HARTE GOLD CORP

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017

Management's Comments on Unaudited Condensed Interim Consolidated Financial Statements

The accompanying unaudited condensed interim consolidated financial statements of Harte Gold Corp. (the "Company" or "Harte") for the three and nine months ended September 30, 2017 have been prepared by management, reviewed by the Audit Committee and approved by the Board of Directors of the Company.

In accordance with National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators, the Company herewith discloses that the accompanying unaudited interim consolidated financial statements have not been reviewed by an auditor.

November 14, 2017

"Stephen G. Roman"	"Rein A. Lehari"
Stephen G. Roman	Rein A. Lehari
Chairman, President and CEO	Chief Financial Officer

Harte Gold Corp.

(An Exploration Stage Company)

Consolidated Statement of Financial Position as at

(Unaudited)

Canadian dollars		**September 2017**		December 31, 2016
Assets				
Current Assets				
Cash and cash equivalents	**$**	**20,181,158**	$	27,232,409
Receivables (note 5)		**2,773,842**		2,777,498
Prepaids		**157,552**		25,448
		23,112,552		30,035,355
Long Term Assets				
Restricted Cash (note 4)		**1,718,836**		1,537,588
Property and Equipment (note 6)		**1,825,205**		102,940
Exploration and Evaluation Expenditures (note 7)		**81,881,316**		44,170,665
	$	**108,537,909**	$	75,846,548
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities (note 8)	**$**	**14,175,025**	$	10,384,552
Current portion of long-term debt (note 10)		**2,574,470**		-
Flow-through share premium (note 11)		**-**		4,680,385
		16,749,495		15,064,937
Long Term Liabilities				
Long-term debt (note 10)		**616,667**		2,203,254
Environmental Rehabilitation Provision (note 9)		**1,718,836**		1,370,807
Deferred Tax Liability		**625,819**		625,819
Total Liabilities		**19,710,817**		19,264,817
Shareholders' Equity				
Capital stock and warrants (notes 12 & 14)		**96,834,849**		67,797,467
Other reserves		**8,649,699**		7,810,536
Deficit		**(16,657,456)**		(19,026,272)
		88,827,092		56,581,731
	$	**108,537,909**	$	75,846,548

The accompanying notes are an integral part of these financial statements

Harte Gold Corp.

(An Exploration Stage Company)

Condensed Statements of Operations and Comprehensive Loss and Deficit
For the Three and Nine Months Ended
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	**2017**	2016
Revenue				
Interest Income and other income	**$ 86,806**	$ 4,711	**$ 199,548**	$ 5,856
Expenses				
Management and consulting fees (note 17)	**229,000**	174,000	**663,500**	522,000
Promotion and travel	**35,399**	28,999	**148,742**	52,154
Office and general	**179,006**	73,297	**375,770**	214,140
Interest expense (note 10)	**160,855**	154,674	**465,168**	309,806
Professional fees	**13,395**	19,585	**150,230**	67,228
Stock-based compensation (note 13)	**58,216**	-	**425,205**	43,524
Shareholders' information	**111,538**	38,960	**282,106**	138,418
Amortization	**132**	148	**396**	444
Flow-through share premium (note 11)	**-**	-	**(4,680,385)**	(60,000)
	787,541	489,663	**(2,169,268)**	1,287,714
Net Income (Loss) and Comprehensive Loss	**(700,735)**	(484,952)	**2,368,816**	(1,281,858)
Net income per share - basic and fully diluted	**$ (0.001)**	$ (0.001)	**$ 0.005**	$ (0.004)
Weighted average number of shares outstanding				
Basic and fully diluted	**495,304,718**	346,244,552	**461,631,598**	324,347,069

The accompanying notes are an integral part of these financial statements

Harte Gold Corp.

(An Exploration Stage Company)

Condensed Statements of Cash Flow for the Three and Nine Months Ended (unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
Canadian dollars	**2017**	2016	**2017**	2016
Cash provided by (used in):				
Operations				
Net Income (loss)	**$ (700,734)**	$ (484,952)	**$ 2,368,817**	$ (1,281,858)
Adjustments to reconcile net loss to cash flow from operating activities:				
Amortization	**132**	148	**396**	444
Stock-based compensation	**58,216**	-	**425,205**	43,524
Flow-through share premium	**-**	-	**(4,680,385)**	(60,000)
Loan accretion (note 10)	**64,605**	53,424	**172,883**	105,519
	(577,781)	(431,380)	**(1,713,084)**	(1,192,371)
Net changes in non-cash working capital items:				
Prepaids	**(85,086)**	12,900	**(132,104)**	3,017
Subscription receivables	**-**	11,250	**-**	11,200
Receivables	**(1,272,354)**	(1,226,658)	**3,656**	(2,369,232)
Accounts payable and accrued liabilities	**(354,067)**	(123,589)	**(355,113)**	3,837,666
	(2,289,288)	(1,757,477)	**(2,196,645)**	290,280
Financing				
Long-term debt (note 10)	**625,000**	-	**815,000**	2,427,250
Cost of share issuances	**(1,005,176)**	(175,758)	**(1,005,176)**	(297,916)
Issuance of units (notes 11 & 12)	**25,000,570**	4,050,000	**25,000,570**	6,050,000
Options exercised (note 13)	**710,000**	-	**924,000**	75,000
Warrants exercised (note 14)	**350,000**	1,868,418	**4,059,164**	3,256,166
	25,680,394	5,742,660	**29,793,558**	11,510,500
Investing				
Property and equipment	**(1,027,539)**	(29,180)	**(1,761,352)**	(33,444)
Additions to exploration and evaluation expenditures	**(15,008,068)**	(177,582)	**(42,891,530)**	(7,842,176)
Bulk Sample cash receipts	**-**	**-**	**10,004,718**	**-**
	(16,035,607)	(206,762)	**(34,648,164)**	(7,875,620)
Net increase in cash and cash equivalents	**7,355,499**	3,778,421	(7,051,251)	3,925,160
Cash and cash equivalents, beginning of period	**12,825,659**	547,057	**27,232,409**	400,318
Cash and cash equivalents, end of period (note 4)	**$ 20,181,158**	$ 4,325,478	**$ 20,181,158**	$ 4,325,478
Cash and cash equivalents includes the following:				
Cash	**$ 2,061,160**	$ 4,325,478	**$ 2,061,160**	$ 4,325,478
Guaranteed investment certificates	**18,119,998**		**18,119,998**	
	$ 20,181,158	$ 4,325,478	**$ 20,181,158**	$ 4,325,478
Supplemental cash flow information:				
Interest paid on Secured Note	**$ 93,750**	$ 93,750	**$ 281,250**	$ 196,747

The accompanying notes are an integral part of these financial statements

Harte Gold Corp.

(An Exploration Stage Company)

Condensed Statement of Changes in Shareholders' Equity

(unaudited)

Canadian dollars	Common Shares (Note 12) #	Common Shares (Note 12) $	Warrants (Note 14) #	Warrants (Note 14) $	Subtotal $	Shares to be Issued $	Other Reserves $	Deficit $	Total Shareholders' Equity $
December 31, 2015	**306,354,364**	**36,608,398**	**44,404,663**	**807,444**	**37,415,842**	**215,049**	**5,423,923**	**(16,018,685)**	**27,036,129**
Issued as a result of:									
Private placements (notes 12 and 14)	23,500,000	4,210,653	18,500,000	1,839,347	6,050,000				6,050,000
Secured notes			10,291,000	384,301	384,301				384,301
Shares to be issued (note 18)						687,561			687,561
Flow-through premium (note 11)		(65,000)			(65,000)				(65,000)
Share issuance costs		(360,778)	488,400	62,862	(297,916)				(297,916)
Stock options exercised	700,000	75,000			75,000				75,000
Warrants exercised (note 14)	22,038,669	3,647,523	(22,038,669)	(391,357)	3,256,166				3,256,166
Warrants expired (note 14)			(5,416,256)	(192,201)	(192,201)		192,201		-
Stock options granted (note 13)							140,692		140,692
Net loss for the period								(796,906)	(796,906)
September 30, 2016	**352,593,033**	**44,115,796**	**46,229,138**	**2,510,396**	**46,626,192**	**902,610**	**5,756,816**	**(16,815,591)**	**36,470,027**
Issued as a result of:									
Private placements (notes 12 and 14)	71,794,871	25,000,000			25,000,000				25,000,000
Shares issued to Technica (note 21)	4,249,600	1,487,360			1,487,360	(902,610)			584,750
Flow-through premium (note 11)		(4,615,385)			(4,615,385)				(4,615,385)
Share issuance costs		(1,251,549)	2,153,846	234,264	(1,017,285)				(1,017,285)
Warrants exercised (note 14)	2,126,400	390,315	(2,126,400)	(73,730)	316,585				316,585
Stock options granted (note 13)							2,053,720		2,053,720
Net loss for the year								(2,210,681)	(2,210,681)
December 31, 2016	**430,763,904**	**65,126,537**	**46,256,584**	**2,670,930**	**67,797,467**	**-**	**7,810,536**	**(19,026,272)**	**56,581,731**
Issued as a result of:									
Private placements (notes 12 and 14)	40,323,500	25,000,570			25,000,570				25,000,570
Property acquisitions	100,000	61,000			61,000				61,000
Share issuance costs		(1,005,176)			(1,005,176)				(1,005,176)
Stock options exercised	3,530,000	924,000			924,000				924,000
Warrants exercised (note 14)	23,869,570	4,651,032	(23,869,570)	(591,868)	4,059,164				4,059,164
Warrants expired (note 14)			(122,161)	(2,176)	(2,176)		2,176		-
Stock options granted (note 13)							836,987		836,987
Net loss for the period								2,368,816	2,368,816
September 30, 2017	**498,586,974**	**94,757,963**	**22,264,853**	**2,076,886**	**96,834,849**	**-**	**8,649,699**	**(16,657,456)**	**88,827,092**

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS

Harte Gold Corp. (The "Company" or "Harte Gold") was incorporated in Ontario on January 22, 1982 and is a reporting issuer in the Provinces of Ontario, Alberta and British Columbia. The common shares of the Company trade on the Toronto Stock Exchange under the symbol "HRT" and on the Frankfurt Stock Exchange under the symbol "H4O". The head office and principal address of the Company is 8 King Street East, Suite 1700, Toronto, Ontario, M5C 1B5.

The Company is engaged in the acquisition, exploration and development of mineral resource properties with a focus on gold properties located in the Province of Ontario, Canada, and currently owns interests in two advanced exploration projects: the Sugar Zone Property, 60 km east of the Hemlo area gold mines, and the Stoughton-Abitibi Property (formerly Stoughton-Porcupine), 110 km east of Timmins and 50 km north east of Kirkland Lake. Harte Gold has completed an Advanced Exploration and Bulk Sample program ("Bulk Sample") on its Sugar Zone Property and is completing work under a 30,000 tonne Phase 1 Commercial Production Permit. The results of this work and additional studies that are underway will be used to determine the recoverability and economics of its resource. On the basis of information to date, the Company has not yet identified a mineral resource on its Stoughton-Abitibi Property.

2. BASIS OF PREPARATION

a) *Statement of Compliance*

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRIC") interpretations applicable to companies reporting under IFRS, including IAS 34, Interim Financial Reporting. Accordingly, certain information and disclosure normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed. These condensed interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2016, which were prepared in accordance with IFRS.

The management of Harte prepared these unaudited condensed interim financial statements, which were then reviewed by the Audit Committee and the Board of Directors. The unaudited condensed interim financial statements were authorized for issue by the Board of Directors on November 14, 2017.

b) *Continuance of Operations*

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of interests in mineral properties and the Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims and noncompliance with regulatory and environmental requirements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the Company's financial statements for the year ended December 31, 2016.

4. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

Restricted cash of $1,718,836 at September 30, 2017 (December 31, 2016 - $1,537,588) is cash held by the Ontario Ministry of Northern Development and Mines ("MNDM") as assurance that the Company will complete its remediation obligations for all permitted work on the Sugar Zone Property.

5. RECEIVABLES

		September 30, 2017		December 31, 2016
GST/HST receivable	**$**	**2,696,865**	$	643,488
Bulk Sample Revenue receivable		**-**		2,093,683
Other		**76,977**		40,327
	$	**2,773,842**	$	2,777,498

6. PROPERTY AND EQUIPMENT

	Equipment and Furniture [1]			Site Vehicles [1]			TOTAL
	Cost	Amortization	NBV	Cost	Amortization	NBV	NBV
December 31, 2015	**$ 12,030**	**$ 8,455**	**$ 3,575**	**$ 107,665**	**$ 73,301**	**$ 34,364**	**$ 37,939**
Additions	8,359	2,326	6,033	73,158	14,190	58,968	65,001
December 31, 2016	**20,389**	**10,781**	**9,608**	**180,823**	**87,491**	**93,332**	**102,940**
Additions	113,929	7,824	106,105	143,370	14,001	129,369	235,474
September 30, 2017	**$ 134,318**	**$ 18,605**	**$ 115,713**	**$ 324,193**	**$ 101,492**	**$ 222,701**	**$ 338,414**

	Land			Buildings			TOTAL
	Cost	Amortization	NBV	Cost	Amortization	NBV	NBV
December 31, 2016	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Additions	902,968	-	902,968	601,085	17,262	583,823	1,486,791
September 30, 2017	**$ 902,968**	**$ -**	**$ 902,968**	**$ 601,085**	**$ 17,262**	**$ 583,823**	**$ 1,486,791**

	Cost	Amortization	NBV
Grand Total	**$1,962,564**	**$ 137,359**	**$ 1,825,205**

1) Amortization on property and equipment located at the exploration site is capitalized to exploration and evaluation expenditures. Amortization on head office property and equipment is expensed.

7. EXPLORATION AND EVALUATION EXPENDITURES

Sugar Zone Property, Hemlo Gold Area

The Sugar Zone Property consists of approximately 80,000 hectares within the Sault Ste. Marie Mining Division located in Ontario. The Sugar Zone Property includes 4 mining leases (1,467 hectares), with the remainder held in the form of unpatented mining claims. The Company holds a 100% interest in all of these.

Certain of these claims and leases are subject to net smelter royalties (“NSR”) ranging from 3.0% to 3.5% in favour of the original vendors of the properties which can be reduced by 1.5% upon payments of up to $3.0 million.

The following costs have been capitalized to exploration and evaluation expenditures in respect of the Sugar Zone Property.

		September 30, 2017		December 31, 2016
Opening Balance	**$**	**44,170,665**	$	29,397,307
Expenditures incurred during the year				
Land costs		**320,284**		208,650
Environmental Rehabilitation Provision (note 9)		**348,029**		1,022,854
Mill Construction		**7,495,908**		-
Mining and Bulk Sample costs		**19,785,029**		27,277,405
Bulk Sample revenues		**(10,004,718)**		(17,707,193)
Exploration geophysics, drilling and assays		**11,425,303**		1,722,817
Site access		**321,327**		381
Sugar Zone site costs		**2,049,795**		214,966
Engineering and Exploration consultants		**3,658,746**		191,383
Direct management/employees		**1,860,475**		1,164,865
Stock-based compensation (note 13)		**411,782**		659,519
Amortization of vehicles (note 6)		**38,691**		15,924
Total for this period		**37,710,651**		14,773,358
Closing Balance end of period	**$**	**81,881,316**	$	44,170,665

Stoughton-Abitibi Property, Timmins Porcupine Gold Area

The Stoughton-Abitibi Property (formerly known as Stoughton-Porcupine property), is located along the Destor-Porcupine Fault, 110 km east of Timmins, 50 km north-east of Kirkland Lake, Ontario and 10 km due east of the Holloway-Holt gold mine and mill and consists of a 90% interest in 9 claims and a 100% interest in 25 claims in the Larder Lake Mining Division of Ontario.

In 2009, the Company concluded that it should prioritize the Sugar Zone Property and recorded an impairment provision against the Stoughton-Abitibi Property. Minimal exploration activity has taken place since then, and any costs incurred have similarly been provided for as an additional impairment provision. In view of the current poor investment climate for mining exploration properties on which no indications of resources exist, management have concluded that it would be too speculative to estimate a recoverable amount for the Stoughton-Abitibi Property in excess of $nil at September 30, 2017.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2017	December 31, 2016
Accounts Payable	$ 13,660,339	$ 6,843,721
Deferred Contract Mining Fee (note 17)	-	2,065,774
Accrued Liabilities	514,686	1,475,057
Total accounts payable and accrued liabilities	**$ 14,175,025**	$ 10,384,552

9. ENVIRONMENTAL REHABILITATION PROVISION

Pursuant to the Sugar Zone Mine Closure Plan, the Company is obligated to rehabilitate the Sugar Zone site. The cost of such rehabilitation work was estimated at an amount of $1,370,807 in late 2016 and increased by $348,029 in May 2017. On May 15, 2017, a Notice of Material Change was approved, permitting the Company to construct its mill. Accordingly, the additional rehabilitation liability was recorded to adjust the liability previously estimated in 2016.

Environmental Rehabilitation Provision at January 1, 2017	$	1,370,807
Rehabilitation liability arising during the period		348,029
Environmental Rehabilitation Provision at September 30, 2017	**$**	**1,718,836**

10. LONG-TERM DEBT

a) Secured Notes

In March 2016, the Company completed a non-brokered private placement of $2,500,000 Secured Notes (the “Notes”). The Notes bear interest at a rate of 15% per annum, payable quarterly in arrears. Principal is repayable on the second anniversary (March 31, 2018), and can be prepaid after April 1, 2017 with payment of interest in full for the particular quarter. The Notes are secured by a charge on the mining leases and unpatented mining claims of the Sugar Zone Property. In connection with the Notes, the Company issued 4 warrants per $1.00 principal amount of the Notes (10,000,000 warrants in total). Each warrant is exercisable into one common share of the Corporation on payment of $0.15 on or before the date that is twenty-four (24) months from Closing, provided that should the closing price of the common shares of the Corporation on the Toronto Stock Exchange be equal to or greater than $0.20 for a period of 10 consecutive trading days any time after the Closing Date, the Corporation may accelerate the Expiry Date of the Warrants by giving notice to the holders thereof through the issuance of a press release by the Corporation and in such case, the Warrants will expire on the 30th day after the date on which such notice is given by the Corporation. In connection with the placement of the Notes, the Company paid finders fees of $72,750 cash and 291,000 warrants. Each finders warrant is exercisable for a period of 24 months from closing at a price of $0.15 per common share.

The Notes have been accounted for as a compound financial instrument. The amount allocated to the liability component ($2,042,949) was determined by estimating the fair value of the debt assuming no equity component, and the balance was allocated to the warrants ($384,301). Subsequently, the liability amount is accreted with an effective interest rate of 27% so that the balance outstanding will be $2,500,000 on maturity, March 31, 2018. Accretion results in additional non-cash interest expense recorded for the duration of the Notes.

Balance beginning of period	**$**	**2,203,254**
Loan Accretion		172,883
Balance end of period	**$**	**2,376,137**

10. LONG TERM DEBT cont'd

b) Mortgage Payable

On January 31, 2017, Harte Gold acquired land and buildings in White River at a cost of $340,000 to be used as accommodation for its employees. The vendors took back a mortgage of $190,000, repayable annually over 3 years and secured by the property. Principal and interest payments on each of February 1, 2018 through 2020. Interest accrues at a rate of 3.0% per annum. Future principal payments are as follows:

February 1, 2018	$60,000
February 1, 2019	$60,000
February 1, 2020	$70,000

c) Mortgage Payable

On July 19, 2017, Harte Gold acquired a trailer park property in White River at a cost of $775,000 to be used as a camp facility for employees and contractors. The vendors took back a mortgage of $525,000, repayable annually over 5 years and secured by the property. Interest is payable semi-annually at a rate of 4.0% per annum and principal payments are due on each of July 20, 2018 through 2022. Future principal payments are as follows:

July 20, 2018	$105,000
July 20, 2019	$105,000
July 20, 2020	$105,000
July 20, 2021	$105,000
July 20, 2022	$105,000

d) Mortgage Payable

On August 9, 2017, Harte Gold acquired land and buildings in White River that were previously leased as its core shack at a cost of $145,000. The vendors took back a mortgage of $100,000, repayable annually over 3 years and secured by the property. Principal and interest payments on each of August 10, 2018 through 2020. Interest accrues at a rate of 3.0% per annum. Future principal payments are as follows:

August 10, 2018	$33,333.33
August 10, 2019	$33,333.33
August 10, 2020	$33,333.34

Long-term Debt		
Secured notes	$	2,376,137
Mortgages payable		815,000
		3,191,137
Current portion of long-term debt		(2,574,470)
Long-term portion of debt	**$**	**616,667**

11. FLOW-THROUGH LIABILITIES

Flow-through liabilities include the deferred premium portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through issues.

Balance on December 31, 2015	**$**	**60,000**
Settlement of liability through renouncement in Q1 2016		(60,000)
Liability incurred on flow-through shares issued		
March 31, 2016		65,000
December 14, 2016		4,615,385
Balance on December 31, 2016	**$**	**4,680,385**
Settlement of liability through renouncement in Q1 2017		(4,680,385)
Balance on September 30, 2017	**$**	**-**

On April 29, 2016, Harte Gold completed its third and final closing of a non-brokered private placement financing of 10,000,000 flow-through units at a price of $0.20 per unit for gross proceeds of $2,000,000. Each unit consists of one flow-through common share and one-half common share purchase warrant. Each full warrant is exercisable at $0.25 per common share for a period of 24 months from closing, subject to an acceleration clause on 30 days' notice should the Company's common shares trade at $0.30 or higher for a period of 10 consecutive trading days. Terms and conditions were identical on each tranche. A flow-through share premium of $65,000 was recorded on the financing. As of September 30, 2017, all funds had been spent.

On December 14, 2016, Harte Gold completed a bought deal offering of 38,461,538 flow-through common shares at a price of $0.39 per share, for gross proceeds of $15,000,000. A flow-through share premium of $4,615,385 was recorded on this financing. As of September 30, 2017, all funds had been spent.

12. CAPITAL STOCK

The Company is authorized to issue an unlimited number of common shares without par value.

Number of shares issued and outstanding.

The issued and outstanding common shares are as follows:

	September 30, 2017	December 31, 2016
Balance beginning of period	**430,763,904**	306,354,364
Private placement of units and shares	40,323,500	46,833,333
Private placement of flow-through units (note 11)	-	48,461,538
Shares for property acquisition	100,000	-
Shares issued to Technica (note 17)	-	4,249,600
Options exercised	3,530,000	700,000
Warrants exercised	23,869,570	24,165,069
Balance end of period	**498,586,974**	430,763,904

12. CAPITAL STOCK cont'd

On July 20, 2016, Harte Gold completed a non-brokered private placement financing of 13,500,000 units at a price of $0.30 per unit for gross proceeds of $4,050,000. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable at $0.35 per common share for a period of 24 months from closing.

On December 14, 2016, Harte Gold completed a brokered private placement financing of 33,333,333 common shares at a price of $0.30 per share, for gross proceeds of $10,000,000.

On July 5, 2017, Harte Gold completed a brokered private placement financing of 40,323,500 common shares at a price of $0.62 per share for gross proceeds of $25,000,570 and costs of $1,003,376 for net proceeds of $23,997,154.

13. STOCK OPTION PLAN

The Company has established a stock option plan to provide additional incentives to officers, directors, employees and consultants in their efforts on behalf of the Company in the conduct of its affairs. The terms of the stock option plan provide that the directors have the right to grant options to acquire common shares of the Company at not less than the closing market price of the shares on the day preceding the grant. The number of shares reserved for issuance is not to exceed 10% of the issued and outstanding common shares from time-to-time. At September 30, 2017, the Company had 16,558,697 (December 31, 2016 – 8,456,390) common shares available for granting of future options.

Under the terms of the plan, options vest immediately unless otherwise determined by the Board, and expire on the fifth anniversary from the date of issue unless otherwise specified. As at September 30, 2017, a total of 33,300,000 (December 31, 2016, 34,620,000) options were outstanding under the stock option plan.

The following table provides additional information regarding stock options outstanding at September 30, 2017.

	September 30, 2017		December 31, 2016	
	Weighted Average Exercise Price	**Number of Options**	Weighted Average Exercise Price	Number of Options
Outstanding beginning of period	**$ 0.14**	**34,620,000**	$ 0.14	23,800,000
Transactions during the period:				
Granted	**$ 0.42**	**1,600,000**	$ 0.175	1,200,000
Granted	**$ 0.70**	**1,150,000**	$ 0.350	11,600,000
Granted	**$ 0.71**	**150,000**		
Exercised	**$ 0.10**	**(650,000)**	$ (0.10)	(600,000)
Exercised	**$ 0.30**	**(2,630,000)**	$ (0.15)	(100,000)
Exercised	**$ 0.35**	**(150,000)**		
Exercised	**$ 0.175**	**(100,000)**		
Cancelled	**$ 0.10**	**(35,000)**	$ (0.10)	(150,000)
Cancelled	**$ 0.30**	**(55,000)**	$ (0.30)	(200,000)
Cancelled	**$ 0.35**	**(150,000)**		
Cancelled	**$ 0.42**	**(250,000)**		
Expired	**$ 0.30**	**(50,000)**	$ (0.50)	(150,000)
Expired	**$ 0.35**	**(150,000)**	$ (0.47)	(780,000)
Outstanding at end of period	**$ 0.22**	**33,300,000**	$ 0.20	34,620,000
Exercisable at end of period	**$ 0.21**	**31,550,000**	$ 0.20	33,695,000

13. STOCK OPTION PLAN cont'd

Expiry Date	Exercise price	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)	
April 25, 2019	$0.10	1.57	6,040,000	6,040,000	
May 9, 2019	$0.15	1.61	50,000	50,000	
July 31, 2019	$0.30	1.83	5,000	5,000	
October 14, 2020	$0.10	3.04	11,455,000	11,455,000	
November 9, 2020	$0.10	3.11	600,000	600,000	
March 22, 2021	$0.175	3.48	1,100,000	850,000	(1)
December 14, 2021	$0.35	4.21	11,400,000	10,975,000	(5)
February 26, 2022	$0.42	4.41	1,350,000	1,100,000	(6)
May 1, 2022	$0.70	4.59	900,000	325,000	(2)
May 29, 2022	$0.71	4.66	150,000	150,000	
September 5, 2022	$0.70	4.93	250,000	-	(7)
	$0.22	**3.31**	**33,300,000**	**31,550,000**	

Stock-based Compensation

The following table summarizes assumptions used with the Black-Scholes valuation model for the determination of stock-based compensation costs for stock options issued during the year ended December 31, 2016 and the nine months ended September 30, 2017:

Grant date	22-Mar-16	14-Dec-16	26-Feb-17	1-May-17
Number of options	1,200,000 (1)	11,600,000 (5)	1,600,000 (6)	900,000 (2)
Share price	$ 0.175	$ 0.270	$ 0.420	$ 0.690
Exercise price	$ 0.175	$ 0.350	$ 0.420	$ 0.700
Expected life in years	5	5	5	5
Volatility (3)	93.83%	93.62%	93.05%	93.83%
Risk-free interest rate	0.65%	1.07%	1.33%	0.92%
Dividend yield	0.00%	0.00%	0.00%	0.00%
Fair value per option (4)	$ 0.124	$ 0.182	$ 0.2989	$ 0.4902
Fair value assigned to options	$ 149,226	$ 2,109,741	$ 478,223	$ 441,214

13. STOCK OPTION PLAN cont'd

Grant date	**29-May-17**	**5-Sep-17**
Number of options	150,000	250,000 [(7)]
Share price	$ 0.710	$ 0.650
Exercise price	$ 0.710	$ 0.700
Expected life in years	5	5
Volatility [(3)]	93.83%	93.45%
Risk-free interest rate	0.86%	1.49%
Dividend yield	0.00%	0.00%
Fair value per option [(4)]	$ 0.5056	$ 0.4576
Fair value assigned to options	$ 75,845	$ 114,391

1 330,000 options of these options vest over time based on the occurrence of certain future events. 500,000 of these options were issued as a result of an extension of non-vested options previously expired.

2 325,000 of these options were vested as of May 1, 2017; 75,000 of these options vest based on the occurrence of certain future events, and 500,000 of these options vest on its one year anniversary date.

3 Volatility is determined based on historical share prices

4 Where options have been granted in which vesting is conditional upon future events, the fair value has been estimated taking into account the probability and timing of meeting those future events, and the fair value is recognized based on these probabilities.

5 300,000 of these options vest over time based on the occurrence of certain future events.

6 250,000 of these options vest over time based on the occurrence of certain future events.

7 125,000 of these options vest after three months and 125,000 vest on its one year anniversary date.

14. WARRANTS

As at September 30, 2017, there were 22,264,853 (December 31, 2016 – 46,256,584) warrants to purchase common shares outstanding. Warrants expire as follows:

	Exercise Price	**Warrants**	**Expiry date**
Balance at December 31, 2015		**44,404,663**	
Expired		(5,416,256)	
Exercised		(24,165,069)	
Issued on secured notes	$ 0.15	10,291,000	March 22, 2018
Issued	$ 0.25	1,625,000	March 31, 2018
Issued for finder's fee	$ 0.22	195,000	March 31, 2018
Issued	$ 0.25	2,875,000	April 20, 2018
Issued for finder's fee	$ 0.22	245,400	April 20, 2018
Issued	$ 0.25	500,000	April 29, 2018
Issued for finder's fee	$ 0.22	48,000	April 29, 2018
Issued	$ 0.35	13,500,000	July 20, 2018
Issued for finder's fee	$ 0.375	1,000,000	December 14, 2018
Issued for finder's fee	$ 0.49	1,153,846	December 14, 2018
Balance at December 31, 2016		**46,256,584**	
Expired		(122,161)	
Exercised		(23,869,570)	
Balance at September 30, 2017		**22,264,853**	

14. WARRANTS cont'd

The weighted average share price on the date of exercise was $0.55 (2016 - $0.26).

The following tables summarize assumptions used with the Black-Scholes valuation model for the determination of the value allocated to the warrants issued as part of the unit financings during the years ended December 31, 2016 and the nine months ended September 30, 2017:

Issue date	22-Mar-16	31-Mar-16	31-Mar-16	20-Apr-16	20-Apr-16
Number of warrants	10,291,000	1,625,000	195,000 [1]	2,875,000	245,400 [1]
Share price	$ 0.175	$ 0.18	$ 0.18	$ 0.24	$ 0.24
Exercise price	$ 0.15	$ 0.25	$ 0.22	$ 0.25	$ 0.22
Expected life in years	2.0	2.0	2.0	2.0	2.0
Volatility [(2)]	117.92%	117.92%	117.92%	117.82%	117.82%
Risk-free interest rate	0.54%	0.54%	0.54%	0.62%	0.62%
Dividend yield	0%	0%	0%	0%	0%
Fair value per warrant	$ 0.1100	$ 0.0954	$ 0.1002	$ 0.1415	$ 0.1476
Fair value of warrants issued	$ 1,132,010	$ 155,024	$ 19,540	$ 406,736	$ 36,232
Relative fair value assigned to warrants	$ 384,301	$ 136,165	$ -	$ 261,788	$ -

Issue date	29-Apr-16	29-Apr-16	20-Jul-16	14-Dec-16	14-Dec-16
Number of warrants	500,000	48,000 [1]	13,500,000	1,000,000 [1]	1,153,846 [1]
Share price	$ 0.24	$ 0.24	$ 0.28	$ 0.27	$ 0.27
Exercise price	$ 0.25	$ 0.22	$ 0.35	$ 0.375	$ 0.490
Expected life in years	2.0	2.0	2.0	2.0	2.0
Volatility [(2)]	117.82%	117.82%	112.03%	98.49%	98.49%
Risk-free interest rate	0.67%	0.67%	0.59%	0.79%	0.79%
Dividend yield	0%	0%	0%	0%	0%
Fair value per warrant	$ 0.1415	$ 0.1477	$ 0.1473	$ 0.1181	$ 0.1007
Fair value of warrants issued	$ 70,761	$ 7,089	$ 1,987,956	$ 118,101	$ 116,164
Relative fair value assigned to warrants	$ 45,540	$ -	$ 1,395,854	$ -	$ -

1 In the absence of a reliable measure of the services received, the services have been measured at the fair value of the finder's warrants issued.
2 Volatility is determined based on historical share prices.

The expiry dates of warrants outstanding as of September 30, 2017 are as follows:

Expiry date	Number of warrants outstanding	Exercise price	Weighted average remaining contractual life (years)
December 17, 2017	50,000	$ 0.15	0.21
March 22, 2018	5,811,000	$ 0.15	0.47
April 20, 2018	1,712,562	$ 0.25	0.55
April 20, 2018	134,445	$ 0.22	0.55
April 29, 2018	400,000	$ 0.25	0.58
April 29, 2018	3,000	$ 0.22	0.58
July 20, 2018	12,000,000	$ 0.35	0.80
December 14, 2018	1,000,000	$ 0.38	1.21
December 14, 2018	1,153,846	$ 0.49	1.21
	22,264,853	**$ 0.30**	**0.73**

15. INCOME (LOSS) PER SHARE

The calculation of the basic earnings per share for the nine months ended September 30, 2017 was based on the income (loss) attributable to common shareholders of $2,368,816 (loss for the nine months ended September 30, 2016 - $1,281,858) and a weighted average number of common shares outstanding of 461,631,598 (September 30, 2016 – 324,347,069).

There have been no significant capital transactions from the reporting date to the date of this filing which have had a material impact on earnings per share.

Income (loss) for the nine months ended September 30, 2017 divided by weighted average number of common shares outstanding is equal to $0.005 per share.

Numerator	$2,368,816
Denominator	461,631,598
Earnings per share	$ 0.005

16. RELATED PARTY TRANSACTIONS

Balances and transactions with related parties as at and in the nine months ended September 30, 2017 were as follows:

For period ended September 30, 2017		**Amount charged**		**Due (to) from**
Silvermet Inc.	**$**	**81,064**	$	412
Global Atomic Fuels Corporation		**136,890**		50,000

Amounts due to or from related parties are unsecured, non-interest bearing and due on demand. These are settled on a regular basis. These companies are related parties since one or more directors, officers and consultant are associated with these companies in the same capacity. The related party payments to Silvermet relate to reimbursement for Harte Gold's share of the office lease and are expensed. The related party payments to Global Atomic Fuels Corporation reimburse for Harte Gold's share of office supplies expenses, and are expensed as incurred. Transactions with related parties were in the normal course of operations and were measured at the same value as if the transactions had occurred with non-related parties.

For the period ended September 30, 2017, the Company paid key management personnel, including officers, directors or their related entities for consulting services and/or management services, as follows:

		September 30, 2017		September 30, 2016
Management and consulting fees	**$**	**522,000**	$	522,000
Consulting fees included in exploration				
and evaluation expenditures		**286,050**		135,000
Stock based compensation				
- expensed to the Statement of Operations and Comprehensive Loss		**149,445**		-
- capitalized to exploration and evaluation expenditures		**22,734**		-
	$	**980,229**	$	657,000

17. COMMITMENTS

During 2015, the Company entered into a contract with Technica Group Inc. ("Technica") to complete the Bulk Sample work on a contract basis. The contractor fee was deferred and settled in part on December 30, 2016 with the issuance of 4,249,600 shares to Technica at a price of $0.35 per share. The balance was settled in cash in June 2017, with some final amounts to be closed out. Harte Gold entered into a new contract with Technica Group Inc. on March 26, 2017 for additional ramp, sill and vent raise development to be completed under the new production permit, at a cost of $12 million.

An engineering, procurement and construction management contract in the amount of $2.3 million was entered into with Halyard Inc. on March 23, 2017 for construction of a mill. Additional commitments have been entered into, bringing total commitments for the mill and surface infrastructure to $14.8 million as of September 30, 2017, of which $8.7 million had been paid by September 30, 2017.

In accordance with a 2010 agreement, the Company has acquired a 100% interest in 3 claims known as the Halverson claims, which are subject to a 3% net smelter royalty. The Company must make 5 annual royalty prepayments of $20,000 for the 5 years ended June 28, 2019. If an economically viable deposit is found within that period, these payments ($100,000 cumulatively) are deemed to be a prepayment of royalties. Otherwise, the royalty obligation is cancelled on completion of the 5 payments.

On August 14, 2017, the Company entered into an option agreement to acquire a 100% interest in a claim within the Sugar Zone Property. An initial payment of $12,000 plus 100,000 common shares was made. On the first anniversary, a further payment of $20,000 and 100,000 common shares is required. A final payment of 100,000 common shares is required on the second anniversary. Upon making all such payments, the Company will acquire a 100% interest in the claim, subject to a 3.0% net smelter royalty. The Company has committed to fly an airborne survey over the claim during the option period.

The Company also has a commitment under a site access agreement to pay $20,000 per annum during exploration and $70,000 per annum upon commercial production, subject to a cumulative maximum of $500,000.

In connection with the issuance of flow-through shares and the related renouncement of exploration expenditures, the Company commits to spend such funds on eligible exploration expenditures (see note 11).