HARTE GOLD CORP.

Management Discussion and Analysis

For the Nine Months Ended September 30, 2019 and 2018

HARTE GOLD CORP.

Management's Discussion and Analysis of Financial Condition and Results of Operations
for the 9 months ended September 30, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion of the results of operations and financial condition of Harte Gold Corp. ("Harte Gold" or "the Company") prepared as of November 14, 2019 summarizes management's review of the factors that affected the Company's financial and operating performance for the nine months ended September 30, 2019, and the factors reasonably expected to impact on future operations and results ("Management's Discussion and Analysis of Financial Condition and Results of Operations" or "MD&A")

This MD&A is intended to supplement and complement the Company's unaudited condensed interim financial statements as at and for the nine months ended September 30, 2019 ("Unaudited Interim Financial Statements") and the notes thereto, which were prepared in accordance with International Financial Reporting Standards ("IFRS") and its interpretations adopted by the International Accounting Standards Board ("IASB").

Certain information and discussion included in this MD&A constitutes forward-looking information, which should be considered in view of the cautionary notes contained in the section Forward-Looking Statements at the end of this MD&A.

The unaudited condensed interim financial statements, the 2018 Audited Financial Statements and the Company's Annual Information Form are available at www.sedar.com and at the Company's website www.hartegold.com. All amounts disclosed are in Canadian dollars unless otherwise noted.

COMPANY OVERVIEW

Harte Gold is Ontario's newly established gold producer, through its wholly-owned Sugar Zone Mine in White River, Ontario and is involved in the acquisition, exploration, development and operation of mineral resource properties, with a current focus on gold properties located in the Province of Ontario, Canada. The Company was incorporated in Ontario on January 22, 1982 and is a reporting issuer in the Provinces of Ontario, New Brunswick, Saskatchewan, Alberta and British Columbia. The common shares of the Company are listed for trading on the Toronto Stock Exchange under the symbol "HRT", on the Frankfurt Stock Exchange under the symbol "H4O" and on the OTC market under the symbol "HRTFF".

The Company currently has a 100% interest in the Sugar Zone mine, located 60 km east of the Hemlo area gold mines and northeast of the town of White River and also owns the Stoughton-Abitibi Property (formerly Stoughton-Porcupine), located 110 km east of Timmins and 50 km north-east of Kirkland Lake held as to 100% for the majority of the claims and 90% for the remaining claims.

In February 2019, the Company announced the results of its updated Mineral Resource Estimate, which included a 55% increase in Indicated Mineral Resources. This proved the Company's thesis that additional drilling in the Middle Zone would both increase the quantum and grade of the resources. Overall, the updated Mineral Resource Estimate concluded on an Indicated Mineral Resource of 4,243,000 tonnes grading 8.12 g/t for 1,108,000 ounces contained gold and an Inferred Mineral Resource of 2,954,000 tonnes, grading 5.88 g/t for 558,000 ounces contained gold.

In May 2019, the Company filed a National Instrument 43-101 compliant Technical Report titled "Technical Report and Feasibility Study On The Sugar Zone Gold Operation", effective February 14, 2019 (the "Feasibility Study Plan"). The Feasibility Study Plan concluded on 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.

Harte Gold declared commercial production of the Sugar Zone Mine effective January 1, 2019.

THIRD QUARTER HIGHLIGHTS

Operations

- Total ore mined in Q3 increased quarter-over-quarter to 46,235 tonnes but was lower than plan
  - Ore production was comprised of both higher-grade stope production and lower-grade sill ore development
  - In Q3, stope production and sequencing were lower than expected due to continued start-up delays of the paste fill plant and lower than expected development rates
  - Waste rock backfill is being used as a reliable alternative to paste backfill in the short term
  - Stope production is expected to improve as more underground development is completed
- Average head grade in Q3 was 3.64 g/t due to the imbalance of sill and stope production
  - Mill feed for the quarter was a combination of approximately 45% stope production and 55% development ore / low grade stockpiles
  - The Feasibility Plan targeted over 60% from stope production. Stope production features less planned dilution and higher grade
  - As at the end of Q3, low grade surface stockpiles were depleted, and the mill is now being fed from 100% run of mine ("ROM") ore
  - Increased proportion of stope production will improve overall head grade
- Gold production was 6,069 ounces for Q3, total gold produced year-to-date is 19,138 ounces
- Production costs, defined here as mining and underground development, processing costs, site G&A and corporate costs were relatively stable quarter over quarter
  - Production costs totaled $17.5 million and $16.2 million in Q3 and Q2, respectively
  - Inventory adjustments, which vary quarter over quarter, were $3.6 million reflecting higher sales of 7,805 ounces in Q3 compared to production of 6,069 ounces
- A higher all in sustaining costs ("AISC") of US$2,304 per oz resulted from a lower number of ounces produced and resultant higher overheads during the period
  - A substantial portion of costs are fixed costs with the result that cash costs and AISC are higher with lower ounce production
  - At higher grades, production costs will be averaged over a higher number of ounces and unit costs should decrease

Operational Summary, Q3 2019

	Three months ended September 30, 2019	Three months ended June 30, 2019	Q3 vs. Q2 Increase / (Decrease)
Operating Data			
Ore mined (tonnes)	46,235	42,601	9%
Ore processed (tonnes)	56,558	53,216	6%
Average daily throughput (tpd)	628	591	6%
Head grade (g/t)	3.64	4.89	(25%)
Recovery (%)	92%	93%	(0%)
Gold ounces produced	6,069	7,754	(22%)
Mine Financial Data (000 $)			
Revenues	14,477	11,821	22%
Mining cost	(5,440)	(5,122)	6%
Processing cost	(2,548)	(2,583)	(1%)
Site G&A	(3,521)	(3,354)	5%
Inventory changes	(3,630)	1,968	
Mine EBITDA[1]	**(661)**	**2,730**	
Mine Development Costs	(4,504)	(4,285)	5%
Other Development Capital	0	0	-
Corporate Costs	(1,476)	(886)	66%
Exploration Costs	(1,152)	(1,699)	(32%)
Net Cash Flow	**(7,793)**	**(4,141)**	
Unit Input Costs (in dollars)			
Mining cost (per tonne ROM)	118	120	(2%)
Processing cost (per tonne)	45	49	(7%)
Site G&A (per tonne)	62	63	(1%)
Development Cost (per tonne ROM)	97	101	(3%)
Cash Cost (US$ per oz)[2]	1,422	1,070	33%
AISC (US$ per oz)[2]	2,304	1,734	33%

1) *Mine EBITDA is a non-IFRS measure, refer to definition of non-IFRS measures below.*

2) *Refer to definition of non-IFRS measures below. Calculated based on a Canadian dollar exchange rate of 0.75.*

Corporate

- The Company announced the addition of James Gallagher and Joseph Conway to the Board of Directors, effective October 15th, 2019
- Appointed Sam Coetzer as President, Chief Executive Officer and Director, effective November 4th, 2019
- Appointed Dr. Martin Raffield as Executive Vice President and Chief Operating Officer, effective November 4th, 2019
- Two existing directors, Richard Faucher and Fergus Kerr, resigned upon the appointment of the new directors
- Completed a $6.9 million bought deal flow through offering including full exercise of the underwriter's option

OUTLOOK

Operations

- Based on results to-date, target production for Q4 is 5,000 to 7,000 ounces. Full year guidance has been adjusted to 24,000 to 26,000 ounces at an AISC of US$2,000 to US$2,200 per ounce
- A revised mine plan for 2020 is being prepared and further guidance will be provided when available

Liquidity and Capital Management

- Management is reviewing liquidity and capital resources from both a short-term and long-term perspective
- Short term liquidity needs may be resolved through draw down of the Appian Standby Commitment or accessing other sources of funding, including capital markets
- A mine plan and capital budget for 2020 is underway. The outcome from this planning will define longer-term financing and capital requirements to complete the Company's ramp up to a sustainable operating level.
- The Company did not achieve mine production covenants under its BNP loan facility for the month of September and has obtained a waiver from BNP
- Concurrent with the approval of the interim financial statements, the Board of Directors of the Company approved initiating the drawdown of US $7.5 million under the Appian Standby Commitment, which funds will be used for general working capital purposes.

Exploration

- Drilling of high priority targets at the north end of the Sugar Zone property has started
    - One drill rig was mobilized to the TNT area in October

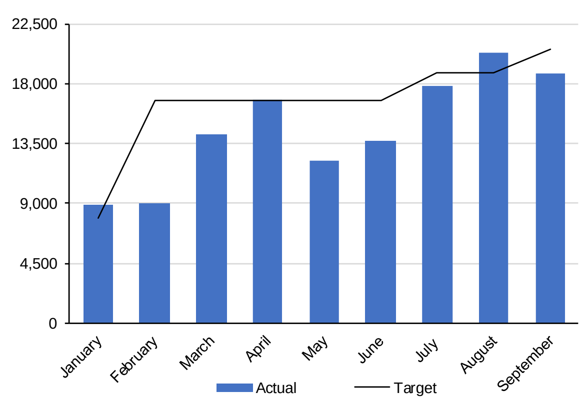
  - Approximately 1,100 metres have been drilled to a depth of 200 to 400 metres per hole in four holes. Assays are pending.

OPERATING ACTIVITIES

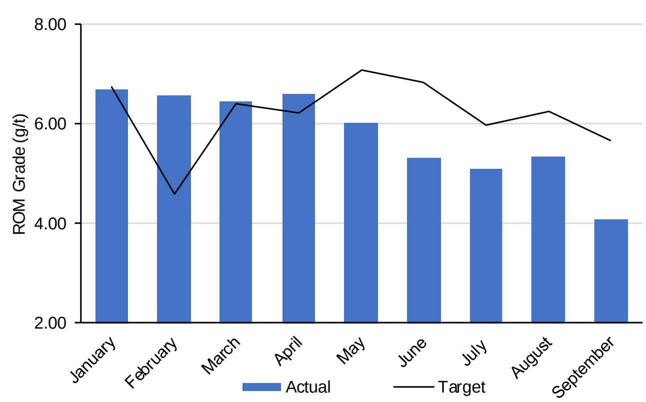
Mining

- The Company mined from areas at the Sugar Zone North and South ramps and increased overall mined tonnage for the quarter
- Mill feed grade decreased due to a shortage of development of higher-grade stoping areas, which resulted in a larger contribution of lower grade development ore as the primary mill feed
- Development delays and paste plant start-up issues also affected overall stope sequencing, which caused the Company to mine outside of plan
- To address these issues, the following steps have been taken:
  - Mine performance was addressed with the mining contractor and necessary actions are being taken to ensure adequate staffing and reduced mine dilution are prioritized
  - Mine scheduling has become a primary focus, including the planned sequencing of development, ore production and backfill requirements
  - Improvements are underway to expand compressed air capacity, expected to increase the rate at which stopes can be developed
- Ventilation delays addressed in Q2 had a lagging effect on waste development in Q3. However, waste development rates are continuing to improve with ventilation completed

Mined Ore Tonnage – Actual vs. Target



Diluted Mined Grade – Actual vs. Target

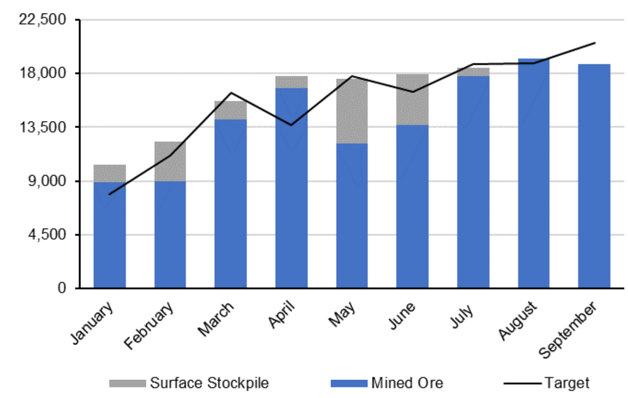


Processing

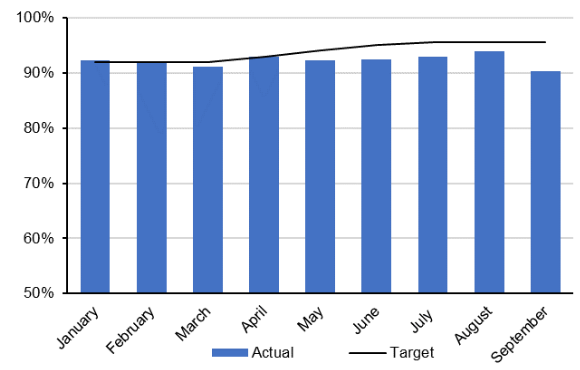
- In July the remaining surface stockpiles were depleted and 100% of the mill feed comes from run of mine production

- Construction is underway to house the crusher in an enclosed facility that will contain dust from operations and minimize downtime for maintenance during cold winter months. Construction is expected to be completed by end of November

Processed Ore Tonnage – Actual vs. Target



Overall Mill Recovery – Actual vs. Target



EXPLORATION

Drilling at The TNT Zone

Drilling is underway at the north end of the property at the TNT area. The following summarizes drilling completed to-date.

Drill hole TNT-19-02 tested a 40 ppb Au value in rock as well at two weak and one strong VLF conductors. The hole was drilled to 411.0 meters and is dominated by massive to pillowed mafic volcanics with interbedded sulphide-facies iron formation which are periodically cut by narrow intervals of feldspar porphyry, quartz-feldspar porphyry and gabbro dykes/sills. A 4.0m and 5.7m wide sulphide-facies iron formation was intersected and is believed to be the source of the strong VLF anomaly detected on surface.

The iron formation intervals noted above were sent for analysis. No significant gold values were returned from these intervals.

TNT-19-03 which tested a strong VLF anomaly occurring along a mafic volcanic/granite contact did not intersect a sulphide interval that would explain the source of the VLF anomaly detected on surface. The source of the VLF anomaly is unexplained. Assay results are pending.

TNT-19-04 is testing two strong VLF anomalies. The hole is currently at 213 meters and is dominated by massive to pillowed mafic volcanics and interbedded sulphide-facies iron formation which are intruded by narrow intervals of feldspar porphyry, gabbro and intermediate dykes/sills. A 3.5 meter wide sulphide facies iron formation intersected from 140.0 to 143.50 metres is believed to be the source of the first strong VLF conductor detected on surface. This interval hosts up to 5% disseminated pyrite, pyrrhotite, chalcopyrite and a 3 cm interval of massive sphalerite (zinc). The second VLF conductor is expected to be intersected near 310.0 meters. Assay results are pending.

RESULTS OF OPERATIONS

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

Statement of Operations	**3 Months Ended September 30, 2019**	3 Months Ended September 30, 2018	**9 Months Ended September 30, 2019**	9 Months Ended September 30, 2018
Revenues	**$ 14,477,166**	$ -	**$ 34,157,458**	$ -
Mining costs	**5,439,979**		**14,974,667**	
Milling costs	**2,547,711**		**7,964,266**	
Site indirect costs	**3,520,640**		**10,327,340**	
Inventory change	**3,629,841**		**1,384,775**	
Mine EBITDA	**(661,005)**	-	**(493,590)**	-
Depreciation and depletion	**4,122,140**	1,511	**10,983,879**	4,532
Exploration and evaluation expenses	**1,152,289**	10,448,693	**4,984,188**	24,441,526
Corporate expenses	**1,475,771**	502,702	**3,266,772**	1,749,184
Share-based payments	**79,849**	371,637	**3,544,772**	4,836,878
Interest and accretion expense	**1,663,149**	131,926	**8,170,225**	148,126
Loss on production payment liability	**-**	-	**1,184,036**	-
Foreign exchange (gain) loss	**1,204,072**	169,435	**(2,294,778)**	(71,669)
Flow-through share premium	**-**	-	**(1,702,281)**	(1,173,838)
Interest and other income	**(5,932)**	(68,121)	**(20,852)**	(129,560)
Loss on loan termination	**-**		**10,426,717**	
Unrealized hedge loss	**4,829,216**		**15,400,153**	
Net Loss	**$ (15,181,559)**	$ (11,557,783)	**$ (54,436,421)**	$ (29,805,179)

Mine EBITDA is a non-IFRS measure, refer to definition of non-IFRS measures below.

During the 9 months ended September 30, 2018, the Company was in the exploration and production phase of operations which involved substantial exploration expenditures for drilling on the Sugar, Middle and Wolf Zones. The other activities of the Company related to construction of the processing facility.

Throughout 2018, construction of the processing facility was completed, underground development was undertaken to prepare for mine production, mining permits were obtained in September 2018 and mining initiated. Harte Gold declared the achievement of commercial production effective January 1, 2019 and the Q3 operations therefore reflect the first 9 months of commercial production results.

Q1 2019 operating results were negatively impacted by contractor equipment and labour problems, as well as severe weather conditions that included road closures and power outages. The Company was able to overcome most such issues by mid-March and significant improvements in operating throughput and cost were realized at that time.

In Q2 2019, mine production improved by 33% to 42,601 tonnes (473 tpd) from 32,044 tonnes (356 tpd in Q1). Mill throughput increased 39% to 53,216 tonnes (591 tpd) in Q2, up from 38,278 tonnes in Q1 (425 tpd). The Company faced challenges with ventilation raises and the paste fill plant. The delay in completion of ventilation raises to support development and mining of the north limb of the Sugar Zone resulted in significant downtime for contract miners as they waited for blasts to clear, in turn delaying the advance of development and production. Accordingly, lower mine production was supplemented by processing low grade stockpile material through the mill during Q2. The ventilation raises were completed in July, so the issue was resolved and had limited effect on Q3 mine production.

In Q3 2019, mine production improved by 9% to 46,235 tonnes (502 tpd) and mill throughput increased 6% to 56,558 tonnes (615 tpd). However, the average grade declined to 3.64 g/t in Q3 from 4.89 g/t in Q2 resulting in a 22% decline in ounces produced, down from 7,754 ounces in Q2 to 6,069 ounces in Q3. Mine production was negatively impacted by lack of stope availability, resulting in a greater portion of sill ore at lower grades, and mining certain low grade stopes out of plan so as to access tonnage. Mine development continues behind plan, with knock-on effects to ore production, in large part due to insufficient contract miner staffing to support the planned work. September results were particularly negatively impacted due to the labour shortages. The Company is working with the contract miner to resolve the issues.

Notwithstanding the decline in production during Q3, sales increased by 14% from 6,873 ounces in Q2 to 7,805 ounces in Q3. The change in inventories reflects such changes. The inventory change is in part due to the timing of dore shipments and also due to substantial depletion of gold concentrate inventories during Q3 2019.

In the case of the paste fill plant, one of the components required replacement parts and did not operate properly during Q2. This created a problem with stope availability, while the Company filled previous stopes using the much slower waste backfill methodology. The required replacement parts are long lead time items and were installed in early November. As a result, Q3 mine production continued to be hampered by lack of stope availability. The Company is presently starting the paste plant operation and expects to have the remaining issues resolved. In the meantime, scheduling and mine plans have been prepared on the assumption the waste backfill will continue in the near term.

Mining and milling costs declined slightly in Q3 on a per tonne basis. However, the reduced grade resulted in cash costs increasing from US $1,070 per ounce in Q2 to US $1,436 per ounce in Q3. Similarly AISC increased from US $1,734 per ounce in Q2 to US $2,307 per ounce in Q3.

Exploration and evaluation expenses in the first 3 quarters of 2018 included underground ramp and level development, which costs are now included in mining and capitalized development costs.

The increase of corporate expenses by approximately $1.5 million in the first 3 quarters of 2019 includes approximately $1.2 million non-recurring costs related to preparation of the feasibility study plus legal and proxy services for general corporate governance matters.

Interest and accretion costs were capitalized prior to the declaration of commercial production on January 1, 2019. Actual interest costs have declined in Q3 2019 as compared to prior periods as a result of lower interest rates on the BNP debt.

The loss on production payment liability relates to the Sprott debt facility, which was repaid in June 2019.

Exchange gains/losses result primarily on debt balances. Exchange gains were recorded in the first half of 2019 as the US exchange rate weakened from 1.36 at December 31, 2018 to 1.31 at June 30, 2019. Exchange losses were recognized n Q3 as the US exchange rate strengthened to 1.32.

Loss on loan termination relates to the repayment of the Sprott debt facility in June 2019.

Zero cost put/call options were put in place as a hedge program to support the BNP debt facility. In view of the gold price movement from US $1,351 on June 14th to US $1,485 on September 30th, the fair value of the hedge position resulted in an unrealized loss of $15.4 million, having no immediate cash implications. As each hedge position matures, any unrealized gains or losses will be realized and be offset by the opposite effect on the physical gold sales in each period. The result will be that the net cash proceeds for hedged gold ounces will fall within the put/call collar amounts, dependent on gold prices at the time.

FINANCIAL CONDITION

The Company's financial position at September 30, 2019 and December 31, 2018 is summarized as follows:

Financial Position		**September 30, 2019**		December 31, 2018
Current assets	**$**	**6,752,936**	$	12,719,380
Long term assets		**116,581,987**		113,527,578
Total assets	**$**	**123,334,923**	$	126,246,958
Payables and accruals	**$**	**25,042,126**	$	25,317,272
Current portion of long-term debt		**6,443,961**		76,165,187
Long term liabilities		**109,626,250**		5,201,921
Total liabilities		**141,112,337**		106,684,380
Shareholders' equity		**(17,777,414)**		19,562,578
Total liabilities & shareholders' equity	**$**	**123,334,923**	$	126,246,958

The most significant factors affecting the Company's reported financial position at September 30th relate to refinancing the Sprott and Appian loans by a new loan facility with BNP, resulting in lower interest costs and a longer tenor. In connection with the new loan facility, the Company entered into hedge contracts to provide support against downward movements in gold prices. As described below, the increase in gold prices has resulted in unrealized losses being recorded for accounting purposes.

LIQUIDITY AND CAPITAL RESOURCES

On May 6, 2019, the Company announced a US $82.5 million refinancing package, comprising US $10.0 million investment in Special Shares of the Company by Appian and a US $72.5 million debt facility provided by BNP. Proceeds were used to repay the existing Appian and Sprott loans as well as for general corporate purposes.

On June 6, 2019, the Company entered into a Subscription Agreement with Appian for the purchase of US $10 million Special Shares, which investment closed on June 11, 2019. The investment of US $10 million was a condition of closing the BNP debt facilities. The Special Shares were convertible into common shares at $0.27 per common share two weeks from the later of (i) the date of such shareholder approval, (ii) the date the Appian debt is paid in full and (iii) the date the Sprott debt is paid in full. As Appian would own in excess of 20% of the common shares of the Company upon conversion, shareholder approval 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 Subscription Agreement between Appian and the Company, 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 Debt Financing, 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.

Under the terms of the Subscription Agreement, the parties agreed to a standstill provision, pursuant to which Appian has agreed not to acquire securities of the Company in excess of 30% for a period ending on the earlier of (i) 18 months from the date of the Subscription Agreement and (ii) the date on which Appian holds less than 7.5% of the Common Shares (on a partially diluted basis). The standstill provision will also cease to apply under certain circumstances set out in the Subscription Agreement, including non-compliance with certain provisions of the Subscription Agreement.

The Company has also agreed to a number of covenants regarding the governance of the Company, including that: (i) the Board fixes the number of directors of the Company at seven directors; (ii) Appian is entitled to designate two directors to be appointed to the Board and included with the slate of nominees to be proposed by the Company for election as directors at each meeting of shareholders (consistent with Appian's existing nomination rights); (iii) the Company continues to have a finance committee to assist the Company and the Board, which consists of two nominees of each of the Company and Appian; (iv) the Company shall present the Board with a plan to bolster management, which plan shall include changes to the positions of the President, Chief Financial Officer, Chief Operating Officer and other functional roles at the Company that may be determined in good faith with Appian and (v) the Company shall use reasonable efforts to recruit and appoint suitable candidates for the above listed positions within three months of the subscription agreement. The majority of the governance covenants (other than those concerning management) will cease to apply once Appian holds less than 15% of the common shares (on a partially diluted basis). However, if the Company does not satisfy certain management changes within six months of the date of the subscription agreement, Appian's standstill obligations described above will cease to apply. Should the Company not satisfy certain management changes within one year of the date of the subscription agreement, the exercise price of the 5,000,000 warrants issued in connection with the Special Shares and the 6,000,000 warrants previously issued in connection with the Appian debt will be repriced at the "market price" at that time if it is lower than $0.27, subject to approval of the TSX and disinterested shareholder approval, if necessary.

On August 28, 2019, the Company announced the entering into of a settlement agreement among the Company, each of the directors of the Company, and Appian (the "Settlement Agreement") that superceded certain provisions of the Subscription Agreement and under which, the parties agreed to accelerate 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. The Settlement Agreement was entered into as a result of a further agreement between Appian and the Company primarily in respect of the pace of the implementation of certain agreed management changes contemplated in the Appian Subscription Agreement and the timing of Board renewal as discussed below. Pursuant to the Settlement Agreement, management changes specifically included that the new President would also be the CEO and become a director of the Company, two new independent directors would be appointed to the Board to replace certain existing directors, and the Governance Committee was reconstituted and would make recommendations on the selection of management and Board candidates. In addition, 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 of the Company at an exercise price of $0.35 per common share, expiring on August 28, 2022.

The Subscription Agreement also provides for the Standby Commitment to issue a 1.0% or 1.5% royalty to Appian at any time until June 30, 2020 for aggregate gross proceeds to the Company of US$5.0 million or US$7.5 million, respectively (the "Standby Commitment Proceeds"). The Standby Commitment Proceeds are available to the Company within two weeks of the exercise of its option under the Standby Commitment, and would assist the Company in satisfying short term cash requirements, if exercised. The Company's ability to exercise the Standby Commitment is subject to the coincident repayment of US$4.0 million under the BNP Debt Financing if a 1.5% royalty is issued and US$2.0 million under the BNP Debt Financing if a 1.0% royalty is issued. The Company's exercise of the Standby Commitment is also subject to certain conditions set out in the Appian Subscription Agreement including, but not limited to: (i) there shall not have been a material adverse effect on or before closing of the Standby Commitment; (ii) the Company shall be in material compliance with the terms of the Appian Subscription Agreement; (iii) the new royalty being registered on title; (iv) Appian receiving a legal opinion from Company's counsel and (v) approval of the TSX.

On June 14, 2019 the Company closed the BNP debt facility. The BNP debt facility consists of a non-revolving term credit facility of US $52.5 million and a revolving term credit facility of US $20.0 million. Interest on the BNP Debt is LIBOR plus 2.875% to 3.875% dependent on credit ratios, payable every 3 months in arrears. The Company also has the option to convert from a LIBOR based loan to either: (i) an Alternate Base Rate, being the Federal Funds Rate plus 5/8% or (ii) Canadian prime interest rate, in each case plus a margin of 1.875% to 2.875%, dependent on the leverage ratio. To the extent funds are not fully drawn under the revolving credit facility, there is a standby fee ranging from 1.006% to 1.356% dependent on the leverage ratio.

Principal repayments under the term loan begin on March 31, 2020 repayable quarterly over 22 quarters through June 30, 2025. Amounts outstanding under the revolving term credit facility are due on June 30, 2022. Various financial covenants are measured on a quarterly basis but failure to meet such covenants does not constitute a default or event of default prior to June 30, 2020. The BNP debt facility also includes certain mining and processing production tonnage covenants for each month. In view of mine production shortfalls in September, the Company did not meet the covenant requirement and has obtained a waiver from BNP.

On July 22, 2019, the Company entered into an underwriting agreement on a bought deal basis with Echelon Wealth Partners Inc. ("Echelon") for 20,000,000 flow-through common shares at a price of $0.30 per common share for gross proceeds of $6,000,000. Echelon received a cash fee of 5% plus warrants to purchase up to 5% of the common shares sold, with each warrant exercisable at a price of $0.30 per common share for 18 months. The Company also granted Echelon an over-allotment option of up to 15% of the underwritten common shares, or up to 3,000,000 additional flow-through common shares. The Echelon financing was completed on October 2, 2019, including the exercise by Echelon of the full amount of the over-allotment option.

Excluding the current portion of long-term debt of $6,720,498, the Company had a working capital deficit of $18,289,189 at September 30, 2019 compared to a deficit of $10,895,611 at December 31, 2018. The Company expects to seek financing in addition to cash generated from operations in the future, either by way of equity, debt or draw down under the Standby Commitment. While the Company has been successful in raising funds to date, there can be no assurance that such funds will be available to the Company on terms that it finds acceptable.

The Company's ability to continue as a going concern is dependent on the successful operation of its one mining property, the Sugar Zone Mine. If revenues generated from future mining activities are not sufficient to cover operating costs, capital costs and the payment of debt obligations, the Company will have to access other sources of funding, including capital markets. There can be no assurance that the Company will be able to obtain any required financing in the future or at favourable terms. Due to uncertainties surrounding a number of factors such as, but not limited to, the ability to raise additional funds, exploration results, mine operating results, the price of underlying commodities and financial market conditions, it is not possible to predict the success of the Company's efforts in this regard. These factors indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. If the going concern assumption were not appropriate, then adjustments would be necessary in the carrying values of assets and liabilities, and certain other corporate actions might be necessitated.

Concurrent with the approval of the interim financial statements, the Board of Directors of the Company approved initiating the drawdown of US $7.5 million under the Appian Standby Commitment, which funds will be used for general working capital purposes.

FINANCIAL INSTRUMENTS

As at September 30, 2019, the estimated fair values of cash and cash equivalents, receivables (excluding HST receivable), subscription receivable, restricted cash, accounts payable and accrued liabilities approximate their carrying values due to the short nature of these instruments.

The Company's cash and cash equivalents are held through a Canadian chartered bank. The Company's current policy is to invest excess cash in a money market fund administered by the brokerage subsidiary of a Canadian chartered bank or in short term deposit instruments of a Canadian chartered bank.

As described in the notes to the financial statements, the Appian and Sprott debt facilities included both a liability and equity component. As such, they were accounted for as compound financial instruments, resulting in additional interest accretion. The Sprott debt also included a production payment which increased the effective interest rate, and was accreted as such over the term of the loan. Both the Appian and Sprott debt facilities were repaid in full with the closing of the BNP debt financing on June 14, 2019.

In connection with the BNP debt financing, the Company executed a gold hedge program for approximately 79,000 ounces, covering a period from January 2020 through June 2024. The Company has elected not to designate the cash flow hedges for hedge accounting under IFRS 9. These derivative financial instruments are recorded at fair value using external broker-dealer quotations, based on their option pricing models that utilize a variety of inputs that are a combination of quoted prices and market corroborated inputs. These valuations are intended to closely match the cost or benefit that would be incurred to unwind the hedge positions. The Company recognizes the mark-to-market adjustments in its statements of operations and comprehensive loss as changes in unrealized derivative instrument gains (losses) and on its statements of financial position as derivative instrument assets (liabilities) as appropriate.

The Company's hedge position and resultant unrealized loss at September 30th are summarized as follows:

Derivative Instruments oustanding	Quantity outstanding		Maturity Dates	Strike Price (US$/oz)		Fair value asset (liability)
Gold call options	20,316	oz	January 2020 - December 2020	$1,391	$	(2,529,276)
Gold Put options	20,316	oz	January 2020 - December 2020	$1,300		276,674
Gold call options	19,080	oz	January 2021 - December 2021	$1,399		(3,201,675)
Gold Put options	19,080	oz	January 2021 - December 2021	$1,300		570,162
Gold call options	23,520	oz	January 2022 - December 2022	$1,393		(4,970,267)
Gold Put options	23,520	oz	January 2022 - December 2022	$1,310		1,154,292
Gold call options	11,040	oz	January 2023 - December 2023	$1,393		(2,752,213)
Gold Put options	11,040	oz	January 2023 - December 2023	$1,310		813,008
				US	$	(10,639,296)

Derivative Instruments oustanding	Quantity outstanding		Maturity Dates	Strike Price (US$/oz)		Fair value asset (liability)
Gold swap	5,134	oz	January 2024 - June 2024	$1,355		(989,605)
				US	$	(989,605)
Total fair value liability in Canadian dollars					**$**	**(15,400,153)**

The hedge position was established using zero cost put/call collars on June 14, 2019 concurrent with the closing of the BNP loan facility. On that date, the gold price was US $1,351 and in the context of the market, put options were purchased to result in a floor price of US $1,300 on the hedged ounces. Such purchase price was funded by the sale of call options at prices varying between US $1,391 and $1,399 over the years.

In view of the gold price movement from US $1,351 on June 14th to US $1,485 on September 30th, the fair value of the hedge position resulted in an unrealized loss of $15.4 million as detailed above. As each hedge position matures, any unrealized gains or losses will be realized and be offset by the opposite effect on the physical gold sales in each period. The result will be that the net cash proceeds for hedged gold ounces will fall within the put/call collar amounts, dependent on gold prices at the time.

SUMMARY OF QUARTERLY RESULTS

	2019			2018				2017
	Q3	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**
Total Revenue	$ 14,477,166	$ 11,821,413	$ 7,858,879	$ -	$ -	$ -	$ -	$ -
Net Income / (Loss)	(15,181,559)	(25,900,484)	(13,354,380)	(10,061,422)	(11,557,784)	(7,091,035)	(11,162,059)	(8,000,722)
Income / (Loss) per Share - basic and fully diluted	(0.024)	(0.043)	(0.022)	(0.013)	(0.020)	(0.016)	(0.020)	(0.016)

Results of operations can vary significantly by quarter, as a result of a number of factors, including the impact of share-based compensation awards and recognition of flow-through share premiums. The Company commenced commercial production in Q1 2019 so prior quarters are not comparable. Previously, all costs related to construction of the processing facility, mining since the award of permits and commissioning costs, including any related financing costs, were capitalized to the balance sheet. The Q2 results were negatively affected by the loss on refinancing of the Sprott and Appian debts and the unrealized hedge losses.

RELATED PARTY TRANSACTIONS

Management services by the Company's officers are provided on a contract basis, either directly or through corporate entities related to such officers. Additionally, the Company shares its premises and the costs of certain support personnel with related companies, and reimburses these related companies for its share. These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Note 20 to the Financial Statements provides a summary of related party transactions.

RISKS AND UNCERTAINTIES

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.

Risks and uncertainties are discussed in greater detail in the Company's Annual Information Form available on www.SEDAR.com.

NON-IFRS MEASURES

The Company uses certain non-IFRS measures in the MD&A as defined below. In the gold mining industry, these are common performance measures but may not be comparable to similar measures presented by other issuers as they have no standardized meaning under IFRS. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance, profitability and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isoluation or as a substitute for measures of performance prepared in accordance with IFRS.

Mine Earnings Before Interest, Taxes, Depreciation and Amortization ("Mine EBITDA")

Mine EBITDA is an-IFRS measure, does not have a standardized meaning prescribed by IFRS and may not be comparable to similar terms and measures presented by other issuers. EBITDA comprises earnings before income taxes, interest expense (income) and financing expense (income), amortization expense, foreign exchange loss (gain), hedging loss (gain) and other expenses including management fees, sales commissions; gain on sale of property, plant and equipment and impairment charges.

Certain investors use Mine EBITDA in addition to conventional measures prepared in accordance with IFRS as an indicator to the Company's ability to generate liquidity by producing operating cash flow to fund working capital needs, service debt obligations and fund capital expenditures.

Cash Cost Per Ounce Sold ("Cash Cost")

Cash Cost is a common financial performance measure in the gold mining industry that does not have a standard meaning under IFRS. The Company reports total Cash Costs on a per ounce of gold produced basis. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, such as costs of sales, certain investors use this information to evaluate the Company's performance and ability to generate operating income and cash flow from its mining operations. Management uses this metric as an important tool to monitor operating costs. Total Cash Costs are calculated in accordance with the standard developed by the Gold Institute, a forerunner of the World Gold Council ("WGC"). Adoption of the standard is voluntary and other companies may quantify this measure differently as a result of different underlying principles and policies applied.

All In Sustaining Cash Cost Per Ounce Sold ("AISC")

AISC is a common financial performance measure in the gold mining industry that does not have a standard meaning under IFRS. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, such as cost of sales and cash flows from operating activities, certain investors use this information to evaluate the Company's operating performance and its ability to generate free cash flow from current operations. Management uses this metric as an important tool to monitor all-in costs. Harte Gold reports AISC in accordance with the updated guidance issued by the WGC.

The WGC definition of AISC seeks to extend the definition of total Cash Costs by adding corporate general and administrative costs, reclamation and remediation costs (including accretion and amortization), exploration and study costs and sustaining capital expenditures and represents the total costs of producing gold from current operations. AISC excludes income tax payments, interest costs, costs related to business acquisitions and items needed to normalize earnings. Consequently, these measures are not representative of all of the Company's cash expenditures. In addition, the calculation of AISC does not include depreciation expense as it does not reflect the impact of expenditures incurred in prior periods. Therefore, it is not indicative of the Company's overall profitability. Other companies may quantify these measures differently as a result of different underlying principles and policies applied. Differences may also occur due to different definitions of sustaining versus non-sustaining capital.

OUTSTANDING SHARE DATA AS OF NOVEMBER 14, 2019

Issued and outstanding common shares	676,857,227
Share purchase warrants	26,591,707
Options	48,300,000
Fully Diluted shares	751,748,934

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. There have been no material changes in the Company's internal control over financial reporting during the quarter ended September 30, 2019 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry, including operational risks in exploration, development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of the Company to obtain all permits, consents or authorizations required for its operations and activities; and health, safety and environmental risks, the risk of commodity price and foreign exchange rate fluctuations, the ability of Harte Gold to fund the capital and operating expenses necessary to achieve the business objectives of Harte Gold, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by the Company. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements. Statements in relation to "reserves" or "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves or resources described may be profitably produced in the future.

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

November 14, 2019

"Sam Coetzer"

Sam Coetzer
President and CEO

"Rein A. Lehari"

Rein A. Lehari CPA, CA
Chief Financial Officer