORS		
Name, Province and Country of Residence	**Position with the Company**	**Principal Occupation During Preceding Five Years**
Samuel T. Coetzer B.Eng.[8] Ontario, Canada	Director, President & CEO	Mr. Coetzer has over 30 years of international mining experience and acted as Chief Operating Officer then President and Chief Executive Officer of Golden Star Resources Ltd.; a gold producer in Ghana, South Africa from 2011 to 2019. Prior thereto Mr. Coetzer held senior management positions with global mining companies, including Senior Vice-President, Kinross Gold Corp. South American Operations, Chief Operating Officer of Xstrata Nickel, Chief Operating Officer of Xstrata Coal South Africa and Managing Director Placer Dome Inc. in Africa.
Geoffrey Cohen[1] [2] [3] [4] Ontario, Canada	Director	Mr. Cohen is the Senior Adviser to ANR Investments B.V. in North America. Prior thereto from 2010 Mr. Cohen was Managing Director and Head of North American mining investment banking at JPMorgan.
Joseph Conway BSc, MBA [1] [2] [5] Ontario, Canada	Chairman & Director	Mr. Conway previously served as President and Chief Executive Officer of Primero Mining prior to its acquisition by First Majestic Silver Corp. in 2018 and prior thereto Mr. Conway was President and Chief Executive Officer of Iamgold from 2003 to 2010.
James E. Gallagher B.Eng. [3] [6] Ontario, Canada	Director	Mr. Gallagher is currently the Executive Chairman of Regency Gold Corp. and prior thereto was President and Chief Executive Officer of North American Palladium Ltd. ("NAP"); owner of the Lac des Illes mine palladium mine producer recently sold for $1 Billion. Prior to NAP, Mr. Gallagher spent 24 years with Falconbridge Inc. Mr. Gallagher currently serves on the board of the Ontario Mining Association.
Stephen G. Roman B.A [7] Ontario, Canada	Director	Mr. Roman is currently the Chairman, President & Chief Executive Officer of Global Atomic Corporation since 2005. He previously served as Chairman, President and Chief Executive Officer of the Company from January 2009 to November 2019. He has over 35 years' experience in mine operations, exploration, mergers and acquisitions.
Michael Scherb BBA [2] Masters of Finance London, UK	Director	Founding Partner of Appian Natural Resource Fund, a mining focused private equity firm based in London, UK. Prior thereto he was the Head of Mining Corporate Finance at JP Morgan Asia.
Dr. Richard Sutcliffe Ph.D. [1] [2] [3] Ontario, Canada	Director	Dr. Sutcliffe has served as Director of the Company since July 2015. Dr. Sutcliffe has over 30 years' experience in the mining industry and is currently President of Pavey Ark Minerals Inc.; a private mineral project generator and prior to 2012 served as

		President and CEO of Ursa Major Minerals Inc. and Chairman of Patricia Mining Corp. Dr. Sutcliffe is a Professional Geoscientist.
EXECUTIVE OFFICERS		
Name, Province and Country of Residence	**Position with the Company**	**Principal Occupation During Preceding Five Years**
Timothy N. Campbell, B.A. Hons Ontario, Canada	Executive Vice President & Corporate Secretary	President of PCSI since 1995; provides corporate finance, regulatory compliance, community and aboriginal consulting, government relations, permitting, other management services. Executive Vice President & Corporate Secretary of the Company since January 2019 and Vice President & Corporate Secretary of the Company since June 2009. Mr. Campbell currently serves on the board of the Ontario Mining Association.
Graham du Preez, B.Comm Hons. C.A. (SA)(10) Ontario, Canada	Executive Vice President & Chief Financial Officer	Formerly Chief Financial Officer of Alloycorp Mining Inc., a molybdenum company located in British Columbia, Canada from 2014 to 2020 and Chief Financial Officer of Buffalo Coal Corp. a coal producer located in South Africa from 2016 to 2020.
Shawn Howarth, B.Eng. MBA Ontario, Canada	Vice President Corporate Development	Formerly with Standard Chartered Bank in the mergers and acquisitions group from 2008 to 2014 and then Alloycorp MiningInc. Mr. Howarth has served as Vice President, Corporate Development of the Company since June 2017.
Dr. Martin Raffield Phd., P.Eng.(9) Colorado, USA	Executive Vice President & Chief Operating Officer	Dr. Raffield has over 25 years of experience managing underground mining operations across Canada and Africa. Most recently, Dr. Raffield acted as Executive Vice President and Chief Technical Officer of Golden Star from June, 2007 to 2019 Prior thereto Dr. Raffield served as Principal Consultant and Practice Leader, SRK Consulting (US) and Chief Engineer and Mine Superintendent at the Campbell Mine for Placer Dome Inc. in Red Lake, Ontario.
Karen Walsh, B.A Hons Wisconsin, USA	Vice President People and Organizational Development	Ms. Walsh has over 30 years' experience in recruiting, succession planning, cultural change initiatives, HR process optimization, global leadership development and performance management. Previously Ms. Walsh was with Golden Star Resources as Vice President Human Resources. Prior to Golden Star, Ms. Walsh spent six years consulting in the mining industry following her role as Senior Vice president, Human Resources for Placer Dome Inc.

1) Member of the Audit Committee.
2) Member of the Nominating and Compensation Committee and Corporate Governance Committee.
3) Member of the Health, Safety, Environment and Technical Committee.
4) Mr. Cohen was appointed to the Board of Directors effective April 2, 2019.
5) Mr. Conway was appointed to the Board of Directors effective October 15, 2019.
6) Mr. Gallagher was appointed to the Board of Directors effective October 15, 2019.
7) Mr. Roman resigned as President and CEO August 28, 2019, acted as interim President & CEO to November 4, 2019.
8) Mr. Coetzer was appointed President and CEO and appointed to the Board of Directors effective November 4, 2019.
9) Dr. Raffield was appointed Executive Vice President and Chief Operating Officer effective November 4, 2019.
10) Mr. du Preez was appointed Chief Financial Officer effective March 2, 2020.

As of the date hereof, the current directors and executive officers of the Company, as a group, currently beneficially own, directly or indirectly, or exercise control or direction over an aggregate of 243,883,089 Common Shares representing 28.82% of the issued and outstanding Common Shares.

9.2 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as disclosed below, to the knowledge of the Company, no director or executive officer of the Company or shareholder holding a sufficient number of securities to affect materially the control of the Company (a) is, as at the date of this Annual Information Form, or has been, within 10 years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company, including the Company, that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was issued while the director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, (b) is, as at the date of this Annual Information Form, or has been within 10 years before the date of this Annual Information Form, a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or (c) has, within the 10 years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director. Mr. Stephen G. Roman was Executive Chairman of Exall Energy Corporation when it entered receivership on March 25, 2015.

(1) Penalties or Sanctions

None of the directors or officers of the Company or shareholder holding a sufficient number of securities to affect materially the control of the Company has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or have entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

(2) Individual Bankruptcies

None of the directors or officers of the Company has, within the ten years prior to the date hereof, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

9.3 Conflicts of Interest

To the best of the Company's knowledge and other than as disclosed herein, there are no existing or potential conflicts of interest among the Company, its promoters, directors, officers or other members of management of the Company except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of other public companies and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies and their duties as a director, officer, promoter or management of the Company.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty to any of its directors and officers.

ITEM 10: ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Except as disclosed in this Annual Information Form, to the knowledge of the Company, none of the securities of the Company are subject to escrow or contractual restriction on transfer.

ITEM 11: LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company, from time to time, is involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Company cannot reasonably predict the likelihood or outcome of these actions. There are no pending or contemplated legal proceedings to which Harte Gold is party or of which the Sugar Zone Property is subject to that would have a material effect on the Company's financial condition or future results of operations. During the last financial year, Harte Gold has not been subject to any penalties or sanctions imposed by a regulatory body in respect of securities legislation or regulatory requirements or any penalty or sanction. Harte Gold has not entered into any settlement agreement in respect of securities legislation or regulatory requirements.

ITEM 12: INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed elsewhere in this Annual Information Form, no (a) director or executive officer, (b) person or company that beneficially owns, controls or directs, directly or indirectly, more than 10% of the Common Shares, nor (c) associate or affiliate of any of the persons or companies referred to in (a) or (b) has, or has had within the three most recently completed financial years before the date hereof, any material interest, direct or indirect, in any transaction that has materially affected or is reasonably expected to materially affect the Company.

ITEM 13: TRANSFER AGENT AND REGISTRAR

TSX Trust Company is the registrar and transfer agent for the Company at its principal offices at 301 - 100 Adelaide Street West, Toronto, Ontario M5H 4H1.

ITEM 14: MATERIAL CONTRACTS

The only material contracts that the Company has entered into (i) since the beginning of its most recently completed financial year or (ii) before the beginning of its most recently completed financial year and that are still in effect, other than contracts entered into in the ordinary course of business, are as follows (copies of which are available on SEDAR (www.sedar.com) under Harte Gold's issuer profile):

(a) Subscription, Standby Commitment and Facility Extension Agreement between Harte Gold and Appian dated June 6, 2019;

(b) Credit Agreement between BNP Paribas and Harte Gold dated June 10, 2019;

(c) Settlement Agreement among Harte Gold, Stephen Roman, Richard Faucher, Fergus Kerr, Richard Sutcliffe, Michael Scherb, Geoffrey Cohen and Appian dated August 28, 2019;

(d) Underwriting Agreement between the Harte Gold and Echelon Wealth Partners Inc. dated September 17, 2019; and

(e) Underwriting Agreement among Harte Gold and Canaccord Genuity Corp, Haywood Securities Inc., CIBC Capital Markets and BNP Paribas Canada, dated February 19, 2020, as amended and restated as of March 9, 2020.

ITEM 15: INTERESTS OF EXPERTS

15.1 Names of Experts

The consolidated financial statements for the Company for the years ended December 31, 2019 and 2018 have been audited by KPMG LLP.

The Feasibility Study was prepared by Eugene Puritch, P.Eng., FEC, CET Jarita Barry, P.Geo. Andrew Bradfield, P.Eng. Grant Feasby, P.Eng. Yungang Wu, P.Geo. Antoine Yassa, P.Geo. Kathy Kalenchuk, P.Eng. Raymond Walton, P.Eng. Justin Taylor, P.Eng. from P&E.

15.2 Interests of Experts

KPMG LLP are the auditors of the Company and have confirmed with respect to the Company that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relavant professional bodies in Canada.

RSM Canada LLP, the former auditors of the Company, have confirmed that they were, with respect to the Company, throughout the period of their engagement, are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada.

None of WeirFoulds LLP, Miller Thomson LLP, MacMillan LLP, Stikeman Elliott LLP, Cassels Brock & Blackwell LLP, P&E, and the authors of the Feasibility Study referenced out above, and RSM Canada LLP, Chartered Accountants, KPMG LLP, or any director, officer, employee or partner thereof received or has received a direct or indirect interest in the property of the Company or of any associate or affiliate of the Company. As at the date hereof, none of the aforementioned individuals, companies and partnerships, nor any of the directors, officers, employees and partners thereof, beneficially own, directly or indirectly, any securities of the Company or its associates and affiliates other than Wayne Egan, partner of WeirFoulds LLP, who holds less than 1% of the Company's securities.

No director, officer, partner or employee of any of the above mentioned companies or partnerships is currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associates or affiliates of the Company.

ITEM 16: AUDIT COMMITTEE INFORMATION

16.1 Audit Committee Charter

The Company's Audit Committee is governed by its Audit Committee Charter, a copy of which is annexed hereto as Schedule "A".

16.2 Composition of The Audit Committee

The Company's Audit Committee, consists of three (3) directors: Geoffrey Cohen, Joseph Conway and Richard Sutcliffe, each of whom is independent (as defined in National Instrument 52- 110 – Audit Committees ("NI 52-110")), except for Geoffrey Cohen. See "Reliance from Certain Exemptions" below.

16.3 Audit Committee Oversight

Since the commencement of the Company's most recently completed fiscal year, the Company's Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

16.4 Relevant Education and Experience

The following is a summary of the relevant education and experience of each of the current members of the Company's Audit Committee.

Geoffrey Cohen - Mr. Cohen is the senior adviser to Appian in North America; a mining investment fund based in London, UK. Prior to joining Appian, Mr. Cohen was managing director and head of North American mining investment banking at JPMorgan. During this period, he originated and executed merger and acquisition, debt and equity transactions valued at over US$40 billion. Prior to joining JPMorgan in 2010, Mr. Cohen worked in the M&A groups of both global and domestic Canadian investment banks, where he focused on the natural resources sector. Mr. Cohen holds a B.Sc. in engineering from Queen's University and an MBA from the Ivey School of Business at the University of Western Ontario. Mr. Cohen is "financially literate" as defined in NI 52-110.

Joseph Conway - Mr. Conway has over 30 years of mining and financial industry experience. During his executive leadership, he has been intimately involved in strategic development including mergers and acquisitions, corporate restructurings and accessing the capital markets for approximately $1.2 billion in debt and equity. Mr. Conway was Chief Executive Officer and Executive Vice Chairman of Primero Mining prior to its acquisition by First Majestic Silver Corp in 2018. Mr. Conway was the President and Chief Executive Officer of IAMGOLD Corporation growing the company and its affiliates from a $50 million joint venture company to a $6 billion leading intermediate gold producer. Mr. Conway has a B.Sc. from Memorial University of Newfoundland and an MBA from Dalhousie University. Mr. Conway is "financially literate" as defined in NI 52-110.

Dr. Richard Sutcliffe - Dr. Sutcliffe has over 30 years of mining experience and is currently President of Pavey Ark Minerals Inc., a private mineral project generator. Previously Dr. Sutcliffe was President and CEO of Ursa Major Minerals Inc., a TSX listed mining company that developed and operated the Shakespeare Nickel Mine in the Sudbury, Ontario area and then Chairman of Patricia Mining Corp.; a TSXV listed company that developed and operated the Island Gold Mine, outside Dubreuilville, Ontario, through a joint venture with Richmont Mines Inc. Dr. Sutcliffe is a Professional Geoscientist who holds a B.Sc. and

M.Sc. in Geology from the University of Toronto and a PHD in Geology from the University of Western Ontario. Dr. Sutcliffe is “financially literate” as defined in NI 52-110.

16.5 Reliance on Certain Exemptions

The Company is currently relying on Section 3.5 of NI 52-110 which provides interim relief for non-independence of audit committee members. Geoffrey Cohen is not independent as defined by NI 52-110 as he currently serves as a senior adviser to Appian, a significant shareholder of the Company, and has agreed to sit as a member of the Audit Committee until the date of the Company’s next annual meeting of shareholders.

Since the effective date of NI 52-110, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre approve all non audit services to be provided by the auditors, where the total amount of fees related to the non audit services are not expected to exceed 5% of the total fees payable to the auditors in the fiscal year in which the non audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

16.6 Pre Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non audit services. The Audit Committee will review the engagement of non audit services as required.

16.7 External Auditors Service Fees (By Category)

Fees paid to the Company’s external auditors in each of the last two fiscal years for audit fees as follows:

Financial Year Ending	Audit Fees	Audit Related Fees (1)	Tax Fees (2)	All Other Fees (3)
2020	$150,000	$Nil	$Nil	$Nil
2019	$120,000	$Nil	$Nil	$Nil

1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under Audit Fees.
2) Fees charged for tax compliance, tax advice and tax planning services.
3) Fees for services other than disclosed in any other column. Fees related to review of prior year’s financial statements in relation to the Company’s initial public offering.

ITEM 17: ADDITIONAL INFORMATION

Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of the Company’s securities, options to purchase securities and interests of insiders in material transactions, where applicable, is contained in the Company’s information circular for its most recent annual meeting of shareholders that involved the election of directors, and additional financial information is provided in the Company’s comparative financial statements and MD&A for its most recently completed financial reporting periods.

Additional information related to Harte Gold is available on SEDAR at www.sedar.com.

Dated March 25, 2020.

BY ORDER OF THE BOARD OF DIRECTORS

"Sam Coetzer"
Sam Coetzer
President & Chief Executive Officer

Schedule "A"
CHARTER OF THE AUDIT COMMITTEE

<u>Charter of the Audit Committee of the Board of Directors</u>

PURPOSE

The Audit Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for Harte Gold Corp. (the "**Company**"). The Committee's primary duties and responsibilities are to:

- review the quarterly and annual financial statements and management's discussion and analysis of the Company and report thereon to the Board;
- select and monitor the independence and performance of the outside auditors of the Company (the "**Independent Auditors**"), including meetings with the Independent Auditors;
- conduct such reviews and discussions with management and the independent auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- provide oversight to related party transactions entered into by the Company; and
- if necessary, assess the integrity of internal controls and financial reporting procedures of the Company and review the internal control report prepared by management required to be included with the annual report of the Company;

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the Independent Auditors as well as any officer of the Company, or outside counsel for the Company, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Company and has the authority to retain, at the expense of the Company, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

COMPOSITION AND MEETINGS

1. The Committee and its membership shall meet all applicable legal and listing requirements, including, without limitation, those of the Toronto Stock Exchange.

2. The Committee shall be composed of three or more directors, one of whom shall serve as the Chair; both the members and the Chair shall be designated by the Board from time to time.

3. A majority of the members of the Committee shall not be officers or employees of the Company or any of its affiliates.

4. The Committee shall meet at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements, and a majority of the members of the Committee shall constitute a quorum.

5. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.

6. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by, the Committee.

7. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.

8. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.

9. The Committee may invite such officers, directors and employees of the Company and its subsidiary as it may see fit, from time to time, to attend at meetings of the Committee.

10. The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

11. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose; actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose.

The Committee members will be elected annually at the first meeting of the Board following the annual meeting of shareholders.

RESPONSIBILITIES

A. Financial Accounting and Reporting Process and Internal Controls

1. The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with applicable generally accepted accounting principles ("**GAAP**") and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review the interim financial statements. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.

2. The Committee shall review any internal control reports prepared by management and the evaluation of such report by the external auditors, together with management's response.

3. The Committee shall be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, management's discussion and analysis and interim financial press releases, and periodically assess the adequacy of these procedures.

4. The Committee shall review management's discussion and analysis relating to annual and interim financial statements and any other public disclosure documents, including interim financial press releases, that are required to be reviewed by the Committee under any applicable laws before the Company publicly discloses this information.

5. The Committee shall meet no less frequently than annually with the external auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Company in charge of

financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, the officer of the Company in charge of financial matters, deem appropriate.

6. The Committee shall inquire of management and the external auditors about significant risks or exposures, both internal and external, to which the Company may be subject, and assess the steps management, has taken to minimize such risks.

7. The Committee shall review the post-audit or management letter containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.

8. The Committee shall establish procedures for:

(a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and

(b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

9. The Committee shall provide oversight to related party transactions entered into by the Company.

B. Independent Auditors

1. The Committee shall recommend to the Board the external auditors to be nominated, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors report directly to the Committee.

2. The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.

3. The Committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the external auditors in accordance with the terms of this charter.

4. The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and assure the independence and objectivity of the external auditors.

5. The Committee shall review the external auditors' audit plan, including the scope, procedures and timing of the audit.

6. The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.

7. The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within GAAP that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Company and the external auditors.

8. The Committee shall review fees paid by the Company to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.

9. The Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Company.

10. The Committee shall monitor and assess the relationship between management and the external auditors and monitor the independence and objectivity of the external auditors.

C. Other Responsibilities

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

Policy and Procedures for Disclosure Concerning Financial/Accounting Irregularities

Overview

The Company requires it directors, officers and employees to observe high standards of professional and ethical conduct in maintaining the financial and accounting records of Company and to ensure the accuracy of its publicly disclosed financial records. Consistent with this commitment, the Company has adopted procedures for handling complaints or submissions received from employees, directors or officers to ensure that information that could improve the quality of the Company's financial and accounting records is available to the Company's Audit Committee. In order to ensure that all relevant information is disclosed and that the integrity of both the financial and accounting records of the Company are maintained, these procedures are being adopted by the Company.

When to Submit a Complaint

Information should be submitted in good faith, based on reasonable belief and in accordance with the procedures described below if it is felt that such information indicates that the Company is experiencing problems with its financial, accounting, internal control or auditing matters. For example, information should be submitted if it is felt that the Company, or any of its employees, officers or outside consultants, have engaged in conduct that could:

- affect the accuracy of the Company's accounting records or information;
- compromise the Company's system for gathering and recording accounting information; or
- bring into question the independence of the Company's relationship with its outside auditor; or
- be contrary to law.

Reporting Violations

t is the responsibility of all directors, officers and employees to report all suspected irregularities in the Company's financial or accounting records in accordance with this policy. The Company maintains an open door policy and suggests that employees share their questions, concerns, suggestions, complaints or suspected irregularities with the Chairman of the Company's Audit Committee. In addition complaints will be received by the Company's Corporate Secretary, **Timothy N. Campbell.** Following initial review, all complaints that warrant further action or consideration are forwarded to all members of the Company's Audit Committee. The Audit Committee serves to provide independent review and oversight of the Company's accounting, financial reporting process and internal controls. All information received will be considered carefully, and if necessary, action will be initiated by the Audit Committee to resolve the identified problems or concerns.

Confidentiality

Employees are not required to identify themselves when submitting information to Timothy N. Campbell. As such, if an employee does not feel comfortable discussing his or her questions, concerns, suggestions or complaints confidentiality will be facilitated by allowing employees to use postal delivery (which, cannot easily be traced) to submit such complaints. In addition, anyone that does identify himself or herself will be protected from any reprisal by management. Those submitting information will not be punished, formally or informally. The Company recognizes that by reporting problems or concerns you will be advancing the overall interests of the Company, and helping to safeguard the Company's financial integrity and reputation.

How to Submit a Confidential Complaint

Confidential Complaints should be mailed to the following address:

Timothy N. Campbell
Executive Vice President & Corporate Secretary
161 Bay Street, Suite 2400
Toronto, Ontario, M5J 2S1

All complaints should identify as many relevant facts as possible, including, if applicable: (i) the date(s) relevant to the identified concern; (ii) the name of any persons involved in the identified activity; (iii) the specific facts that give rise to the concerns expressed; and (iv) any suggestions for resolving or dealing with the problems or issues identified. Following initial review by the above specified person, all complaints will be promptly reviewed, investigated and resolved by the Company's Audit Committee.

Privacy Violations

In addition to these rules regarding accounting, internal controls and auditing matters, recent privacy legislation (the *Personal Information Protection and Electronic Documents Act* (Canada) and the *Freedom of Information and Protection of Privacy Act* (Ontario)) provide that any person who believes that there has been a contravention of either Act may notify the relevant Privacy Commissioner. The Company may not dismiss, suspend, discipline, harass or otherwise disadvantage an employee because the employee, acting in good faith and on reasonable belief, has disclosed to the Privacy Commissioner that the Company may or may be about to contravene either Act. Any employee that feels a compliant in conjunction with these provisions is warranted may also provide the information under this Policy on a confidential and anonymous basis to the Company's corporate counsel as identified above.