



HARTE GOLD ANNOUNCES SIGNING OF FINANCING AGREEMENT AND CLOSING OF US\$9.5 MILLION PRIVATE PLACEMENT

Toronto – July 14, 2020 - HARTE GOLD CORP. (“Harte Gold” or the “Company”) (TSX: HRT / OTC: HRTFF / Frankfurt: H4O) is pleased to announce that it has signed a binding agreement with ANR Investments 2 B.V. (“Appian”) providing for up to US\$30 million in financing (the “Financing Agreement”) and closed a related US\$9.5 million Private Placement (as defined below). The Private Placement is part of the financing package to facilitate a restart of the Sugar Zone mining operation, as previously announced on July 1, 2020.

The Company has been in contact with its work force and expects to restart operations on or around July 17. A phased approach will be taken to restart the mine, starting with mine development and backfill. The Company expects to resume to full operations by the end of July.

Sam Coetzer, President and CEO of Harte Gold, commented, “With the first tranche of the financing completed, we are mobilizing our work force to site in a safe and orderly manner. We have received an overwhelmingly positive response from our employees, who are eager to return and excited to start.”

9,500,000 Series B special shares (the “Special Shares”) of the Company were issued by way of a private placement to ANR Investments B.V. (“ANR”) at a price of US\$1.00 per Special Share for aggregate gross proceeds of US\$9.5 million (the “Private Placement”). Proceeds will be used to fund working capital needs, the restart of the Sugar Zone Mine, and general corporate purposes.

Concurrent with the closing of the Private Placement, the Company issued to ANR (a) 6,970,844 common shares (each, a “Common Share”), representing an upfront arrangement fee equal to US\$600,000 (or 2.0% of US\$30 million) based on a price of Cdn\$0.1173 per Common Share using a CAD-USD exchange rate of 0.7338; and (b) 7,500,000 purchase warrants to acquire Common Shares, exercisable at C\$0.1349 (representing a 15% premium to the five-day VWAP of C\$0.1173 as of July 1, 2020), which expire on July 14, 2025. The Company also entered into an offtake agreement with ANR, on the same terms and conditions as the original offtake agreement (as amended and except for the repurchase right), pursuant to which ANR was granted an 18.5% offtake of total Refined Gold (as defined in the original offtake agreement (as amended)) produced from the Sugar Zone properties until 500,000 ounces of Refined Gold are delivered.

The Company anticipates closing a US\$18.5 million non-revolving credit facility (the “Credit Facility”) on or before August 29, 2020 (the “Final Closing Date”). At the closing of the Credit Facility, the Special Shares would convert into the principal amount under the Credit Facility, bringing the aggregate principal amount of the Credit Facility to US\$28 million. On the Final Closing Date, an affiliate of Appian will have the right to acquire a 0.5% NSR on the entire Sugar Zone Property from the Company, on similar terms as the Company’s existing 1.5% NSR, in exchange for payment to the Company of US\$2.0 million.

ANR, which is the sole subscriber under the Private Placement, is an existing insider of the Company, beneficially owning, directing or controlling 206,716,334 Common Shares or approximately 24.4% of the Company’s issued and outstanding Common Shares prior to the Private Placement. ANR and Appian are owned by investment funds advised by Appian Capital Advisory LLP.

Pursuant to the terms of the Financing Agreement, Appian has been granted the right to appoint one additional nominee to the Company’s Board of Directors (the “Board”). Appian exercised its right by having Mr. Igor Gonzales appointed to the Board as its nominee, thereby increasing the number of Appian-related nominees from two to three directors on the Board, which is comprised of seven directors in total. To facilitate the addition of Mr. Gonzales, Mr. Stephen Roman agreed to resign from the Board. Appian’s additional nomination right terminates on repayment of the Credit Facility.



A copy of the Financing Agreement will be filed and available under the Company's profile on SEDAR at www.sedar.com.

FINANCIAL HARDSHIP EXEMPTIONS

The Toronto Stock Exchange (the "TSX") has conditionally approved the listing of all of the Common Shares issuable in connection with the transactions contemplated by the Financing Agreement (the "Transactions"). The TSX also granted an exemption to the Company from the requirement to seek shareholder approval for the Transactions pursuant to the financial hardship exemption available to companies listed on the TSX that are in serious financial difficulty, in each case subject to customary conditions. As previously disclosed on July 1, 2020, as a result of the Company's reliance on the "financial hardship" exemption, the TSX has placed the Company under remedial delisting review, which is customary in these circumstances. Although the Company believes that it will be in compliance with the TSX's continued listing requirements upon closing the Transactions, no assurance can be provided as to the outcome of such review or continued qualification for listing on the TSX.

Each of the Transactions is a "related party transaction" as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Company is exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with the Transactions in reliance on sections 5.5(g) and 5.7(1)(e), respectively, of MI 61-101, as the Company meets the requirements of the financial hardship exemption. A material change report was not filed at least 21 days prior to the initial closing date of the Transactions as the terms and conditions of the Transactions were not yet finalized at such time.

ABOUT HARTE GOLD CORP.

Harte Gold holds a 100% interest in the Sugar Zone Mine located in White River, Canada. The Sugar Zone Mine entered commercial production in 2019. The Company has further potential through exploration at the Sugar Zone Property, which encompasses 79,335 hectares covering a significant greenstone belt. Harte Gold trades on the TSX under the symbol "HRT", on the OTC under the symbol "HRTFF" and on the Frankfurt Exchange under the symbol "H4O".

For further information, please visit www.hartegold.com or contact:

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This news release includes "forward-looking statements", within the meaning of applicable securities legislation and include, but are not limited to, statements and information regarding the Company's expectation that operations will restart on or around July 17; a phased approach being taken to restart the mine, starting with mine development and backfill; resuming full operation by the end of July; proceeds being used to fund working capital needs, the restart of the Sugar Zone Mine, and general corporate purposes; the closing of the Credit Facility on or before August 29, 2020; the Special Shares being converted into the principal amount under the Credit Facility; Appian having the right to acquire a 0.5% NSR; Appian's additional nomination right terminating on repayment of the Credit Facility; the outcome of the TSX's review and the continued qualification for listing on the TSX; and the Company having further potential through exploration at the Sugar Zone Property. Forward-looking statements are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate",



“expect”, “forecast”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar words suggesting future outcomes or statements regarding an outlook. Forward-looking statements are necessarily based upon a number of estimates and assumptions including material estimates and assumptions related to the factors set forth below that, while considered reasonable by the Company as at the date of this press release in light of management’s experience and perception of current conditions and expected developments, are inherently subject to significant business, economic, and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements, and undue reliance should not be placed on such statements and information.

Such risks and uncertainties include, but are not limited to, there being no events of default or breaches of key financing agreements, including agreements with BNP Paribas and Appian; the Company being able to attract and retain qualified candidates to join the Company’s management team and board of directors, risks associated with the mining industry, including operational risks in exploration, development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of the Company to obtain all permits, agreements, consents or authorizations required for its operations and activities; and health, safety and environmental risks, the risk of commodity price and foreign exchange rate fluctuations, the ability of Harte Gold to fund the capital and operating expenses necessary to achieve the business objectives of Harte Gold, the uncertainty associated with commercial negotiations and negotiating with contractors and other parties and risks associated with international business activities and the impact of any escalation in the severity of the COVID-19 pandemic on any of the foregoing, as well as other risks and uncertainties which are more fully described in the Company’s Annual Information Form dated March 25, 2020, and in other filings of the Company with securities and regulatory authorities which are available on SEDAR at www.sedar.com.

Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements.

Readers are cautioned that the foregoing list of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this news release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.